PAAC

PARLIAMENT
REPUBLIC OF TRINIDAD AND TOBAGO

FIFTH REPORT OF THE

THE COMMITTEE ON PUBLIC ADMINISTRATION AND APPROPRIATIONS

SECOND SESSION OF THE 11TH PARLIAMENT

INQUIRY

Examination into the Ministry of Housing and Urban Development with specific reference to Accountability and Transparency, Inventory Control, Internal Audit, Sub - Head 02 - Goods and Services, Sub - Head 03 - Minor Equipment Purchases, Sub – Head 09 Development Programme – Consolidated Fund and Infrastructure Development Fund.

Public Administration and Appropriations Committee

The Public Administration and Appropriations Committee (PAAC) is established by Standing Order 102 and 92 of the House of Representatives and the Senate respectively. The Committee is mandated to consider and report to Parliament on:

(a) *the budgetary expenditure of Government agencies to ensure that expenditure is embarked upon in accordance with parliamentary approval;*

(b) *the budgetary expenditure of Government agencies as it occurs and keeps Parliament informed of how the budget allocation is being implemented; and*

(c) *the administration of Government agencies to determine hindrances to their efficiency and to make recommendations to the Government for improvement of public administration.*

Current membership

Mrs. Bridgid Mary Annisette-George	Chairman
Dr. Lackram Bodoe	Vice-Chairman
Ms. Nicole Olivierre	Member
Mr. Maxie Cuffie	Member
Mrs. Ayanna Webster-Roy	Member
Mr. Clarence Rambharat	Member
Mr. Daniel Dookie	Member
Mr. Wade Mark	Member
Mrs. Allyson Baksh	Member
Mr. Dhanayshar Mahabir	Member

Committee Staff

The current staff members serving the Committee are:

Ms. Keiba Jacob	Secretary to the Committee
Ms. Sheranne Samuel	Assistant Secretary
Ms. Rachel Nunes	Parliamentary Intern
Mr. Brian Lucio	Graduate Research Assistant

Publication

An electronic copy of this report can be found on the Parliament website using the following link:
http://www.ttparliament.org/committee_business.php?mid=19&id=232&pid=28

Contact Information

All correspondence should be addressed to:

The Secretary
Public Administration and Appropriations Committee
Office of the Parliament
Levels G-9, Tower D
The Port of Spain International Waterfront Centre
1A Wrightson Road, Port of Spain, Republic of Trinidad and Tobago
Tel: (868) 624-7275 Ext 2372, 2373; 2409 Fax: (868) 625-4672
Email: paac@ttparliament.org

Date Laid in HOR: ________________ **Date Laid in Senate:** ________________

Table of Contents

Members of the Public Administration and Appropriations Committee

Mrs. Bridgid Mary Annisette-George
Chairman

Dr. Lackram Bodoe
Vice Chairman

Ms. Nicole Olivierre
Member

Dr. Dhanayshar Mahabir
Member

Mrs. Ayanna Webster-Roy
Member

Mr. Maxie Cuffie
Member

Mr. Wade Mark
Member

Mr. Daniel Dookie
Member

Mrs. Allyson Baksh
Member

Mr. Clarence Rambharat
Member

EXECUTIVE SUMMARY

The Public Administration and Appropriations Committee (PAAC) is established by Standing Order (S.O.) 102 and 92 of the House of Representatives and the Senate respectively. The Committee is mandated to consider and report to Parliament on:

a) the budgetary expenditure of Government agencies to ensure that expenditure is embarked upon in accordance with parliamentary approval;

b) the budgetary expenditure of Government agencies as it occurs and keeps Parliament informed of how the budget allocation is being implemented; and

c) the administration of Government agencies to determine hindrances to their efficiency and to make recommendations to the Government for improvement of public administration.

This Report of the PAAC for the Second Session of the Eleventh Parliament contains the details of the examination of the Ministry of Housing and Urban Development (MHUD) on –

- Accountability and Transparency;
- Inventory Control;
- Internal Audit;
- Goods and Services;
- Minor Equipment Purchases;
- Current Transfers and Subsidies;
- Development Programme – Consolidated Fund; and
- Infrastructure Development Fund.

In undertaking this examination, the Committee looked at overarching issues such as Accountability and Transparency, Inventory Control and Internal Audit as well as specific Sub – Heads. The Committee employed two (2) mechanisms: written submissions and a Public Hearing. The Committee made a general call for written submissions from the Ministry and conducted a review and analysis of the written submissions. Subsequently, the Committee conducted a Public Hearing[1] with the Ministry. A subsequent request for additional information was made.

The Committee has proffered recommendations related to the issues identified. The Committee's observations and recommendations are presented in chapter 2.

[1] The Chairman recused herself from the examination of the Ministry of Housing and Urban Development at the Public Hearing held on April 20, 2017.

1. INTRODUCTION

THE COMMITTEE

The PAAC of the Eleventh Republican Parliament was established by the revised Standing Orders to:

- examine current public expenditure, thereby capturing the full budget cycle by providing Parliamentary oversight of the implementation of the budget; and
- conduct a real time examination of the expenditure by Ministries and Departments.

In the 11th Parliament the Members of the Committee were appointed by resolutions of the House of Representatives and the Senate at sittings held on Friday November 13, 2015 and Tuesday November 17, 2015 respectively. However, by a Resolution of the Senate passed on December 19, 2016, Dr. Dhanayshar Mahabir was appointed in lieu of Ms. Melissa Ramkissoon.

By virtue of S.O. 109(6) and 99(6) of the House of Representatives and the Senate respectively, the Chairman of the Committee is the Speaker. At its First Meeting held on January 27 2016, Dr. Lackram Bodoe was elected as the Vice-Chairman. Additionally, in order to exercise the powers granted to it by the House, the Committee was required by the Standing Orders to have a quorum. A quorum of three (3) Members, inclusive of the Chairman or Vice-Chairman, with representatives from both Houses, was agreed to by the Committee at its First Meeting.

The Committee in the discharge of its Parliamentary Financial Oversight function of monitoring the implementation of the budget focused on, the expenditure and internal control measures of the Ministry of Housing and Urban Development as it relates for the following:

- Accountability and Transparency;
- Inventory Control;
- Internal Audit;
- Accountability and Transparency;
- Sub-Head 02: Goods and Services;
- Sub-Head 03: Minor Equipment Purchases.
- Sub-Head 04: Current Transfers and Subsidies;

- Sub- Head 09: Development Programme – Consolidated Fund; and
- Infrastructure Development Fund.

The objective of the Committee's inquiry was to determine whether there was accountability, transparency and value for money in the use of public funds.

METHODOLOGY

Determination of the Committee's Work Programme

At an in-camera meeting of the Committee held on Wednesday November 16, 2016, it was agreed that the Committee would commence an inquiry into the Ministry of Housing and Urban Development.

Based on these discussions, the Committee identified two (2) possible approaches to conduct its examination:

- macro approach; and
- specific Sub-Heads of Expenditure.

Review of Documents

The Committee deliberated on the budget documents, namely:

i. The Draft Estimates of Expenditure
ii. The Ministry of Finance's Call Circular
iii. General Warrant

The Committee noted the total allocations for Current Transfers and Subsidies, Development Programme - Consolidated Fund and the Infrastructure Development Fund for 2016 were as follows:

Sub-Head	Total – 2017
Goods and Services	$17,793,000
Minor Equipment Purchases	$915,000
Current Transfers and Subsidies	$953,863,600
Development Programme – Consolidated Fund	$86,100,000
Infrastructure Development Fund	$170,000,000

Current Transfers and Subsidies refers to the transfer of funds to Regional Bodies, Non-Profit Organisations, State Enterprises and Subsidies e.g. New City Mall Rehabilitation Programme.

The Development Programme consists of the Consolidated Fund and Infrastructure Development Fund. This constitutes the Capital Expenditure component of the National Budget and is used by the Government as a strategic tool to effectively execute its policies and achieve its national development objectives. This expenditure is intended to fund projects and programmes which are investments geared collectively towards stimulating economic growth and achieving high human development.

The Committee determined the examination would begin by a call for written responses to the MHUD to questions posed by the Committee. Questions[2] were sent on March 22, 2017 and written responses were requested to be submitted by April 05, 2017. However the Ministry requested an extension which was given with the new date given, April 10, 2017.

Implementation of the Work Programme

The Committee deliberated on the responses submitted by the Ministry and agreed to conduct a Public Hearing based on the content of the responses and current matters in the public domain.

The Inquiry Process

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

Identification of entity to be examined;

i. Preparation of Inquiry Proposal for the selected entity. The Inquiry Proposal outlines:
    I. Description
    II. Background;
    III. Overview of Expenditure
    IV. Rationale/Objective of Inquiry; and
    V. Proposed Questions.
ii. Consideration and approval of Inquiry Proposals by the Committee upon approval, questions are forwarded to the entity for written responses;
iii. Requests for written comment from the public are made via Parliament's website, social media accounts, newspaper and advertisements;

[2] Questions sent to the Ministries and Departments are included in **Appendix I**.

iv. Preparation of an Issues Paper by the Secretariat for the Committee's consideration, based on written responses received from the entities. The Issues Paper identifies and summarises any matters of concern in the responses provided by the entity or received from stakeholders and the general public;

v. Review of the responses provided and the Issues Paper by the Committee;

vi. Conduct of a site visit to obtain a first-hand perspective of the implementation of a project (optional);

vii. Determination of the need for a Public Hearing based on the analysis of written submissions and the site visit (if required). If there is need for a public hearing, the relevant witnesses will be invited to attend and provide evidence. There is usually no need to examine the entity in public if:

   a. the Committee believes the issues have little public interest; or

   b. the Committee believes that the written responses provided are sufficient and no further explanation is necessary.

viii. Issue of written request to the entity for further details should the Committee require any additional information after the public hearing.

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

x. Receive Ministerial Responses. Review responses.

xi. Engage in Follow-up.

2. ISSUES, OBSERVATIONS AND RECOMMENDATIONS

ISSUES

1. Inventory Control

The MHUD is currently working on an Electronic Monitoring System for monitoring inventory. As at 20 April, 2017, the system had been developed and MHUD was in the process of inputting data and it was expected to be completed over a two/three-month period. The system was said to be launched in the same week of the Public Hearing with the aim of all items going through the system e.g. stocks, inventory, assets etc. Prior to fiscal year 2016 items were not recorded in the Inventory Register however, the Committee was assured that all items were now being recorded. The Ministry explained the reason for this issue was the constant reduction and expansion of the Ministry. The last check of the Inventory Vehicle Registers was done at the beginning of the year. The Ministry informed the Committee that the inventory of vehicles kept by agencies under its purview were not accounted for by the Ministry.

With regard to the movements of inventory between locations without documentation, the Ministry explained that they were in the process of storing all inventory in one location where items could not be easily removed without permission. The Ministry also stated if items were removed through regular checks the items removed would be identified and the item would be returned to its rightful location.

Recommendations:

- ***The Committee endorses the efforts made by the MHUD to ensure that all items are accounted for within the Ministry through the development of an Electronic Monitoring System. This system should be completed and in full operation by November 30, 2017.***
- ***The Ministry should develop a system that assists in accounting for the Inventory of vehicles purchased and utilised by the agencies and departments for which it is responsible. This should be developed by November 30, 2017.***

- ***The Ministry should adopt a more stringent approach to be taken against the unauthorised removal of inventory. Procedures for the removal of inventory must be developed in order for items to be properly accounted for.***
- ***Provide a Report to the Committee on these procedures by November 30, 2017.***

2. Training

The Committee learnt that no formal training was provided for persons who maintain the Inventory Register and persons assigned to the Audit Department. The Committee was informed that once funding became available the Ministry planned to conduct training relevant to the Inventory Register. However, if funding was unavailable, priority will be given to other training areas over Inventory. At the time of the inquiry, no training had been provided in these areas for the year. The Committee did note that the Ministry was in the process of developing a Training Policy which was at the review stage.

Recommendations

- ***Priority should be given to seeking training from the Ministry of Public Administration and Communications for persons within the Inventory Management Department and the Internal Audit Department.***
- ***The Ministry should request the necessary training from the Public Service Academy by November 30, 2017.***
- ***The Ministry's Training Policy should be developed and completed by November 30, 2017. Provide a copy of the policy to the Committee by December 01, 2017.***

3. Internal Audit

Based on the Committee's examination the Internal Audit Unit at the Ministry appears to be weak and the persons assigned to the Unit are underqualified. At the time of the inquiry there was only one person attached to the Audit Department at the level of Auditor II (with the basic qualifications of five O' level passes). The Ministry was seeking to hire an Auditor III.

The Committee learnt that all agencies under the purview of the Ministry conducted their own audits. Through MHUD submissions the Committee learned that the New City Mall and East Side Plaza were not audited due to safety and security concerns. The Committee learnt that all agencies under the purview of the Ministry conducted their own audits. In the case of the HDC which was previously held under the Ministry of Rural and Local Government and before that the ministry of Planning and Development it lacked proper Internal Audit. The MHUD did not provide internal audit services for the Corporation.

With regard to the Sugar Industry Welfare Labour Committee, it is a small agency, with one Auditor I, who was not trained as an Auditor. Meanwhile the Land Settlement Agency did not have an Internal Audit function. Due to a lack of funding the agency could not afford an Internal Auditor.

Recommendations

- ***The HDC should liaise with the Service Commission to request the necessary Internal Audit position(s) by November 30, 2017.***
- ***The Public Service Commission must be contacted to fill the vacant positions in the Internal Audit Unit of the Ministry by November 30, 2017.***
- ***The audit of the New City Mall and the East Side Plaza must begin by September 30, 2017. A report on the status and completion of these audits must be presented to the Committee by November 30, 2017.***
- ***The Ministry should make greater efforts to develop and implement rigorous systems to oversee all agencies under its purview.***

4. HDC Outstanding Audited Financial Statements

The HDC has not finalised any audits since 2004. The Committee was informed that the Corporation experienced difficulty with respect to the quality of financial records. Given the backlog, the HDC was awaiting approval from the Auditor General to engage an external auditor in order to speed up the process. At the time of the inquiry the Corporation was in the process of finalising reports for fiscal years 2005 and 2006. The

HDC indicated that accounts for 2007 to 2016 were unaudited but completed with limited adjustments to be implemented.

Subsequent to the Public Hearing, in correspondence received from the HDC letter dated July 27, 2017 indicated that the financial statements for 2005-2006 have been completed and the period 2007 and 2008 are currently being audited by auditing company KPMG. Upon completion of these statements the auditing of statements for 2009 would commence. The HDC also indicated that the Auditor General has granted permission to the HC to engage an external auditor to complete the auditing of the financial statements for the period 2010 -2013. The auditing of statements for the period 2014-2016 would begin once the auditing of the previous years is completed.

Recommendations

- ***The HDC should provide a status report on the progress of the audited financial statements by September 30, 2017.***
- ***The Ministry should include in the performance standards of the Chief Financial Officer of the HDC that financial statements should be audited every year.***

5. Revenue Collection

The Committee learned that as at April 13, 2017 mortgage arrears stood at 79% amounting to $106,772,397.67. A total of 3,155 of customers were either contacted or written to settle their arrears but this has not proven to be successful. In light of that the HDC approached Debt collecting agencies to assist with the collection of arrears however, this too has not proven to be extremely successful. As a measure to reduce this arrears, letters were sent to delinquent customers who were in arrears for over twelve (12) months and then referred to debt recovery.

Recommendations

- ***The Ministry should implement more stringent measures to reduce the large sum of arrears owed to the HDC and submit to Parliament a report on the progress made by November 30 2017.***

6. Monitoring and Evaluation Unit

There was no Monitoring and Evaluation unit at the Ministry. Further the Economic Policy and Research Unit was the body in charge of monitoring projects. The Ministry informed the Committee that it was in the process of developing a Project Unit which would encompass monitoring and evaluation.

Recommendations

- ***The Ministry should develop a Monitoring and Evaluation Unit must be developed by November 30, 2017. A Report on the steps taken and the status of the development of this Unit should be submitted to the Parliament by November 30,2017***
- ***The Ministry should also familiarise itself with the National Monitoring and Evaluation Policy[3] which serves as a guide for carrying out monitoring and evaluation in government Ministries and Departments.***

7. Illegal/Unauthorised Occupancy of HDC homes

During the examination of the Ministry, the Committee learnt of numerous incidents of persons occupying homes illegally or persons occupying abandoned homes without authorisation from the HDC or the account holder.

Recommendations

- ***The Ministry should collaborate with the HDC to develop procedures to avoid these instances from occurring in the future. A Report should be submitted to the Parliament by November 30, 2017.***
- ***The HDC should engage the Trinidad and Tobago Police Service and the Ministry of Attorney General and Legal Affairs to formulate strategies to address this situation and derive solutions to avoid it from occurring going***

[3]http://www.transforme.gov.tt/sites/default/files/library/documents/National%20Monitoring%20and%20Evaluation%20Policy%20of%20Trinidad%20and%20Tobago.pdf

forward. A Report should be submitted to the Parliament by November 30, 2017.

8. Educating the public

Based on the Committee's examination a number of misperceptions, false information, misunderstandings and fraud were noted. Among these were:

- The public perception that they apply to the HDC for homes when in actuality it is the MHUD.
- that once keys were presented believe the house was free no cost to the individual.

The Committee also learned of instances where persons pretend to be employed with the HDC and coerced persons to pay them a fee to attain a house. As such the need for an education programme to inform the population of the procedures and the processes of the HDC and by extension the Ministry, is apparent. Additionally the Committee noted that there was no system in place to inform applicants that they were selected.

Recommendations

- ***The HDC should refocus and re-implement their Public Education Program to ensure the mandate of the corporation is met. A status report on the progress of this program should be presented to the Committee by November 30, 2017.***
- ***The Ministry should develop a more efficient system to inform citizens of their current status in obtaining a home. This system should come on-stream by December 31, 2017.***
- ***The Ministry should provide to the Parliament a report on the system of informing citizens of their status by January 05, 2018.***

CONCLUSION

During the Second Session of the Eleventh Parliament, the PAAC conducted an examination into the Ministry of Housing and Urban Development with particular reference to Inventory Control, Internal Audit, Sub - Head 02 - Goods and Services, Sub - Head 03 - Minor Equipment Purchases, Head 04 - Current Transfers and Subsidies, Sub – Head 09 Development Programme – Consolidated Fund and Infrastructure Development Fund. During the course of the examination which consisted of written submissions and a Public Hearing, the Committee discovered a number of issues such as an ineffective Inventory Control and Internal Audit System, the non-existence of a Monitoring and Evaluation Unit, the lack of the necessary training required for staff, a significant indebtedness owed by the public to an agency under its purview, poor revenue collection methods and outstanding financial statements, among other concerns.

The Committee is of the view that the adoption of its proposed recommendations would lead to greater accountability, transparency and value for money in the use of public funds. Moreover, the Committee fully intends to continuously monitor the implementation of the recommendations proposed in its Report.

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

Sgd.

Mrs. Bridgid Mary Annisette-George
Chairman

Sgd.

Dr. Lackram Bodoe
Vice-Chairman

Sgd.

Mrs. Ayanna Webster-Roy
Member

Sgd.

Ms. Nicole Olivierre
Member

Sgd.

Mr. Maxie Cuffie
Member

Sgd.

Mr. Wade Mark
Member

Sgd.

Mr. Daniel Dookie
Member

Sgd.

Mrs. Allyson Baksh
Member

Sgd.

Mr. Clarence Rambharat
Member

Sgd.

Dr. Dhanayshar Mahabir
Member

APPENDIX I

Questions to Entities

Questions submitted to Ministry of Housing and Urban Development

Inventory Control:

i. The Acquisition of Materials and Motor Vehicles

Questions:

1. What procedure regarding inventory control is currently being followed by the Ministry?
2. How does the Ministry ensure that proper procedure is always followed?
3. What measures are currently employed by the Ministry to ensure that value for money is always achieved during the process?

ii. Proper maintenance of the Inventory Register

Questions:

1. Who is responsible for the updating of the Inventory registry?
2. Are the persons in this department sufficiently skilled to undertake this task?
3. How often is the register checked for accuracy to ensure information listed is up to date?
4. Are the recommendations of the Auditor General's Department taken into consideration?
5. Have errors in the register been detected by the Accounting Officer in the past? If yes, provide details on the errors detected and how they were treated with.
6. Is the register updated in time for submission to the Auditor General Department?
7. What efforts are being made by the Ministry to ensure that the information presented in the inventory register is always accurate?
8. Does the Ministry have sufficient personnel to deal with the maintenance of the inventory register? Are assigned personnel properly trained?

iii. Tagging of the Ministry's Inventory

Questions:

1. Are all items in the Ministry currently tagged?

2. What is used to tag these items?
3. How often are checks made to ensure that all items are properly tagged?
4. How long does this process take?
5. What problems are encountered by the administration department when tagging equipment, etc.?
6. Has the tagging of items helped the Ministry with the maintenance of the inventory register?

iv. Safeguarding Assets

Questions:

1. How does the Ministry ensure the security of all assets? How effective is the system used?
2. How are the State's materials and equipment stored?
3. Are sensitive materials securely stored? Provide details.
4. On average, how much is spent per year by the Ministry to replace equipment?

v. Omission of entries in the Register

Questions:

1. For the period 2011 - 2015, how often did the Auditor General's Department identify instances of omission at your Ministry?
2. What items have been omitted from the registry? What was the nature of these omissions? Why were the items omitted from the registry?
3. What steps have been taken to ensure that these mistakes do not recur?

vi. The disposal of obsolete machinery and equipment (also Motor Vehicles)

Questions:

1. In light of the proposed proclamation of the procurement legislation, what measures, if any, have been taken by your Ministry in preparation?
2. How often does the Ministry perform checks for obsolete equipment?

vii. No Policy for the Acquisition of Motor Vehicles

Questions:

1. In light of the proposed proclamation of the procurement legislation, what measures, if any, have been taken by your Ministry in preparation?
2. What guidelines are currently being used by the Ministry to guide the process for the acquisition of motor vehicles? What is the source of the authority?
3. Have these guidelines proven to be efficient and transparent thus far? Provide details/examples.
4. What problems have been experienced with the employment of these guidelines? Provide details.

Internal Audit:

i. Staffing of Internal Audit Units

Questions:

1. Is there an Internal Audit Unit in the Ministry?
2. How many persons are in this unit?
3. How many audit positions are on the Establishment? Provide details.
4. Is the Accounting Officer satisfied with the work being produced by this unit?
5. Is the Unit adequately staffed? If no, what is being done about this issue?
6. How many persons in this unit are qualified to perform internal audits?
7. Are internal auditing staff periodically trained to ensure compliance with updated International Standards for the Professional Practice of Internal Auditing?

i. The absence of a separate body for internal audit units to report to (conflict of interest)

Questions:

1. What happens after an Internal Audit Report is submitted to the Accounting Officer?
2. Is the Internal Audit Department allowed to perform an unbiased investigation?
3. What hurdles have been experienced thus far due to the line of responsibility currently in place?

4. Is there compliance with the recommendations of the Internal Auditor? Provide evidence of this.

ii. Efficiency of Internal Audit checks on specific areas

Questions:

1. Does the Ministry have a framework for executing internal audits?
2. How often are routine checks of the Ministry's activities performed by internal auditors?
3. Does the Internal Auditor's work programme cover all areas of the Ministry's functions?
    i. If yes, provide evidence.
    ii. If no, why are certain areas not considered in the Internal Auditor's work programme?
4. At what point during the financial year is an internal audit performed?
5. The Auditor General identified a lack of Internal Audit control as a pervasive issue, as there was no evidence of this function. Are there still instances of no audits being performed? If yes, why?
6. What impediments have Internal Auditors experienced?
7. Is the Accounting Officer aware of this deficiency in the oversight operations of the Ministry?
8. What systems have been implemented to address issues identified by the Internal Auditor?
9. In what ways has the Ministry's Internal Audit Unit contributed to improvements in the performance of the Ministry?
10. What is the Ministry's policy on providing Internal Auditors with all supporting documents and records of transactions for audit?
11. Has a Charter of Internal Audit work been prepared for fiscal year 2017? If yes, has it been reviewed by the Accounting Officer? If yes, please provide evidence of this.
12. Is there a need to improve the Ministry's internal control system? If yes, what measures will be implemented to improve the Ministry's internal control system?

13. What will be done to ensure the Internal Audit work programme covers all aspects of the Ministry's functions?

iii. Internal Audit Unit performing other administrative functions

Questions:

1. What are the job titles of the persons currently employed in the Internal Audit Unit?
2. Is the internal audit staff required to perform other administrative duties? If yes, how does this affect the internal audit function?
3. When are they allowed to execute duties pertaining to the internal audit function?

iv. Absence of a Defined Role for Internal Audit

Questions:

1. What problems have been encountered by the Ministry due to the absence of a defined role of the Internal Auditor in the Exchequer and Audit Act?
2. What mechanisms have been employed to work around these issues?
3. What advice would the Accounting Officer have for the Ministry of Finance when drafting an official Internal Audit definition?

Accountability and Transparency

1. In relation to allocations, how does the Accounting Officer (AO) ensure there is an appropriate framework in place to provide him with the required accountability to Parliament?
2. What is the process used by the Accounting Officer to measure outcomes, evaluate performance and demonstrate value for money?
3. How does the Accounting Officer test whether projects and programmes are feasible and provide value for money at the start and throughout their life?
4. How does the Accounting Officer determine whether the framework for accountability, transparency and value for money is working/applied?
5. Are there systems in place to measure whether this framework is reliable and efficient?
6. What is the process for dealing with failure or underperformance in programmes and projects?

7. How does the Accounting Officer provide meaningful oversight of State Enterprises, Statutory Bodies and Other Agencies receiving funding from the Ministry?
8. How does the Accounting Officer ensure accountability, value for money, transparency in satellite centres and Divisions of the Ministry?
9. Is there a framework governing conflict of interest? Describe the framework.
10. What measures are used to address conflicts of interest once identified?
11. What strategies are being employed to ensure there is efficiency and efficacy in expenditure of the allocation to the Ministry?
12. Given the current economic climate, has any consideration been given to the employment of measures to eliminate waste and unnecessary expenditure and to increase revenue collection?

Sub-Head: Goods and Services - $17,793,000

001 General Administration

Sub –Item: **08 Rent/Lease – Office Accommodation and Storage**

2016 Revised	2017	Variation
$2,200,000	$3,064,000	$864,000

Questions:

1. The allocation for Rent/Lease – Office Accommodation and Storage increased by 39% in fiscal year 2017, what changes are anticipated in fiscal year 2017?
2. What is the procurement policy for acquiring property? Please provide details.
3. Provide a list of all the rental/leased Office Accommodations and Storage occupied by the MHUD to date and the total cost of each property.
4. What are the monthly rental costs for each office and storage space? Are there attempts to establish ownership of rental/leased spaces?
5. Are the agencies, divisions or departments of the Ministry utilising these offices? Please provide evidence of this.
6. What systems will be implemented to ensure that rent/lease agreement payments are made in a timely manner and are recorded for transparency and accountability?
7. How does the Ministry evaluate and benchmark the rent/lease of office accommodation against purchasing office accommodation taking into consideration matters such as procurement and cost of providing the service?

8. Are Internal Audit reports produced to ensure that there is value for money, accountability and transparency as regards with this sub-item?
9. Are site visits conducted to ensure transparency and to determine whether there has been value for money?

Sub-Item: 22-Short-Term Employment

2016 Revised	**2017**	**Variation**
$6,800,000	$5,800,000	($1,000,000)

Questions:

1. What changes are anticipated in fiscal year 2017 regarding Short-Term Employment? What has been the impact of the decrease in allocation for the Ministry?
2. What type of work or service is provided by short-term employees at the Ministry?
3. Are any persons hired on a short-term arrangement in excess of six (6) months? Provide details.
4. Are there persons currently employed on a short–term contract who were previously employed on a three (3) year contract?
5. Describe the recruitment and selection process, including the criteria used to hire persons on Short-term Employment.
6. How many persons are employed on a long-term repeat basis on short-term contract in excess of one (1) year?
7. How many times have they been re-engaged? What was the justification?
8. Is there an appraisal system in place? Provide details of the system.
9. When was the last performance assessment conducted?
10. Prior to the re-engagement for each short-term employee is an assessment conducted?
11. How does the Permanent Secretary ensure value for money under this sub-item?

Sub-Item: 17 Training

2016 Revised	**2017**	**Variation**
$200	$100,000	$99,800

Questions:

1. What changes are anticipated in fiscal year 2017 regarding Training?
2. Please provide a list of the various Training Programmes scheduled for this fiscal year.
3. How does the Ministry identify training needs? Is there a training policy?
4. How does the Ministry plan on measuring the effectiveness of these Training Programmes?
5. Is an agency used to perform Training? If yes, what is the selection process for choosing training providers? Please provide details.
6. Are post-training evaluations conducted by the Ministry to ensure its effectiveness? If yes, please indicate how regularly and provide evidence of this.
7. What measures are in place to ensure that there is value for money Post-Training?

04 Current Transfers and Subsidies - $953,863,600

009 Other Transfers

Sub-item: 01 Trinidad and Tobago Housing Development Corporation

2016 Revised	2017	Variation
$423,700,000	$354,341,372	($69,358,628)

Questions:

1. The allocation for Trinidad and Tobago Housing Development Corporation decreased by 16.4% in fiscal year 2017, what changes are anticipated in fiscal year 2017? Provide a detailed breakdown of expenditure.
2. What is the Housing allocation policy?
3. How does the Ministry plan to oversee and account for the use of funds under this sub-item?
4. What is the status of the current housing stock? (completed/partially finished)
5. How many units has the HDC delivered for fiscal year 2016 and how many are intended to be delivered in fiscal year 2017?
6. How much of the allocation is utilised for administrative costs as compared to the amount for home construction?
7. What measures are in place to inform applicants of their status?
8. What measures are in place to reduce arrears owed by recipients of homes?
9. What percentage of accounts are in arrears (broken down by year over the past ten (10) years?

10. When was the last Financial Audit for the Trinidad and Tobago Housing Development Corporation conducted? What were the findings? Provide brief details.
11. Have any recommendations been implemented? Provide details.
12. What measures are in place to guarantee value for money, accountability and transparency under these sub-items?

09 Development Programme Consolidated Fund - $86,100,000

004 Social Infrastructure - $80,500,000

08 Housing and Settlements - $75,500,000

B. Land Development

a. **064 Brothers Garth Housing Development – SILWC - $2,000,000**
b. **070 Tarouba Central Housing Development – SILWC - $2,000,000**
c. **078 Upgrading of SILWC Housing Development - $2,000,000**

Questions:

a. Why was the allocation for fiscal year 2016 not utilised?
b. What is the current housing stock?
c. What oversight mechanisms are in place to ensure that there is value for money, accountability and transparency for these projects?
d. Who monitors the upgrading of the SILWC (Sugar Industry Labour Welfare Committee) Housing Development? What monitoring controls are in place to ensure value for money with regard to upgrades?
e. What is the tendering process when choosing a contractor for the projects stated above?
f. Provide the following details for these projects in the 2017 financial year:
    - Contract terms;
    - Project actual start date;
    - Total cost;
    - Total cost to date;
    - Expected completion date;
    - Percentage of the project completed to date;
    - Initial cost and the current revised cost; and
    - Project outcomes.

g. What is the Ministry's role in preventing, detecting and investigating fraud within these projects?

D. Housing Estates

1. **075 Rehabilitation and Maintenance of HDC Rental Apartments and Housing Units**

Questions:

1. Provide details on the number of HDC Rental Apartments and Housing Units expected to be improved for fiscal year 2017 and the locations.
2. How does the HDC plan to treat with the issue of abandoned/vandalised houses?
3. Is there a policy in place for this? If yes, please provide.
4. Does the HDC have a database of all abandoned/vandalised houses?
5. Are there systems in place to ensure effective compliance, proper management of assets and adequate performance for this project? If yes, provide a detailed description.
6. What oversight mechanisms are in place to ensure that there is value for money, accountability and transparency for this project?
7. What is the Ministry's role in preventing, detecting and investigating fraud within this project?
8. What systems are in place to ensure there is proper usage of funds for this project?

14 Social and Community Services

002 Social and Economic Programme for East Port of Spain

2016 Estimate	2016 Revised	2017	Variation
$5,000,000	$700,000	$5,000,000	$4,300,000

Questions:

1. Considering the revised allocation for fiscal year 2016 against the allocation given in the same fiscal year for this programme, what changes are anticipated in fiscal year 2017 for this programme?
2. Are there systems in place to ensure effective compliance, proper management of assets and adequate performance for this project? If yes, provide a detailed description.

3. What oversight mechanisms are in place to ensure that there is value for money, accountability and transparency for this project?
4. What is the Ministry's role in preventing, detecting and investigating fraud within this project?
5. What systems are in place to ensure there is proper usage of funds for this project?

Infrastructure Development Fund - $170,000,000

004 Social Infrastructure - $160,000,000

08 Housing and Settlements

E. Settlements

230 Accelerated Housing Programme

Questions:

1. What changes are anticipated for this programme in fiscal year 2017?
2. In what ways would the Accounting Officer oversee and account for the allocation of funds to this project?
3. What are the functions and structure for this project?
4. What are the benefits of this project to the citizens of Trinidad and Tobago?
5. What systems are in place to ensure there are effective compliance and proper management of funds? Please provide details of these systems.
6. What oversight mechanisms are in place to ensure that there is value for money, accountability and transparency with respect to this project descriptions and respective transactions?
7. What is the Ministry's role in preventing, detecting and investigating fraud within this project?

14 Social and Community Services - $10,000,000

A. Community Development

2016 Estimate	2016 Revised	2017	Variation
$15,000,000	$2,000,000	$10,000,000	$8,000,000

A. 001 Urban Redevelopment

Questions:

1. Provide details based on the following:
    a. Project Description;
    b. Project start date;
    c. Total cost of the project to date; and
    d. Expected completion date.
2. The allocation for Urban Redevelopment increased by 400% in fiscal year 2017, what changes are anticipated in fiscal year 2017?
3. In what ways would the Accounting Officer oversee and account for the allocation of funds for this project?
4. How will this project benefit the citizens of Trinidad and Tobago?
5. What oversight mechanisms are in place to ensure that there is value for money, accountability and transparency with respect to this project descriptions and respective transactions?
6. What is the Ministry's role in preventing, detecting and investigating fraud within this project?

APPENDIX II

The Inquiry Process

The Inquiry Process

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

xii. Identification of entity to be examined;

xiii. Preparation of Inquiry Proposal for the selected entity. The Inquiry Proposal outlines:

    VI. Description

    VII. Background;

    VIII. Overview of Expenditure

    IX. Rationale/Objective of Inquiry; and

    X. Proposed Questions.

xiv. Consideration and approval of Inquiry Proposals by the Committee and when approved, questions are forwarded to the entity for written responses;

xv. Issue of requests for written comment from the public are made via Parliament's website, social media accounts, newspaper and advertisements;

xvi. Preparation of an Issues Paper by the Secretariat for the Committee's consideration, based on written responses received from the entities. The Issues Paper identifies and summarises any matters of concern in the responses provided by the entity or received from stakeholders and the general public;

xvii. Review of the responses provided and the Issues Paper by the Committee;

xviii. Conduct of a site visit to obtain a first-hand perspective of the implementation of a project (optional);

xix. Determination of the need for a Public Hearing based on the analysis of written submissions and the site visit (if required). If there is need for a public hearing, the relevant witnesses will be invited to attend and provide evidence. There is usually no need to examine the entity in public if:

xx. the Committee believes the issues have little public interest; or

xxi. the Committee believes that the written responses provided are sufficient and no further explanation is necessary.

xxii. Issue of written request to the entity for further details should the Committee require any additional information after the public hearing.

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

APPENDIX III

Minutes of Meetings

THE PUBLIC ADMINSTRATION AND APPROPRIATIONS COMMITTEE – SECOND SESSION, ELEVENTH PARLIAMENT

**MINUTES OF THE TWENTY-SECOND MEETING HELD ON THURSDAY APRIL 20, 2017 AT 1:37 P.M.IN THE ARNOLD THOMASOS EAST MEETING ROOM, LEVEL 6,
AND THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR, TOWER D, OFFICE OF THE PARLIAMENT,
INTERNATIONAL WATERFRONT CENTRE,
1A WRIGHTSON ROAD, PORT OF SPAIN.**

Present were:

Mrs. Bridgid Mary Annisette-George	-	Chairman
Dr. Lackram Bodoe	-	Vice-Chairman
Mrs. Ayanna Webster-Roy	-	Member
Mrs. Allyson Baksh	-	Member
Mr. Maxie Cuffie	-	Member
Ms. Nicole Olivierre	-	Member
Mr. Wade Mark	-	Member
Ms. Candice Skerrette	-	Secretary
Ms. Sheranne Samuel	-	Assistant Secretary
Mr. Brian Lucio	-	Parliamentary Intern

Absent were:

Mr. Clarence Rambharat	-	Member (Excused)
Dr. Dhanayshar Mahabir	-	Member (Excused)
Mr. Daniel Dookie	-	Member (Excused)

COMMENCEMENT

1.1 At 1:37 p.m. the Chairman called the meeting to order.

1.2 The Chairman indicated that Mr. Clarence Rambharat, Dr. Dhanayshar Mahabir and Mr. Daniel Dookie asked to be excused from the meeting.

EXAMINATION OF MINUTES OF THE TWENTY-FIRST MEETING

2.1 The Committee examined the Minutes of the Twenty-First (21st) meeting held on Thursday March 23, 2017.

2.2 The following corrections were made:

- Item 7.5, bullet point 3, page 5: the word "with" replaced the word "to".
- Item 7.5, bullet point 11, page 6: the sentence "The non-auditing of arms and ammunition by the Trinidad and Tobago Police Service and the awareness of the situation" was reworded to read "The inability of the TTPS to audit arms and ammunition and the awareness of the Ministry of Finance of this situation".
- Item 7.5, bullet point 17, page 6: "The recurring areas/tasks within the Internal Audit function disregarded by the Ministries and Departments e.g. A complete Internal Audit Work Programme" was reworded to read "The continued disregard for specific tasks/areas within the Internal Audit function by Ministries and Departments e.g. complete Internal Audit Work Programmes and Charters."
- Insertion of questions sent to the Chief Personnel Officer at Appendix I.

2.3 There being no further omissions or corrections, the Minutes as amended were confirmed on a motion moved by Mr. Wade Mark and seconded by Mrs. Allyson Baksh.

MATTERS ARISING FROM THE MINUTES OF THE TWENTY-FIRST MEETING

3.1 As per item 3.1, the Chairman informed Members that the public hearing scheduled for Wednesday April 12, 2017 was postponed due to a sitting of the House of Representatives. The Chairman indicated that out of an abundance of caution the meeting was rescheduled to Thursday April 27, 2017 in Trinidad at the Parliament Building. It was suggested that in the Third Session, 11th Parliament, the Committee may be able visit Tobago, when considering another aspect of following the budget.

3.2 The Chairman clarified that meetings Committee meetings were shifted to Thursdays only for April, the Committee would resume its regular meeting day (Wednesday) in May.

3.3 As per item 3.2, the Chairman reminded Members to send their comments on the Ministerial Responses to the First Report of the Committee and thanked Members who responded thus far. The Chairman instructed the Secretariat to send individual reminder emails to the other Members with the specific Ministerial Responses attached and a deadline for response by April 27, 2017.

3.4 As per item 5.1, the Chairman thanked Members who provided feedback on the Reports on the Office of the President and the System of Inventory Control. The Chairman also indicated that Ministries and Departments that were being examined separately would be excluded from the Report on the System of Inventory Control, as this topic formed part of the wider inquiry of these Ministries and Departments.

3.5 The Committee agreed to the finalisation of both reports. It was also agreed that the reports would be presented in the House of Representatives by the Vice-Chairman. The Secretariat was directed to liaise with the Senators appointed to the Committee to determine who would present the reports in the Senate.

3.6 As per item 6.4, the Chairman indicated that a written submission was requested from the Chief Personnel Officer by letter dated March 28, 2017. The response was received on April 20, 2017.

3.7 As per item 10.2, the Chairman informed Members that additional questions were sent to stakeholders who appeared before the Committee at the second hearing related to the System of Inventory Control on March 23, 2017. All responses were received.

COMMITTEE WORK SCHEDULE

4.1 The Committee discussed the work programme. It was indicated that site visits were not likely in the remainder of the Second Session. After much discussion, the Committee agreed to prioritise an inquiry with a site visit early in the Third Session, Eleventh Parliament.

4.2 Follow-up meetings and spot checks were emphasised as follow-up mechanisms for reports of the Committee.

4.3 The concerns of retired public servants as it related to pensions was suggested as a possible topic for the Committee's consideration.

[The Chairman recused herself from the examination of the Ministry of Housing and Urban Development. The Vice-Chairman took the chair]

PRE-HEARING DISCUSSION - EXAMINATION OF THE MINISTRY OF HOUSING AND URBAN DEVELOPMENT'S EXPENDITURE AND INTERNAL CONTROLS FOR FISCAL YEAR 2017

5.1 The Vice-Chairman invited Members to review the Issues Papers on the Ministry of Housing and Urban Development.

5.2 Members discussed the approach to be taken for the examination.

5.3 There being no further business for discussion in camera, the Vice-Chairman suspended the meeting at 2:27 p.m., to be reconvened in public.

EXAMINATION OF THE MINISTRY OF HOUSING AND URBAN DEVELOPMENT'S EXPENDITURE AND INTERNAL CONTROLS FOR FISCAL YEAR 2017

6.1 The Vice-Chairman called the public meeting to order at 2:36 p.m., in the J. Hamilton Maurice Room, Mezzanine Floor.

6.2 The following officials joined the meeting:

MINISTRY OF HOUSING AND URBAN DEVELOPMENT

Mrs. Marion Hayes	-	Permanent Secretary (Ag.)
Ms. Danragie Mootoo	-	Director, Human Resource Management Division
Ms. Nina Antoine	-	Senior Economist, Economic Research and Planning Unit
Ms. Lydia Brown	-	Executive Officer, Sugar Industry Labour Welfare Committee
Mr. Solomon Lamb	-	Accountant
Mr. Brent Lyons	-	Managing Director, HDC
Mr. Inskip Pollonais	-	Divisional Manager, Finance (Ag.), HDC
Mr. Romel Ramarack	-	Divisional Manager, Construction Management and Operation, HDC
Ms. Goomatee Rajkumarsingh-Maharaj	-	Auditor II

6.3 The Vice-Chairman welcomed officials, members of the media and the public.

6.4 The Vice-Chairman outlined the mandate of the Committee and the purpose of the hearing. Introductions were then exchanged.

6.5 The following issues arose from the examination of the Ministry of Housing and Urban Development:

i. An overview of the Ministry of Housing and Urban Development;
ii. The Housing policies to treat with the needs of the population;
iii. The current complement of the housing stock of throughout Trinidad and Tobago;
iv. The status of the Ministry's outstanding Administrative Reports and Audited Financial Statements;
v. The status of the outstanding Administrative Reports and Audited Financial Statements of the Agencies/State Enterprises under the purview of the Ministry;
vi. The percentage of the Ministry's budgetary allocation that has been spent to date;
vii. The status of the HDC's Public-Private partnerships;
viii. The maintenance of the Inventory Register;
ix. The causes for the delays in updating the Inventory Register;
x. The training provided for staff responsible for maintaining the Inventory Register;
xi. The status of the Ministry's implementation of an electronic system for the monitoring of inventory;
xii. The frequency of checks conducted on the Inventory Register and vehicle Register;
xiii. The ways in which the Ministry accounts for the inventory and vehicles kept by its Agencies/State Enterprises under its purview;
xiv. The inadequacy of staffing of the Ministry's Internal Audit Unit;
xv. The status of the Internal Audit Units in Agencies/State Enterprises under the purview of the Ministry;
xvi. The inability of the Ministry to cover all areas of the Ministry's functions when carrying out internal audits;
xvii. The level of Risk Management practiced by the Ministry;
xviii. The absence of a Risk Register;

xix. The level of the Ministry's compliance with the Operational Health and Safety Act (OSHA);
xx. The absence of a Monitoring and Evaluation Unit at the HDC and the burden placed on the Economic and Planning Unit to engage in some aspects of monitoring and evaluation;
xxi. The status of the HDC's Internal Audit Unit;
xxii. The level of the HDC's compliance with the Operational Health and Safety Act (OSHA);
xxiii. The status of the HDC's Risk Register;
xxiv. The status of the Sugar Industry Labour Welfare Committee's (SILWC) Internal Audit Unit;
xxv. The Accounting Officer's level of satisfaction with the present Internal Audit Function at the Ministry and in Agencies/State Enterprises under its purview;
xxvi. The progress made in the restructuring exercise carried out by the Ministry;
xxvii. The current complement of the HDC's housing stock;
xxviii. The lack of Internal Audit Units at New City Mall and East Side Plaza;
xxix. The absence of Internal Audits carried out by New City Mall and East Side Plaza;
xxx. The instances of high-end vehicles being leased by the Ministry;
xxxi. The lack of a policy to guide the acquisition of motor vehicles;
xxxii. The status of the tagging of vehicles leased by the Ministry and the HDC;
xxxiii. The level of project management practiced by the HDC;
xxxiv. The process of following up on HDC projects;
xxxv. The challenges faced by the HDC in its revenue collection and initiatives to reconcile same;
xxxvi. The status of the HDC's Mortgage Conversion Caravan Drive;
xxxvii. The strategies to encourage HDC renters to bring outstanding arrears up to date;
xxxviii. The status of HDC's revenue collection over the current financial year;
xxxix. The existence of a debt servicing programme provided by the HDC;
xl. The need for new arrangements/terms and conditions for HDC external debt collectors in 2017 to close gap between when debt is collected and remitted to HDC;
xli. The limitations in carrying out assessments for new incoming HDC home owners;
xlii. The measures in place to treat with abandoned HDC homes;
xliii. The total value of the abandoned housing stock;
xliv. Measures put in place to monitor HDC housing stock;
xlv. The plans to address applicant uncertainty for HDC applications;
xlvi. The status of the Ministry's relocation plans;
xlvii. The status of the sale of abandoned HDC units;
xlviii. The need for the Ministry to implement a public education drive for prospective home applicants and current owners;
xlix. The measures taken by the Ministry to reduce the occurrences of fraudulent home occupation;
l. The measures for applicants to track their applications ;
li. The level of customer service received by HDC applicants;
lii. The deficiencies of the current point system for HDC applications which are in excess of 10 years;
liii. The Ministry's process to employ persons under 'short term employment';
liv. The number of HDC employees (1020);
lv. The reasons for the delayed preparation of HDC management accounts;

lvi. The status of outstanding HDC audited financial statements from 2004/2005;
lvii. The need for additional external auditors to expedite the auditing of outstanding HDC audited financial statements from 2005-2016;
lviii. The key findings of the 2004 HDC audited statements;
lix. The reasons for the delayed Board appointment of the Sugar Industry Labour Welfare Committee and the impact on infrastructural works;
lx. The projected revenue for the Victoria Keyes Housing Development and realized revenue to date;
lxi. The role of Regional Corporations to assist with providing maintenance for current housing projects for the Sugar Industry Labour Welfare Committee;
lxii. The eligibility criteria for housing units of the Sugar Industry Labour Welfare Committee Board;
lxiii. The status of the 2,500 units under Accelerated Housing Programme;
lxiv. The status of the two abandoned HDC towers at Edinburgh 500;
lxv. The percentage of the Ministry's Development Programme implemented to date;
lxvi. The training and community services provided by the East Port of Spain Development Company;
lxvii. The timeliness of the release of funds from the Ministry of Finance to the East Port of Spain Development Company; and
lxviii. The recommendations to assist the Ministry of Housing and Urban Development and its agencies in performing its duties and functions.

6.6 The Chairman thanked officials for attending and they were excused.

[Please see the verbatim notes for the detailed oral submission of the witnesses]

SUSPENSION

7.1 At 5:33 p.m., the Vice-Chairman suspended the *public* meeting to resume *in camera* for a post-hearing discussion with Members only.

RESUMPTION

8.1 At 5:37 p.m. the Vice-Chairman resumed the meeting *in camera.*

POST-HEARING DISCUSSION

9.1 The Vice-Chairman sought Members' views on the public hearing. The Committee noted the need to public education regarding the services of the Ministry of Housing and Urban Development and its agencies and expressed concern about the weak internal controls, the absence of a strategic plan and the need for a housing assessment.

9.2 The Committee agreed that additional questions would be sent to the Ministry of Housing and Urban Development. [**Please see Appendix 1**]

ADJOURNMENT

10.1 There being no other business, the Vice-Chairman adjourned the meeting to **Thursday April 27, 2017 at 1:30 p.m**.

10.2 The adjournment was taken at 5:49 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

April 25, 2017

APPENDIX 1

ADDITIONAL INFORMATION REQUESTED FROM THE MINISTRY OF HOUSING AND URBAN DEVELOPMENT

General

I. Provide a status update on the Ministry's submission of Audited Financial Statements and Administrative Reports to Parliament inclusive of the most recent audit dates.
II. Provide a status update on the submission of Audited Financial Statements and Administrative Reports to Parliament for the Agencies and State Enterprises under the Ministry's purview inclusive of the most recent audit dates.
III. Provide recommendations to improve the Ministry and its Agencies efficiency and effectiveness and to correct any issues in relation to the areas under examination.
IV. What is the current size of the housing stock of Trinidad and Tobago?
V. Has the Ministry conducted an assessment of the housing needs of Trinidad and Tobago? If yes, when was it conducted and what were the findings? If no, why has an assessment not been conducted?
VI. How much of the Ministry's total budgetary allocation has been spent to date?
VII. Provide a breakdown of Ministry staffing inclusive of the number of Public Servants and Contract Officers (short term and fixed term).

Inventory Control

VIII. Provide details on the Inventory System at New City Mall and East Side Plaza.

IX. Are all motor vehicles documented in the Vehicle Register?
X. Describe the method used to determine leasing versus purchasing vehicles at the HDC?
XI. What is the policy for the leasing of vehicles at the HDC?
XII. What is the status of the inventory exercise being conducted at the Programme Monitoring and Coordinating Unit, an offsite unit of the Ministry? Have there been any follow-up exercises? If yes, when was it?
XIII. Since fiscal year 2016, has the Inventory Register been updated by the Ministry and submitted to the Auditor General's Department?
XIV. What was the cause for the delay in updating the register?
XV. With regard to the annual checks done on the registers, has this proven to be successful given the long time period between checks?
XVI. Why were annual checks chosen over quarterly or bi-annual checks?
XVII. What are the reasons for all items not being tagged?
XVIII. What items are not tagged?
XIX. How is inventory currently accessed by staff? What is the current procedure?
XX. Are there penalties in place to prevent staff from removing items without proper authorisation?
XXI. Does the timeframe of 2-3 weeks for the tagging of the Ministry's inventory include satellite centres and Divisions of the Ministry?
XXII. How has the installation of security cameras throughout the Ministry been "fairly effective"?
XXIII. What are the Ministry's plans to ensure that the measure used to monitor inventory becomes fully effective?
XXIV. Have additional cameras been purchased by the I.T. Unit, to date? If no, why not?
XXV. Is there a procedure followed to access materials and equipment stored?
XXVI. Who has the authorisation to access sensitive materials?
XXVII. Are there plans to replace equipment in fiscal 2017? Provide a list of the items replaced in fiscal 2016.
XXVIII. What does the Accounting Officer intend to achieve by restructuring the General Administration Department in preparation for the Procurement Legislation?
XXIX. How many persons will be assigned to the Procurement Unit?
XXX. Describe the relationship between the Mechanical Services Division of the Ministry of Works and Transport and the Ministry of Housing and Urban Development?

Internal Audit

XXXI. What is a Ministerial Audit?
XXXII. What is the difference between a Ministerial Audit, a Forensic Audit and an Information Technology Audit?
XXXIII. What is a Partial Audit? Were there any other audits conducted on the LSA?
XXXIV. Is there a 2017 Internal Audit Work Programme?
XXXV. Since the establishment of the LSA, has there ever been a fully functional Audit Unit?
XXXVI. Has the New City Mall, East Side Plaza and East Port of Spain established their own Units thus far? If no, what are the Ministry's plans to ensure this is completed?
XXXVII. Does the Ministry have an Operational Health and Safety Act (OSHA) Register?
XXXVIII. Provide relevant documentation to validate that the Ministry is OSHA compliant.
XXXIX. What were the date(s) of the most recent internal audits conducted by New City Mall and East Side Plaza?

XL. What are the reason(s) for not adequately training staff to ensure compliance with International Standards for the Professional Practice of Internal Auditing?

XLI. Are there plans to train staff to perform specific audits?

XLII. How does the Accounting Officer ensure that agencies under the Ministry's purview conduct audits?

XLIII. What steps are taken by the Ministry when an agency fails to conduct an audit?

XLIV. What are the reasons for the inability to cover all areas of the Ministry's functions?

XLV. What functions are not covered by the existing framework for internal audits?

XLVI. What steps have been taken to increase the staff complement to ensure that the Internal Audit work programme covers all aspects of the Ministry's functions?

XLVII. Is the Accounting Officer satisfied with the monitoring services of the Technical Advisor and the Economic Planning and Research Unit?

XLVIII. Has the Accounting Officer considered other alternatives or systems to monitor agencies falling under the Ministry's purview?

XLIX. What progress has been made in the establishment of an Audit Department at the LSA?

L. What steps have been taken to explore the creation of the post of an Auditor III? Provide a status update.

LI. When does the Ministry plan to audit the LSA, New City Mall, East Port of Spain and the East Side Plaza?
   i. How long have these entities been unaudited?
   ii. When was the last audit conducted on these entities? What were the findings?
   iii. Describe the security concerns faced when auditing these entities?
   iv. How can these security concerns be overcome?
   v. When will the Accounting Officer be meeting with these entities concerning their internal audit?

LII. What has the LSA done to rectify the limited staff at the agency?

LIII. How does the accounting practices of the LSA differ from that of the Public Service?

LIV. What was meant by the LSA statement regarding "the issue of governance by a Board"?

LV. In the absence of a proper Audit Unit, how does the Accounting Officer ensure accountability, transparency and value for money within the LSA?

Accountability and Transparency

LVI. What is the role of the Economic Policy and Research Unit? Is its role sufficiently tied to Monitoring and Evaluation for the staff to carry out this function?

LVII. How does the Ministry "ensure that proper procurement procedures are used"? (page 3 of submission)

LVIII. Is the Economic Policy and Research Unit sufficiently staffed and trained to absorb these additional duties of monitoring and evaluation?

LIX. Is anyone held culpable for failure or underperformance in programmes and projects? What are the consequences?

LX. When will the PMCD be approached to establish a position of Auditor III? Provide a date/timeframe.

LXI. What are the Accounting Officer's plans for strengthening the Internal Audit function and when will this be implemented?

LXII. What are the guidelines from the Central Tenders Board regulations used to govern conflicts of interest?

LXIII. Does the Ministry have a policy regarding conflict of interest?

LXIV. Have there been instances of conflict of interest in the past? If yes, how were they dealt with?

LXV. What is the Accounting Officer's current assessment of the ability of the Ministry to ensure efficiency and efficacy in expenditure?

Sub Head 02 - Goods and Services
Sub-Item: 08 Rent/Lease – Office Accommodation and Storage

LXVI. Has the Ministry considered purchasing a building to house the HDC instead of renting?

LXVII. Does the HDC own or rest the HDC Building and the timeframe of ownership/rental?

LXVIII. Has the Ministry of Public Administration and Communications been contacted to relocate the Ministry as a measure to reduce cost?

LXIX. Has consideration been given to house all units and departments of the Ministry at one location?

LXX. What accounts for the increase in storage at Chapman's?

LXXI. Do all agencies under the Ministry's purview follow the same procurement policy as the line Ministry?

LXXII. With regard to the Catholic Centre Car Park, clarify the statement "50% of actual cost"? (page 5 of submission)

Sub-Item: 22- Short-Term Employment

LXXIII. What is the rationale that 40 persons are employed on a long-term repeat basis on short-term contract in excess of 1 year? What is being in done to rectify this situation?

LXXIV. How long has the formal system of Performance Appraisal been introduced? Have informal appraisals been discontinued?

LXXV. Are there any benefits to the formal system in comparison to the informal system?

Sub-Item: 17 Training

LXXVI. How would the training programmes stated for financial year 2017 promote the mandate of this Ministry?

LXXVII. How many listed training programmes have been completed to date?

LXXVIII. How are training providers sourced?

LXXIX. How are trainers evaluated upon completion of a training exercise?

Sub Head 04- Current Transfers and Subsidies
009 Other Transfers
Sub-Item: 01 Trinidad and Tobago Housing Development Corporation (HDC)

LXXX. With reference to the statement, "25% on the recommendation of the Minister with responsibility for Housing to deal with special cases/emergencies", is this the only recommendation that the Minister has the authority?

i. Has there been any instances where the Minister made recommendations outside his remit? If yes, what were the reason(s)?
ii. Explain the point ratings provided in your response.
iii. Given that there are applicants awaiting a house for more than 15 - 20 years, are these applicants given priority by the HDC?
iv. When are the 5600 houses under construction expected to be completed?

LXXXI. Are there plans to create/implement a system to inform applicants of their status?
i. When will the review mentioned in your submission be completed?

LXXXII. How many housing units have been delivered thus far for fiscal 2017?

LXXXIII. What vote is HDC administrative costs covered?

LXXXIV. What has been the success rate of the HDC's debt collectors in terms of collecting outstanding arrears from delinquent tenants?

LXXXV. Describe the current issues in the relationship between the HDC and the debt collectors. How were these issues rectified?

LXXXVI. What is the number of units and total monetary value of the abandoned HDC housing stock throughout Trinidad and Tobago?

LXXXVII. Provide a status update on the sixteen (16) projects being undertaken by the HDC.

LXXXVIII. What is the HDC's procedure for hiring new members of staff?

LXXXIX. What is the process for hiring senior management inclusive of the selection criteria?

XC. In your submission, reference was made to "poor inventory management" (page 13). What does poor inventory management entail?

XCI. In your submission, reference was made to "a qualified audit report". Clarify what was meant by this statement?

XCII. What were the HDC's revenue collections for fiscal years 2015 and 2016?

XCIII. What was the date that the last update of the HDC's Inventory Records was conducted?

XCIV. What is the commencement date for the implementation of HDC's debt consolidation systems? (project financing, stage financing and PPP financing)

XCV. What current measures are in place to guarantee value for money, accountability and transparency under this sub-item?

XCVI. Provide the rationale for additional external auditors to expedite the HDC's outstanding Audited Financial Statements from 2004 – 2016.

09 Development Programme Consolidated Fund - $86,100,000

XCVII. What percentage of the Ministry's Development Programme has been implemented to date?

<u>B. Land Development – SILWC</u>

XCVIII. How much funds were allocated to the Sugar Industry Labour Welfare Committee in financial year 2015/2016 and 2016/2017?

XCIX. Provide the budgetary allocation of the SILWC under PSIP and Recurrent Expenditure for fiscal 2016 and 2017.

C. In the absence of a Board who monitors the projects of the SILWC?

CI. In light of the absence of a Board, what current projects been indefinitely deferred?

CII. Describe the infrastructural works at the housing developments under the purview of the SILWC?

CIII. Are the twenty four (24) Developments under the SILWC solely for past employees of the sugar industry?

D. Housing Estimates
075 Rehabilitation and Maintenance of HDC Rental Apartments and Housing Units

CIV. When will the policy to treat with vandalism and abandonment of houses be developed?
CV. How often is the record of all abandoned/vandalised houses updated?
CVI. What is the percentage of abandoned HDC units that are currently available for occupation?
CVII. When will the formulation of systems to effectively manage assets and performance be completed?
CVIII. What projects did the Ministry conduct site visits in fiscal 2016?
CIX. Are there plans to conduct site visits to the remaining projects in fiscal 2017? If yes, how soon will this be done? If no, why not?
CX. In reference to formulation of a Monitoring and Evaluation Plan and enhancing the Planning Unit, when will this be completed? Provide a status update.
CXI. How many persons are expected be employed within these Units?
CXII. Will these units be responsible for all programmes and projects undertaken by the Ministry and its agencies?
CXIII. Has the Ministry considered measures for expanding its role in preventing, detecting and investigating fraud?

14 Social and Community Services
002 Social and Economic Programme for East Port of Spain

CXIV. State the challenges faced following the reassignment of the Ministry? Have these challenges since been resolved?
CXV. Have any attempts been made to retain security in order to commence an audit on the EPOSDC?
CXVI. What steps have been taken thus far in fiscal 2017 to prepare for the audit of this Company?

APPENDIX III

Attendance

The following Committee Members were present at the meeting:

- Dr. Lackram Bodoe - Vice-Chairman
- Mr. Maxie Cuffie - Member
- Mr. Wade Mark - Member
- Mrs. Ayanna Webster-Roy - Member
- Ms. Allyson Baksh - Member
- Ms. Nicole Olivierre - Member

Witnesses who appeared:

Ministry of Housing and Urban Development

- Mrs. Marion Hayes - Permanent Secretary (Ag.)
- Ms. Danragie Mootoo - Director, Human Resource Management Division
- Ms. Nina Antoine - Senior Economist, Economic Research and Planning Unit
- Ms. Lydia Brown - Executive Officer, Sugar Industry Labour Welfare Committee
- Mr. Solomon Lamb - Accountant
- Mr. Brent Lyons - Managing Director, HDC
- Mr. Inskip Pollonais - Divisional Manager, Finance (Ag.),HDC
- Mr. Romel Ramarack - Divisional Manager, Construction Management and Operation, HDC
- Ms. Goomatee Rajkumarsingh-Maharaj - Auditor II

APPENDIX IV

Verbatim

VERBATIM NOTES OF THE FOURTEENTH PUBLIC MEETING OF THE PUBLIC ADMINISTRATION AND APPROPRIATIONS COMMITTEE, HELD IN THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR, (IN PUBLIC), OFFICE OF THE PARLIAMENT, TOWER D, THE PORT OF SPAIN INTERNATIONAL WATERFRONT CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON THURSDAY, APRIL 20, 2017, AT 2.36 P.M.

PRESENT

Dr. Lackram Bodoe	Vice-Chairman
Mr. Maxie Cuffie	Member
Mrs. Ayanna Webster-Roy	Member
Miss Allyson Baksh	Member
Miss Nicole Olivierre	Member
Mr. Wade Mark	Member
Miss Sheranne Samuel	Assistant Secretary
Miss Candice Skerrette	

ABSENT

Mrs. Bridgid Annisette-George	Chairman
Mr. Clarence Rambharat	Member
Mr. Daniel Dookie	Member
Dr. Dhanayshar Mahabir	Member
Miss Melissa Ramkissoon	Member

OFFICIALS FROM THE MINISTRY OF HOUSING AND URBAN DEVELOPMENT

Mrs. Marion Hayes	Permanent Secretary (Ag.)
Ms. Danragie Mootoo	Director, Human Resource Management Division
Ms. Nina Antoine	Senior Economist, Economic
Research and Planning Unit	
Ms. Lydia Brown	Executive Officer, Sugar Industry

Labour Welfare Committee

Mr. Solomon Lamb	Accountant
Mr. Inskip Pollonais	Divisional Manager, Finance (Ag.)
Housing Development Corporation	
Mr. Romel Ramarack	Divisional Manager, Construction
Management and Operation,	
Housing Development Corporation	
Ms. Goomatee Rajkumarsingh-Maharaj	Auditor II
Mr. Brent Lyons	Managing Director, HDC

Mr. Chairman: Good afternoon. On behalf of the members of the Public Administration and Appropriations Committee, I would like to say a very special welcome to the officials of the Ministry of Housing and Urban Development and the agencies associated with the Ministry. I would also want to say a special welcome to the members of the media and the members of the public.

The Committee on Public Administration and Appropriations has a mandate to consider and report to the House on:

(a) the budgetary expenditure of government agencies to ensure that expenditure is embarked upon in accordance with parliamentary approval;

(b) the budgetary expenditure of government agencies as it occurs and keeps Parliament informed of how the budget allocation is being implemented; and

(c) the administration of the government agencies to determine hindrances to their efficiency and to make recommendations to the Government for the improvement of public administration.

The purpose of this twelfth public meeting of the Public Administration and Appropriations Committee for this the Eleventh Parliament is to examine the Ministry of Housing and Urban Development's expenditure and internal controls in the following areas: inventory control, internal audit, accountability and transparency, Goods and Services, which would be Sub-Head 02 in the budget; Current Transfers and Subsides, Sub-Head 04 in the budget; the Development Programme, Consolidated Fund and the Infrastructure Development Programme.

The Committee is desirous of hearing from the accounting officers and other key officials of the Ministry to discover the challenges being faced and to determine possible solutions to these challenges. The role of this Committee is to assist the Ministries and Departments in achieving efficient delivery of services whilst ensuring that expenditure is embarked upon, in accordance with parliamentary approval. This meeting is being held in public and is being broadcast live on the Parliament's Channel 11, Radio 105.5 FM and the Parliament's YouTube Channel, *ParlView*. Viewers and listeners can send their comments related to today's enquiry via email to parl101@ttparliament.org., facebook.com/ttparliament or Twitter @ttparliament.

Again I would want to say a very special welcome to the officials present here today and can I now ask the officials of the Ministry of Housing and Urban Development to introduce themselves?

[*Introductions made*]

Mr. Chairman: Thank you, welcome. Thank you and I apologize. I did not mean to exclude you at all. I will now invite members of the Committee to introduce themselves, starting from my extreme right.

[*Introductions made*]

Mr. Chairman: I am Lackram Bodoe, Vice-Chairman of the Committee, acting in the capacity of Chairman this afternoon. Again, I want to say a very special welcome and, perhaps, at this point I can invite you Madam, Permanent Secretary, to make a brief opening statement.

Mrs. Hayes: I just want to thank you again for the invitation that has been extended to the Ministry of Housing and Urban Development and its agencies to appear before this Committee. The Ministry of Housing and Urban Development has been going through a lot of restructuring since 2013 and the last set that we had, it was, I think we had twice in 2015 and it has resulted in a lot of expansion and contraction of the Ministry. Right now, the Ministry is still in the process of regularizing and reviewing its structure to ensure that we have the right staff amount with the competencies to achieve its mandate.

The Ministry of Housing and Urban Development has three categories of agencies under its purview. We have wholly-owned enterprises, for example UDeCOTT and East Port of Spain Development Company. We do have a minority-owned enterprise, which is Trinidad and Tobago Mortgage Finance Company and then under Statutory Boards and other bodies, we do have Trinidad and Tobago Housing Development Corporation, the Land Settlement Agency, Sugar Industry Labour Welfare Committee, New City Mall and East Side Plaza.

I know that the Committee is like a watchdog for the Government and I have noted the focus of the Committee, which is accountability, transparency and good governance, and I have also noted that the Committee is there to assist Ministries, in terms of making recommendations where shortcomings are identified. So we at the Ministry stand here willing to work with you all to make sure that the Ministry does what it has to do. Thank you.

Mr. Chairman: Thank you very much, Madam PS, for that opening statement. Before the Committee goes into the finer details of the expenditure that would have been incurred during the current financial year, I would just want to ask, just for the edification of the members and for the benefit of the public at large if you can tell us the following, and I am just trying to get the broad picture here, with regard to the role of the Ministry of Housing and Urban Development.

The particular questions that I would be looking for the answers to are: Has any survey or study been done to determine the actual housing needs of the population of Trinidad and Tobago? The second: Does the Ministry have any idea of the current housing stock in Trinidad and Tobago? And the third part of that question would be: Does the Government have in place "a housing policy" to treat with the needs of those citizens requiring housing in Trinidad and Tobago? Can I invite you to respond to that, Madam PS?

Mrs. Hayes: In terms of the study, with respect to the needs of the housing, we have not done any study within recent times, but I know that we have one coming up that we are supposed to be doing; a study which would lead into the policy. Right? So right now we do not. At this time there is no particular study that would have been done to indicate the needs of the housing.

In terms of the—we do have a housing policy now but I am saying that is under review, so the needs that we spoke about just now, that you asked about just now, that is going to be feeding into the new housing policy that we are going to be having, but nothing has been done on that as yet.

In terms of the current stock, I think I want to ask Mr. Brent Lyons to give information on that, in terms of the current stock of the—in terms of the question with respect to the idea of the current stock of the—you were asking about the stock of the country?

Mr. Chairman: Yes, of the country so that we get, you now, we have a broad picture.

Mrs. Hayes: No, no, no, we do not.

Mr. Chairman: Thank you, Madam PS. I just wanted to ask two further questions before I open up to the other members of the Committee and these really would pertain to the submission of financial reports. The first question would be: Is the Ministry up-to-date on its submission of audited financial statements and administrative reports to Parliament? The second question would be: Are the agencies/state enterprises under the purview of the Ministry up to date on its submission of audited financial statements and administrative reports to the Parliament?

Mrs. Hayes: In terms of the admin reports for the Ministry, we have submitted, I think up to 2015. So we are working on the 2015/2016 now. That is being worked on now.

In terms of the statements from the agencies, with respect to their financial statements, that is the question you had asked, we are working on getting all together. We do have some. Some of the agencies are outstanding and we are working on getting all of them together. For example, TTMF is up-to-date, East Side Plaza, New City Mall, East Port of Spain, they are up-to-date. So we are waiting on a few to submit.

Mr. Chairman: Can you indicate to us, Madam PS, whether any time frame has been issued to these agencies as to when these reports can be expected?

Mrs. Hayes: Yes, we did issue a time frame and we are working on collecting before the end of the fiscal we have to submit.

Mr. Chairman: Thank you, Madam PS. Again, I just want to get the big picture and to ask you, in term of, you know, an estimated ballpark figure of the total amount of your, I think it is just over $1 billion that would have been allocated to the Ministry in this current financial year and can you indicate, you know, perhaps,what percentage overall of that allocation has been spent? I am just trying to get an idea as to the constraints of the efficiencies that might be involved in incurring expenditure.

Mrs. Hayes: In terms of the overall allocation you are saying. I cannot give you that figure now, in terms of what has been spent so far.

Mr. Chairman: Sure. Is that something that you would be willing to submit to us in the committee in writing?

Mrs. Hayes: I can, yes, in terms of the overall figure for the Ministry.

Mr. Chairman: Before I leave the big picture, Madam PS, I just want to raise one other issue and it pertains to a newspaper report, which would have been last Thursday, and the heading would have been "Ease Ahead for HDC" and it speaks to a memorandum of agreement between a Canadian-based company and a local firm, with regard to the provision of 100,000 houses, saying that this will in some way help the HDC in terms of their applicant waiting list, and to you ask you Madam PS, you know, what your view would be, in light of this development, in this memorandum of agreement.

Secondly, to ask: Has the Ministry or UDeCOTT embarked on or has plans to embark on any public/private partnership arrangements for Home Construction to fulfil the housing needs of the citizens of Trinidad and Tobago?

Mrs. Hayes: In terms of the newspaper report, I cannot say that there is input from the Ministry of Housing and Urban Development in terms of that memorandum. However, my view is that if something like that is done, how will it impact on the mandate of the HDC and Ministry in general? So, as I said, I cannot say that I have any information on the memorandum but I am just saying that going forward, if that happens, it will impact on the mandate of the HDC and, as I said the Ministry in General.

Mr. Chairman: Thank you, Madam PS. The second part of question would have been speaking towards the public/private partnerships.

Mrs. Hayes: Public/private partnerships with UDeCOTT going forward you said?

Mr. Chairman: Yes.

Mrs. Hayes: I am not aware that there is anything like that happening now any public/private partnerships with UDeCOTT.

Mr. Chairman: I am sorry, perhaps I can invite, through you Madam PS, the Managing Director of HDC to shed some light on this.

Mr. Lyons: Sure, Mr. Chairman. The HDC has—

Mr. Chairman: Let me congratulate you on your new appointment and wish you all the best going forward.

Mr. Lyons: Thank you very much. I appreciate that very much. Mr. Chairman, as you may be aware of or recall, the HDC in 2016, early 2016, would have advertised for expressions of interest to partner with the HDC with respect to public/private partnership arrangements. The response to that was very encouraging. We are now at the stage where we are soon to be embarking upon invitations for requests for proposals from respondents to the EOI and we anticipate that those responding to that would be quite significant. It will provide us with much needed funding to be able to deliver on our mandate to produce low and middle-income housing.

Mr. Chairman: Thank you very much, Managing Director. At this point, I would just want to open up the floor and, perhaps, move on to the area of inventory control. May I invite member Baksh to take the lead with this heading.

Miss Baksh: Thank you, Chair. My question really is to the acquisition of materials and motor vehicles. All right. In your submission you have indicated that the Ministry is working on an electronic system for monitoring items. All right? Can you tell me what the status is?

Mrs. Hayes: What is happening is that the system has been—the IT department has created the system and right now we are in the process of inputting data into the system and this week we were supposed to launch the system where all the requests for inventory, for whatever it is, would be going through the system, anything: stocks, inventory, assets, everything will be going through the system. So that launch was supposed to take place this week.

Miss Baksh: Are all items recorded in the inventory register? If not, which items are excluded?

Mrs. Hayes: All items are recorded in the inventory register.

Miss Baksh: When was the last check conducted on both the inventory register and the vehicles register, and also are you satisfied with the frequency of the checks?

Mrs. Hayes: Well, we have checks from both internal and external audit. Right? So in terms of the last check which was done from the external audit, that would have been done this year, earlier this year.

In terms of the external audit, I cannot say exactly when it was done but I know they do frequent, like quarterly checks, on those registers.

Miss Baksh: Is the internal audit department sufficiently staffed?

Mrs. Hayes: Not at this point in time. Right now we have one Auditor II, one Auditor I and two Auditing Assistants. Going forward, if we have to do audit on the agencies under our purview, that amount of staff will not be sufficient. So we are in the process of restructuring. As I mentioned in the opening, we had said that we are currently reviewing our structure to be able to deliver on our mandate and internal audit is one of the areas that we have been looking at.

Miss Baksh: My other question is: Does the inventory register and the vehicle register kept by the Ministry also record the inventory and vehicles from other agencies and departments falling under the purview of the Ministry?

Mrs. Hayes: No, the inventory register at the Ministry just has the vehicles for the Ministry.

Miss Baksh: Okay, but how does the Ministry account for the inventory of vehicles kept by the other agencies and departments?

Mrs. Hayes: At this point in time it is not accounted for. But as I said, going forward we will be looking to see how we could capture all that information for the records of the Ministry.

Miss Baksh: Okay. My other question deals with the maintenance of the inventory register. What measures have been implemented to prevent the movement of items between locations without documentation?

Mrs. Hayes: Without documentation. What is happening is that in the administrative section they are responsible for the inventory and the management of all of that. So what we have put in place, what we are going to be putting in place is where we have all the inventory in a particular area accounted for in the room, if it is a room. Right? So basically, what is supposed to happen is that no one is supposed to move the item from there without permission. If that happens, because they do regular checks, they will pick it up and then be able to return the item to where it is supposed to be.

Miss Baksh: Right. My other question is: What is the expected time frame for the completion of the move over to the electronic inventory, which is aimed at making monitoring easier?

Mrs. Hayes: Okay, well I did say that we are supposed to launch it. So once we launch it this week, I would say probably within a two/three-month period we should go fully over because it will take some time for persons to get accustomed to the system and kind of get fully off the manual and go over into the computerised system. So I would say probably within a two/three-month period.

Miss Baksh: My last question to you deals with training personnel responsible for maintenance of the inventory register. Have they completed training and how many persons were trained? Also, what was the nature of the training undertaken? Who was the service provider? Was it external? Was it in-house? And also how was the trainer selected?

Mrs. Hayes: Okay. No formal training has been done for persons there. What we do is if there is any training at all in inventory management through the Public Service Academy we would access it there. Right? But no formal training has been done, say, for the year in that particular area.

Miss Baksh: Do you have any plans?

Mrs. Hayes: Well, going forward I think once we get funding, the amount of funding that we need, because we have plans to do the training but if we do not get the funds then we have to kind of choose which is the more critical area and then so the inventory training kind of falls down.

Miss Baksh: Thank you.

Mr. Chairman: Member Webster-Roy.

Mrs. Webster-Roy: Thank you. Madam PS, in your response to Sen. Baksh, you noted that you have listing on the walls in various rooms to verify the items in the rooms, but who guarantees the accuracy of the list? For example, I could go in, move an item, take the list down, restructure it and stick it back up. What is the cross-checking process to ensure the list would be valid?

Mrs. Hayes: Well, we do have a book that has all the items that are there. So that is the crosscheck. You would look at that book and then you would see like room No. 1, and you would know what is supposed to be in room No.1 or room No.2. So that is the crosscheck there. Right? But in terms of, as I said we try to encourage persons that this is not the right thing to do, but if it happens then we, as I said, constant monitoring and constant checking and we realize what is happening, then we just kind of try to fix it then, because the items are also tagged. So that could also helps in terms of—

Mrs. Webster-Roy: The tagging, is it backed up electronically?

Mrs. Hayes: Yes.

Mrs. Webster-Roy: You have the information—

Mrs. Hayes: Yes.

Mrs. Webster-Roy: And who are the officers responsible for maintaining that electronic register and who is the officer responsible for managing that particular book?

Mrs. Hayes: Well, we do have an Administrative Officer IV who is in charge of that. We have two Administrative Officer IVs, actually. One is in charge of facilities and one is in charge of the stores and the assets, so they work together. And then we have IT assisting them, in terms of that electronic part of it.

Mrs. Webster-Roy: Thank you very much.

Mr. Chairman: Madam PS, if I could just ask one further question with regard to inventory control and your submission with the aspect of omission of entries to the register which indicated that registers were not being kept prior to fiscal 2016.

Mrs. Hayes: Yes.

Mr. Chairman: Can you, perhaps, explain why that was so? Can you further explain how items would have been accounted for prior to fiscal 2016?

Mrs. Hayes: Okay. The Ministry had been going through a lot of restructuring, as I had mentioned. So it was expanding and reducing and expanding and reducing. So it was a challenge really to keep track of the divisions that were made, the persons who would have gone. So when we realized what was happening, as I said that inventory was not taking place, and we realized the seriousness of it, we decided to put those in place. To admit, I cannot say how things were being tracked at that point in time. But I am saying once we realized there was a shortcoming, we put things in place to make sure that that does not happen.

Mr. Chairman: And do you feel that the Ministry and by extension the people of the country would have been disadvantaged by that situation?

Mrs. Hayes: Not very much. Not very much, because the Ministry is really small. Right. So, not very much.

Mr. Chairman: Member Olivierre.

Miss Olivierre: Thank you, Mr. Chair. I would like to delve a little further into the issue of internal audit. So in an earlier response, you indicated that at the Ministry you have four members of your internal audit unit.

Mrs. Hayes: Yes.

Miss Olivierre: I would like to get an indication, do the agencies under the Ministry have their own internal audit units, or does the Ministry's unit provide internal audit functions for all its agencies?

Mrs. Hayes: The agencies have their own internal audits.

Miss Olivierre: Every one of them?

Mrs. Hayes: Yes.

Miss Olivierre: Okay. That is very good. Now, pertaining to the strength of the audit unit at the Ministry itself, your highest level is an Auditor II. May I ask what level of qualifications in performing audits does that position require and what is the level of experience in performing audits of the incumbent in that position?

Mrs. Hayes: The Auditor II is a public service position, and the public service, they go based on seniority. They do promotions based on seniority. So the person in that position would probably have, not probably, would have five O levels, which is what you come into the service with. And there is no special training or experience or anything for that person to go up to Auditor II position. Hence the reason we have been looking to—the Ministry is looking to go through the PMCD for a position Auditor III. That position would be someone with ACCA, would be more experienced. So we would be able then to look more closely at our agencies, in terms of the audit function.

3.05 p.m.

Miss Olivierre: Well, if I may just ask, so the current incumbent in that position—the position at the Ministry of Housing and Urban Development—has that person been exposed to any training then in auditing?

Mrs. Hayes: Not really. That person is the person in the back there. She is fairly new. She is actually an Auditor I substantively, acting II. So she just came into the Ministry about two or three months ago. So in terms of formal training and auditing, that is not there. But we are going to be looking at it going forward, given that we have recognized the need for a different kind of auditing. So we will be looking at that pertaining to our training plan going forward for the new fiscal.

Miss Olivierre: Okay. In terms of the work programme, is it that you did not have someone performing the function previously, prior to her arrival, or was the function previously performed?

Mrs. Hayes: No. There was someone there but, as I said, with the public service seniority takes precedence. So, once that person is senior then whoever is there acting has to revert and this person will just take over.

Miss Olivierre: Okay. If I may just ask: Does the Ministry have an internal audit charter and have a work programme for the auditing function for the year been developed?

Mrs. Hayes: We do have a charter and we do have a work programme for the year. That person reports directly to the Permanent Secretary and we do have a work programme set out for the year in terms of what is required to be done.

Miss Olivierre: So the one for 2017 has been finalized and it is being implemented as we speak? [*Officials confer*] She may respond directly if she wishes. [*Laughter*]

Mrs. Hayes: I know that we do a work programme, but I have to check on it to see if it is really being done. We do a work programme every year. I know the audit does one, but I will have to cheek to see if it is being implemented as we speak, because we had changes. As I said, we had changes in the unit.

Miss Olivierre: From the work done in the past, are there any specific areas under the Ministry that are persistently not looked at by internal audit?

Mrs. Hayes: Looking back at the audit, historically audit has been working basically with figures. So they check to make sure that your figures are up-to-date, a correct kind of thing. So you look at your pay sheets, you look at your vote book and you look at your requests for releases, those kinds of things. So, historically, that is what audit does, but I cannot say that there is one area or some areas that they have not been looking at. But going forward, we want them to be thinking differently.

Miss Olivierre: Does the Ministry practise risk management? Do you have a risk register?

Mrs. Hayes: That is one of the areas we want to look at going forward.

Miss Olivierre: Are you compliant with the OSH Act?

Mrs. Hayes: Yes. We are renting a building, so yes.

Miss Olivierre: Well, just for information, compliance with the OSH Act is not simply the physical structure alone, but there are some management systems that need to be put in place administratively to ensure that—

Mrs. Hayes: We do have a committee.

Miss Olivierre: You do have the committee? Excellent.

Mrs. Hayes: We do have a committee and they meet regularly and they do reports, and if anything is wrong they would let us know. That happens.

Miss Olivierre: So you have an OSHA risk register, and do you conduct awareness training for all members of staff so they understand their responsibility under the OSH Act and the responsibility of the employer as well?

Mrs. Hayes: Yes.

Miss Olivierre: That is very good. So you have an OSHA risk register as well?

Mrs. Hayes: I am not sure about the OSHA risk register, but I know we do training with the members of staff.

Miss Olivierre: Okay. Thank you. In terms of managing the Ministry, do you have a strategic plan?

Mrs. Hayes: Not at this point in time, but we are in the process of employing a consultant to do the plan.

Miss Olivierre: I would like to find out from some of your other major agencies on the strength of their internal audit units. Could we start with the HDC?

Mrs. Hayes: Yes.

Mr. Lyons: Member, we do have an internal unit at the HDC staffed with professional accountants and folks with experience, significant years' experience in auditing. We do have an audit charter and a work plan that is being implemented at the moment.

Miss Olivierre: What about risk management?

Mr. Lyons: We do not have a risk register. Recently the board approved both a strategic plan and a revised organizational structure, and in that structure a component of risk has been put in there. There is a position of Risk Manager which was advertised in the newspaper some time ago, and within the next month or so we will have a Risk Manager on board.

Miss Olivierre: In the absence of a specified person holding the title of risk management, does the audit committee then of the Board of HDC look at risk management as a factor in achieving its strategic objectives?

Mr. Lyons: Yes they do.

Miss Olivierre: And who has responsibility for identifying and managing the risk?

Mr. Lyons: It is a combination between the Divisional Manager Finance and, of course, the Managing Director.

Miss Olivierre: Good answer. Could I enquire from the other agencies about the strength of your internal audit departments and its role?

Ms. Brown: Sugar Welfare is an extremely small agency, and we have one Auditor I, and as the Permanent Secretary said before, the person is not a trained Auditor, does not have the technical expertise to be an auditor and concentrates mostly on checking cash, vote books, et cetera.

I did advise the Auditor, there is a course—the Government runs a course for people who are Auditors in the government service and it is run by UWI School of Continuing Studies—and I did encourage the Auditor to participate in that course. Unfortunately, I do not think they got enough persons. So if they did not get enough persons, they would not run the course.

Miss Olivierre: That certainly is unfortunate particularly since at the Ministry no training has been provided. So, perhaps it was a lack of widespread advertising of that programme. That could be the response. Do we have the LSA present?

Mr. Lamb: Good afternoon. At the moment, we do not have an internal audit function. Okay? Historically, we had one where the Internal Audit Charter Manual was developed. So those documents form part of our policy right now. However, due to a lack of funding we could not have afforded an internal auditor.

In the last financial year, we sent out a tender because we thought it would have been better to outsource the function. We had some bids. The selection process was completed and I think PWC was selected, but because of the funding issue, we had to just put it on hold a while. Once the funds are released to us that we can afford to pay for the programme, the auditor will be installed.

Miss Olivierre: If you are engaging PWC, that would be as an external auditor not for internal audit?

Mr. Lamb: No, for internal auditing services. Yes. Not as an external auditor. Now, what happens is that some of the accounting firms, apart from doing external auditing, they also have an internal audit programme where they would come into the organization; they would do the risk assessment, they would develop a charter, they would develop a manual and that would be one cost. But as a going concern, they would send staff on a periodic basis to perform the internal audits and then report to the Board of Directors and the Managing Director. So it is like they provide a caretaker service. So that is actually something that is provided by a lot of the accounting firms right now.

Miss Olivierre: If I may suggest that perhaps the Ministry of Housing and Urban Development should have taken the responsibility for providing internal audit services to you since you are an agency under their purview.

Mr. Lamb: Ideally yes, but only recently we have been placed under the Ministry of Housing and Urban Development. I think only in September, 2016. Prior to that, we were under different Ministries—the Ministry of Rural Development and Local Government, the Ministry of Planning and Development, back the Ministry of Rural Development and Local Government and back to the Ministry of Planning and Development. We were juggling around for a little while since the company has been incorporated.

Miss Olivierre: But under those previous incarnations, would the internal audit of the line Ministry then have performed those services for you?

Mr. Lamb: No, no. In the previous incarnations, no. The internal audit function was not performed by the line Ministry.

Miss Olivierre: It was performed by you?

Mr. Lamb: It was performed by the company. They had an internal auditor on staff, and the reports would have formed a part of the board meetings and that would have been forwarded to the line Ministry.

Miss Olivierre: Okay. Excellent. Any other agencies? No, that is it. So, Permanent Secretary, are you satisfied then with the internal auditing function being conducted in the agencies under your purview?

Mrs. Hayes: I would have to say that I could only answer that question if we are doing the audit then. So as far as I am concerned they are auditing, but I can only say their audit is good for them.

Now, some of the agencies, based on their board Minutes—we look at the board Minutes—like, for example, TTMF has an audit committee and in their board Minutes they would submit what the committee would do, so that is what we would look at. So if we are looking at it like that then of course we could say that yes.

But I believe that going forward, I think that the Ministry needs to be more involved in that, and that is why we said we wanted someone with more skills or training, expertise to do that kind of thing. It might not be that you will be looking at everything but, certainly, you would probably do like an ad hoc kind of auditing on them, on the agencies which would make the Ministry more comfortable.

Miss Olivierre: You indicated that you are currently undergoing a restructuring exercise, at what stage in the process have you reached?

Mrs. Hayes: Right now, we are reviewing some of our programmes. We do have two programmes under us now, and that is going to be reviewed by PMCD. They are going to be doing that. In our different units, like legal is being restructured now, that Note is down with the PMCD. The Communications Unit is also being restructured, but besides that, we are also looking at our strategic plan. So I think, I mean, it is now going to be taking place, so that would probably put us in a better place to be able to deal with our restructured Ministry once the plan—because the plan will kind of focus us better.

Miss Olivierre: So when do you think you would finalize the structure that you would be seeking approval for?

Mrs. Hayes: Well, we are working towards—the strategic plan is going to be most likely—now is what? April. Probably May, June, July, probably about three months. So, hopefully, by that time we would have the structure in place. Now, remember we also depend on PMCD to help us with the positions and that kind of thing. So even if we have the structure in terms of the filling and so, we have to depend on the PMCD and also if we have to create positions then we also depend on them. So I would say probably about three months we could have that.

Miss Olivierre: So by July you would be ready to seek Cabinet approval for the restructuring?

Mrs. Hayes: Going forward, most likely, yes.

Mr. Chairman: Thank you, Madam PS. I want to recognize member Mark followed by member Cuffie.

Mr. Mark: Thank you very much, Mr. Chairman. Let me welcome the team again.

Mrs. Hayes: Thank you.

Mr. Mark: You know, I think it is in the *Bible*, Proverbs, it says that where there is no vision the people perish. I am alarmed that after 20 months, the Ministry of Housing and Urban Development does not have a strategic plan. Madam PS, may I ask: How long have you been acting?

Mrs. Hayes: February 2017.

Mr. Mark: Where is the substantive Permanent Secretary? Is she on vacation?

Mrs. Hayes: She is on vacation at this time.

Mr. Mark: Listen, the Chairman had asked earlier on, whether you could provide us with some appreciation of the housing needs of the population. The mandate of the HDC is to house the population, in many respects, one of its mandates, and you told the Chairman that information is not available. Is it not available to supply us with it now or would you be in a position to supply us with the information later on in writing?

Mrs. Hayes: I will be able to supply it later on in writing.

Mr. Mark: What about the housing stock of the HDC? What is the housing stock like at this time? Would Mr. Brent be able to tell us?

Mrs. Hayes: Yes.

Mr. Lyons: Member, just maybe for clarification, the original question was the housing stock of the country. As it pertains to the housing stock at the HDC, the HDC has over 40,000 units that it has produced. In terms of current stock available for distribution and under construction and so on, that is a different question. Under construction we have 5,600 units and available for distribution we have less than 1,000 units.

Mr. Mark: Okay. Now, the information I have before me does not square with what we have been advised. Before me is the following: there is no auditing unit at the East Side Plaza; there is no auditing unit at the New City Mall. Now, I understand further that no internal audits have been conducted at these places, because of location and security concerns. The question I would like to ask, first of all, are there internal audit units? Because we have been given different information. So could you verify, once again, whether there are internal audit units?

And, secondly, if there are, we are being advised that no internal audits have been conducted at the New City Mall and East Side Plaza due to their locations and security concerns. Is that a fact? If that is a fact, how long we have not had any internal audits of these very important entities and agencies falling under the purview of the Ministry of Housing and Urban Development? Madam PS?

Mrs. Hayes: New City Mall and East Side Plaza, I will have to check to see when was the last audit done, because I know that our internal audit units, they normally do audits in those two specific areas. So I would really have to check to let you know when was the last time audits were done there.

Mr. Mark: My friend, my colleague rather, asked about OSHA compliance and you said you were and whether you had training being pursued in that regard. Would you be able to provide us in writing with this information confirming that you are OSHA compliant?

Your inventory system, does it exist in each agency, or would you say that it only exists in a partial way at the Ministry of Housing and Urban Development?

Mrs. Hayes: The inventory system at the Ministry is for the Ministry. We do not have any inventory system for the agencies. They would have their own inventory system. So what we have is really just for the Ministry in general admin.

Mr. Mark: Could you state for a fact that in all the agencies, the City Mall, the East Port of Spain Company—you also have New City Mall, East Side Plaza. Those agencies do have an inventory system that you are aware of as the accounting officer? Could you verify that? Could you authenticate? Could you confirm?

Mrs. Hayes: I would have to check for New City Mall and East Side Plaza, but I believe the other agencies would have their inventory management.

Mr. Mark: Now, you know the accounting officer of any agency or Government Ministry—in your instance, the Ministry of Housing and Urban Development—has an overall responsibility under the Exchequer and Audit Act for ensuring that your agencies that fall under your purview are compliant with financial regulations as well as the Exchequer and Audit Act. So you should be in a position today to tell us, as a committee, whether these units exist or not, because you are the accounting officer. Would you not agree?

Mrs. Hayes: Yes.

Mr. Mark: So you will be able to put that in writing for us?

Mrs. Hayes: I will.

Mr. Mark: And let us know what is taking place in that regard. Okay, Mr. Chairman, I will come back again.

Mr. Chairman: Thank you. Before I move on to member Cuffie, just to include in that request from member Mark, the status with regard to the audit of the Land Settlement Agency as well. I take it that there is no representative of the LSA here.

Mrs. Hayes: No, the LSA was not invited to this meeting.

Mr. Chairman: Okay. Member Cuffie?—nevertheless can we have that?

Mrs. Hayes: The status of what?

Mr. Chairman: As part of the written submission

Mrs. Hayes: What do you want the status of?

Mr. Chairman: The audited reports.

Mrs. Hayes: I think that they have another meeting—a meeting was supposed to be held on the 26th with LSA and they have rescheduled it.

Mr. Chairman: Okay, member Cuffie.

Mr. Cuffie: Thank you, Mr. Chairman. Madam PS or the Managing Director of the HDC, I am seeing in your submission, under Acquisition of Materials and Motor Vehicles, that you keep an inventory register of motor vehicles and that value for money is determined by checking and comparing quality and prices between suppliers and durability of items. Now, I think I read some time ago in a newspaper article that the HDC leased Mercedes Benzes, Range Rovers. Now, was this done in terms of checking with other government agencies? The policy that led to that, if the reports were accurate, was that done? Because I do not know of any other government agency that leases those kinds of vehicles.

Mrs. Hayes: I cannot say if there is any policy like that in terms of leasing vehicles. I cannot say. I do not know of a policy like that.

Mr. Cuffie: So, does that mean that there were no vehicles leased?

Mrs. Hayes: Excuse me, what was the question again?

Mr. Cuffie: Does that mean that there were no vehicles leased, or is it just that you do not know?

Mrs. Hayes: I would let Mr. Lyons answer that question.

Mr. Lyons: Member Cuffie, I can answer that. Vehicles matching the description that you have just described there were in fact leased at one point in time by the HDC. Those vehicles are no longer being leased by the HDC.

Mr. Cuffie: Okay. I am trying to get to the policy because someone else could come and decide to lease those vehicles or those types of vehicles. So is there a policy as to what vehicles can be leased? How do you determine whether to lease or purchase?

Mr. Lyons: I can confirm there is now a policy with respect to the types of vehicles that can be leased, specified in terms of engine size and so on.

Mr. Cuffie: You answered, because I was trying to find out whether someone can do it now. Okay.

The other part of my question, on the same area, there is a Cabinet Minute to the effect that vehicles utilized by state corporations and Ministries are supposed to be tagged with the name of the agency. In terms of all the vehicles that you have in your inventory, have you ensured that all the vehicles are stamped with either HDC or the Ministry of Housing and Urban Development?

Mrs. Hayes: The vehicles belonging to the Ministry of Housing and Urban Development, they are stamped with the Ministry of Housing and Urban Development. Those belonging to HDC—

Mr. Lyons: Are yet to be stamped. We are in the process of changing the fleet. When we get a new fleet the vehicles would be stamped.

Mr. Cuffie: Thank you.

Mr. Chairman: Madam PS, if I can move along to the submission under Accountability and Transparency and to note that there is an absence of a Monitoring and Evaluating Unit in the Ministry, could you perhaps give us the reasons why that is so? And if I may ask a second question, because I note that the Economic Policy and Research Unit has been given the responsibility of doing the monitoring and evaluation, what effect that has had—the additional work in terms of the workload—on the Economic Policy and Research Unit?

Mrs. Hayes: The Monitoring and Evaluation Unit, I know at one point in time Cabinet had agreed that each Ministry should have a Monitoring and Evaluation Unit. I cannot say why the Ministry of Housing and Urban Development did not have that. However, recognizing that shortfall, shortcoming, the Ministry is now in the process of creating a project unit because, as you said, the economic research unit has that responsibility now in terms of monitoring the projects going on site visits and whatever which is in addition to their regular work, and because of that we do not do as many site visits as we should. So it really impacts on that aspect of the job.

So we are in the process now of creating a project unit, and we are hoping that we will have the monitoring and evaluation function reside in that unit. So they will be managing the projects, going on the site visits, monitoring the progress of projects and reporting on that.

Mr. Chairman: Can you give some idea as to when you think this project might be reality?

Mrs. Hayes: Well, the draft note has been prepared. We have to send it to PMCD now. I know the PMCD has an issue with creating contract positions, so we were kind of reviewing it to see whether we could get establishment positions in the project unit going forward. So the Note is prepared, it just has to go to them now for their comments.

Mr. Chairman: If I can perhaps ask the Manager Director, HDC, what is the process for following up on projects by the HDC?

3.35p.m.

Mr. Lyons: At the HDC we have a very rigid project management programme in place, and, as a matter of fact, it starts with our project development approach. We have established a project development team, or committee, with all the relevant persons as members on the team. So, for instance, we have Mr. Ramarack at Divisional Manager, Construction Management, we have a

Divisional Manager, Project Development and Oversight, we have quantity surveyors, we have a lawyer on the team, we have waste water engineers, and so on. These folks go through all the elements of project development to ensure that we have all the right aspects in place for the projects, everything that we have to have, all the approvals, and so on.

When it moves from the project development stage and it goes to implementations, this is where Mr. Ramarack, as Divisional Manager, Construction Management and Operation, takes over, and Mr. Ramarack and his team, they have a very rigid programme. As a matter of fact, they have introduced what we call a 22-point certification programme, and what that programme says is that for every stage of the construction programme you have to have approval to move from one stage to the next. So, for instance, if you have to set out a building, the building is set out or the house is set out, you actually have to have that certified that it was set out correctly before you can go on to any kind of excavation.

If you put the foundation down that has to be approved, and that approval is actually a certificate that is signed both by the HDC representative and the contractor's representative. You have to have that certificate present before you can be paid. So that is the extent to which we go, and that process goes from, like I say, setting out to completion.

Mr. Chairman: Thank you. In that submission I also noted that you had a challenge of revenue collection, can you perhaps give us an update as to how you plan to increase your revenue collection?

Mr. Lyons: Chair, I will defer to Mr. Pollonais.

Mr. Pollonais: Good afternoon, members and Chair. We have had a challenge with revenue collection just from the very issue of our submissions. We submitted to the Ministry of Housing a certain sum of money, and we submitted $900 million, we got $354million out of the $900 million. We submitted a $3billion figure for the last period and we got $160 million out of $3billion in terms of the IDF. In terms of the PSIP, Public Sector Investment Programme, we got $15million. So our expenditure was cut significantly in terms of how we get revenue, Mr. Chair.

Mr. Chairman: I am not sure if that is the answer to the question, I was directing more in terms of the revenue collect for mortgages.

Mr. Pollonais: Yeah, we are now going into the other forms of revenue—

Mr. Chairman: Okay, sure.

Mr. Pollonais:—because that is a form of revenue also, Mr. Chair. We get revenue from converting our rental portfolio into mortgages. TTMF does most of our mortgages, the HDC no longer does mortgages; it used to up until 2008, I think, was our last mortgage done. So TTMF converts our rentals into mortgages; that is one way we get rentals. We get rentals through our licenses to occupy and our rent-to-own systems that we have people. We have people on license to occupy. In terms of units, we have units with people with rent-to-own in terms of revenue collection, and we have rentals, so that is how we get most of our revenue right now.

Mr. Chairman: Before I recognize member Olivierre, can you shed some light on this mortgage conversion caravan drive, as you stated in the submission? What exactly does that mean?

Mr. Lyons: Chair, what has transpired in the past, there are several developments that HDC would have built on state lands and those lands were not vested in the HDC. Over the period it would last, I would say, about four or five years, the process has been to have those lands properly vested in the HDC so that the homeowners can in fact get title to the property, and what they were given were licence to occupy. So the mortgage caravan that we have ongoing now, it is an avenue where homeowners can convert these licences into actual mortgages, so you have title to your property, and there are several benefits to that as you could well imagine. It is at that conversion, when that conversion takes place, HDC collects the value of the mortgage. That is where we would generate some revenue, the caravan is intended to encourage all those folks who can now convert from licences into mortgages. It is to their advantage, and, of course, we collect the revenue.

Mr. Chairman: What sort of public education measures have taken place with regard to this?

Mr. Lyons: So we have published advertisements in the newspapers. We have advertisements online. We have done a few radio ads. We are developing a larger marketing campaign where that will be rolled out soon, so that folks can see the entire picture on programme.

Mr. Chairman: Member Olivierre.

Miss Olivierre: Thank you. Let me congratulate the HDC on their efforts at convert and giving these new homeowners the opportunity to convert to mortgage, I know lots of persons really are stressed with the rental arrangement. Now, given that mortgage collection is one of your main streams of revenue, how do you reconcile that with the fact that 79 per cent of your mortgage portfolio is currently in arrears? So what are you doing about actually collecting that revenue from the mortgages?

Mr. Lyons: Yes, you are correct. Upon review of—and I need to put it in context—a large portion of that would be rental folks that are in arrears. But you are correct, it is 79 per cent, and

79 per cent is an unacceptable level. We have implemented several programmes within the HDC where we are reaching out to customers. We write them, we call them, we coerce them, encourage them to bring their accounts up to date. We also invite them to come in and establish a payment plan with us, because some folks may not be able to liquidate the debt in one.

So we encourage them to establish payment plans, and so on, and we do go out, we do invite folks in to come in. We have as, if you can call—I do not want to call it a last resort—we do have collection agencies also that we are working with who will get to those customers that might be posing to be difficult for us.

Mr. Chairman: Member Mark.

Mr. Mark: I just wanted to follow up on a question that has been raised to Mr. Brent, Managing Director. Could you tell us what is the total arrears? The 79 per cent that my colleague referred to, when you convert that into dollars and cents what would that amount to?

Mr. Lyons: Member Mark, that figure is \$106,772,397.67, as at, I am advised, April13th.

Mr. Mark: How many customers are involved?

Mr. Lyons: 3,155 customers.

Mr. Mark: And you mentioned something called a collection agency. Can you share with this Committee what has been the success rate of this agency in getting delinquent tenants to meet their financial obligations to the HDC?

Mr. Lyons: Member Mark, unfortunately, I do not have that number here, I can certainly provide it for you.

Mr. Mark: Yes, I will appreciate that. I will appreciate that very much. What period of time, as we are on this whole question of arrears, what period of time must elapse before you issue letters of notice to, let us say, tenants who are in default? What time frame you would give them before you alert them to the action that you intend to take if they do not meet their obligations?

Mr. Lyons: Seven days, Member Mark.

Mr. Mark: Is that a new policy?

Mr. Lyons: Not that I am aware of. I have been at the HDC for just about five years now, and as far as I know that is what has been in place. What you may want to ask would be, what is the response of folks when those letters are generated?

Mr. Mark: Well, maybe you can help us, you could share.

Mr. Lyons: Not entirely encouraging which is why we have to really work hard with trying to reach out to our tenants, and so on, our delinquent tenants, and try to encourage them to come in and make good on your account. I mean, the HDC is not in the business of wanting to put people out of homes, and so on, unfortunately, it could get to that at times, but our objective really is to try to assist and help you get back on track, you know. There might also be a perception in the public domain that an HDC house is free, or almost free, so that, "I got an HDC house and I do not have to pay", but that is certainly not the case, and, you know. So we would always want to encourage our tenants to make good on your payments. We encourage them to do that, and we will encourage them to help themselves. Like I say, we offer payment plans, you can come in and talk to us, do not be afraid.

Mr. Mark: Could you share with us what would have been your revenue collect in 2016, 2015, and what you have projected for 2017, given the over $100 million you mentioned outstanding in arrears? What would be your projections for 2017, and what you actually collected in the last two to three years?

Mr. Lyons: Member Mark, let me ask Mr. Pollonais.

Mr. Pollonais: Member Mark, for the last eight months we collected from DRSL, which is one of the debt collection agencies, $2.4million, and from AV Knowles we collected $3,338,000 for the last five months. So you would find that this is the actual history.

Mr. Mark: Yeah, but, you know, in forecasting, given the fact that you are dependent on the State for your revenue stream to build, what would have been your projection for 2017? You have collected $5 million, or thereabout, all told, but what would the HDC be projecting in order to reduce this arrear?—the arrears that you have there, I think $106 million, or thereabout. So I just wanted to know, what your projection is, and whether you are in line, given the target that you have set. So far you have collected about $6 million, or thereabout, which is healthy, what is your projection for 2017?

Mr. Pollonais: Sen. Mark, we are in the process right now of—we have called in the two debt collection agencies and we are in the process of developing new terms in respect of how they operate, because certain negatives have developed in terms of how they operate, people pay and we do not get our share of it, or we feel that we do not get our share of it significantly. So we are now actually having new arrangements with them with a view to more streamlining this area. So we would then have projections after that has been done.

Mr. Mark: And what about, as I said, 2015, 2016, what would have been the collections that you got from those two debt collectors?

Mr. Pollonais: I do not have that with me right now, I probably can research and send it to you about the debt collectors.

Mr. Mark: Mr.Chairman, it is based on what you have just said, Sir, would you want to elaborate and let this Committee know what your findings have been, thus far, that would have caused you to look, or to review the terms and conditions that you apply when engaging these debt collecting agencies. Are you indicating to us that something appears to be amiss given when you enquire as to the arrears that you ought to collect and the actual amount that you have collected? And does that indicate to you that there is some discrepancy involving those debt collecting agencies? What is happening? Could you enlighten us briefly?

Mr. Lyons: Member Mark, I will put it down to a timing issue as opposed to anything being amiss really in terms of when funds are collected and when funds are remitted. I would put it down to that.

Mr. Chairman: Can I just follow up on the debt collection and ask what cost is incurred by the debt collection agencies?—perhaps as a total cost or as a percentage of what is collected.

Mr. Lyons: It is 15 per cent of all funds collected.

Mr. Chairman: Thank you, Mr. Lyons. If I could go further and look at the whole issue of the mortgage payments with regard to HDC housing as opposed to, you know, citizens taking a loan through a normal bank, and you talked about the issue of culturally people thinking that the houses are free, is it something that you feel that needs to be addressed? Is it something that is dealt with when houses are allocated and mortgages are taken out? And do you feel that is something that you need to address as an agency?

Mr. Lyons: It is something that is addressed at the time of allocation of the houses, because, I mean, you come face to face with it at the point of allocation. During your assessment you are told, okay, this is the price of the unit, this is what the mortgage payment would be, and, of course, you would have to qualify for it, and so on. So it is very clear, and I think some folks might be a little astonished at times. I would agree that some measure of public education is required to treat with some of it, yes.

Mr. Chairman: Is there, for example, you know, debt counselling, for example, that takes place, prior to persons embarking in this kind of debts.

Mr. Lyons: So we do not have a formal debt counselling programme, but during the assessment process a lot of information is sought, and whatever information is shared with the prospective homeowner, it gives them sufficient information to make some decisions.

Mr. Chairman: They feel that in view of the large number of persons who do not pay their mortgages, you think that that is something that you might want to look at? Do you think it would be useful?

Mr. Lyons: Certainly.

Mr. Chairman: Member Cuffie.

Mr. Cuffie: Thank you, Mr. Chairman. Mr. Lyons, as the MP for the largest housing development in the country, a lot of people come to me with HDC issues, and one of them is the fact that I am treating here with your inventory. There are several houses which were allocated and where people abandon them for one reason or the other, and they have not been paid for so that the mail keeps coming from HDC, and sometimes people attempt to go into the houses and try to assume the mortgage, or whatever arrangement there is, and I am trying to understand, these HDC assets, part of your stock, your inventory, what measures are being put in place to realize these assets? Because some of the houses have been abandoned for 10, 20 years, and there is no attempt by the HDC to make good on it, and there are residents who are always willing to move in, to assume, does it form part of your day—what is the policy or the arrangement for treating with these large bodies of abandoned houses?

Mr. Lyons: Member Cuffie, there are several reasons why you have houses that appear abandoned or are in fact abandoned—

Mr. Cuffie: But the ones I am asking about are the ones where there were tenants and the tenants left, they migrated, or for whatever reason, or died.

Mr. Lyons: Right, so I am getting to that. You have quite a number of those units where two things happen, there are folks who have abandoned the houses and they are still paying for them; there are folks who have abandoned the houses and our record shows a live account still. What we have done recently, and recently as at this week, we have completed an exercise and we identified just over 1,000 of those units that you speak of, and I would say approximately half of those are occupied by folks who would be a combination of illegal occupants, and second, third and fourth generation family members.

The other 500, or so, the other half are units that are just simply abandoned, but there is a live account and it shows an account in arrears. So, for instance, when I spoke about letters going out and member Mark asked, so those letters actually would have been going out, folks would have been invited to come in, and so on, and it is because of their non-appearance that we would have done this exercise and discover now we have about, I would say, approximately 500, or so, of those that are abandoned that we are now formulating a programme in terms of, one, to secure the assets to start with, and, two, recovery. Now, recovery is not simply just go in and take the house, because remember it is in the name of an individual, and it may have been done via a mortgage, and so on. So there is a process to go through, so we are now formulating a programme to treat with that through legal, and so on.

Mr. Cuffie: So as of last week you have a total picture and you are beginning to address it?

Mr. Lyons: Yes.

Mr. Cuffie: Now, there was another issue that came to my attention recently and it also deals with the housing stock. A gentleman came to me, he was never on your database but he was presented keys and moved into a house, and has been living there for some time. Now, this is one of the more recent developments, Greenvale. I am trying to understand how in terms of the maintenance of the housing staff and the HDC being aware of all its assets, how could someone be given keys, move into a house, be living there and with no arrangement with the HDC, and I am informed that there are several cases like that. How does that happen?

Mr. Lyons: Well, member Cuffie, I will have to ask, can you say whether that individual received keys legitimately from the HDC? Because if not, I would suggest that it was an illegal arrangement that somebody would have made, and not necessarily somebody at the HDC, because we have had those cases. So, for instance, it could be an unallocated house that somebody, one, either simply moved into, or, two, somebody pretending to be a legitimate member of the HDC family, saying that I can get you a house for whatever fee, and somebody paying some money and getting a key. That has happened, and we have dealt with cases like those.

Mr. Cuffie: I could give you more information, he said it was given to him in an MP's office, and he collected the keys and moved in, but my query there is—I do not want you to go too far into that—is the fact that someone is living in a house, he has keys, and the house is completed, and there is no arrangement with the HDC. I am trying to determine in terms of looking at your assets and being sure that, okay, we built 1,500 houses here, 90 per cent is occupied, we know who is occupying them, how could people occupy a house without the HDC being aware that someone has taken over its property?

Mr. Lyons: Member Cuffie, you are correct, when we build—using your example, if we build 1,500 houses we will know how many of those houses have been legitimately located, and so on, invariably, for one reason or the other, a few may not be allocated. Like I said, it could be several reasons, there are folks who will take advantage of what appears to be an abandoned, or certainly an unoccupied house and have moved in, and we have dealt with those, and we consistently deal with folks like that. We are in the news regularly for **VCS**, conducting eviction exercises, and so on. It is when we do our investigations and we identify those folks, we would take action.

Mr. Cuffie: Just one more question. I want to move on now to the incomplete houses, and people often come offering to finish them, I understand the perils about that, do you have an idea of how many, in terms of those houses that have been abandoned, what percentage of them are available for allocation?—and would you agree that the slowness in the allocation process contributes to the squatting problem, or, you know, the rush for houses that are not really supposed to be distributed?

Mr. Lyons: Member Cuffie, my apologies, I think I referred to you as Member Mark earlier. Mr. Mark, my apologies. Member Cuffie, the HDC cannot, does not, and will not condone illegal activity. Whether it is an abandoned house, whether it is a house that is recently completed, somebody illegally entering and occupying the house is unacceptable, it is illegal, so the HDC will not condone that in any way. The allocation process, I respectfully submit, is not slow, it may be a little lengthy simply because we try to be very thorough to ensure that, one,—well, you meet the requirements—one, you are not the owner of property, two, that your finances check out, and so on. So it may take a little while, but we are relatively assured that when we do that allocation that you have met the proper requirements, and so on, and that you can go in and live, hopefully, a very fruitful life.

Mr. Cuffie: I wanted to go further into that process because I think one of the issues—and I see here you spoke about the communication process in terms of applicants being informed of the status of their applications, and it is one of the complaints you hear from the public, nobody knows what the status is, and I understand, given that you have—the last report I heard was 180,000 applicants and you have, well, according to the statement today you have about 15,000 houses, you know, and so it is a huge gap. But I think it could be helped if there was greater communication, and, to another extent, greater transparency in the process. Does the HDC have a way to, or plan to address this? Because a lot of the problems you have is simply based on the uncertainly of where people are in the process.

Mr. Lyons: Member Cuffie, I thank you for the opportunity to clarify something that I think is a misconception in the national domain, when folks apply for a house they do not apply to the HDC for a house. Folks say, "I applied for an HDC house", well, you do not apply to the HDC, you apply to the Ministry of Housing and Urban Development. The database is maintained and managed by the Ministry, the HDC does not maintain the database. What we do at the HDC, we do have access to the database, so, for instance, if someone is enquiring about the status of their application, we have access we can go on to say where you are in the process, but the HDC is not the owner of the database, so you do not apply to the HDC for a house, you apply to the Ministry for a house. It may sound like semantics, but it is something that we need to clarify with the national public.

4.05p.m.

Mr. Cuffie: I thank you very much for that clarification because it is the first I am hearing it. Everybody comes and says they apply for an HDC house, and I realize that HDC and the Ministry of Housing and Urban Development are in the same building. I do not know there is a Chinese wall between the HDC and the Ministry of Housing and Urban Development, so once you are there you could be any place.

Following up on that, I wanted to get an idea in terms of the Ministry, Madam PS, I see here you are saying that there are plans in place to seek accommodation elsewhere. I do not know whether you have approached PRESD, I have no knowledge of that, but where are those plans in terms of getting accommodation for the Ministry of Housing and Urban Development with or without the HDC?

Mrs. Hayes: In terms of our plans for relocation, what is happening is that we had mentioned before that the Ministry is restructuring, so right now we are kind of overflowing where we are, because we are on one floor. So we are really overflowing there. When we look at our structure going forward, we would not be able to hold our project unit and so, even our procurement unit. We would not be able to do that. The process, what we are doing now is really—because to go to PRESD we have to go with, like a structure, staffing and square footage and that kind of thing. So we have not done that as yet. We are in the process of doing that now to go forward to PRESD to ask them to help to relocate us. But that is just the Ministry, not the HDC.

Mr. Cuffie: It sounds as if you are saying the Ministry is homeless.

Mrs. Hayes: Not really, but once we get our additional staff we probably might be homeless.

Mr. Chairman: Thank you, Madam PS. If I could just come back to the issue of the abandoned housing stock. Maybe through you, Madam PS, I can direct this to Mr. Lyons. Can you perhaps give us an idea of the total value of the abandoned housing stock?

Mr. Lyons: I would not want to offer a guess and probably provide an incorrect figure. I can get back to you on that.

Mr. Chairman: Sure; but as a follow-up on that—this is a very important asset, as all the other assets of the HDC—could you confirm that the HDC currently does not have a head of security in place, and is that something that you would be concerned about?

Mr. Lyons: Yes, we do have an acting Manager of Security at the moment.

Mr. Chairman: Are you satisfied that that is sufficient to secure your very many assets?

Mr. Lyons: Yes, I am satisfied that the arrangement we have in place we do get the necessary information on what is transpiring, what is happening. We do have a programme in place where we treat with abandoned and illegally occupied units. It is a process, but I am satisfied that we have a sufficient programme in place, yes.

Mr. Chairman: So you are saying that you are satisfied with the security that you have available?

Mr. Lyons: Okay; so if we are talking about our ability to secure every house, every vacant unit, the HDC simply cannot afford that. We just simply cannot afford that. In terms of our ability to track the units that we have that are abandoned and/or illegally occupied, I am satisfied that we do have a programme in place for that.

Mr. Chairman: Just one follow-up question. I know we spoke about the vandalized houses being sold. Have any of these vandalized houses been sold?

Mr. Lyons: Not just yet.

Mr. Chairman: Can you perhaps just give us an update as to why that has not been?

Mr. Lyons: There is a process, like I said. One, is verification. Two, now that we have a great sense of exactly what they are, the proposed arrangement is that we will do two valuations, one to determine the value of the house as is and one to determine from a quantity surveying point of view what the value is to bring the house back to some liveable condition. The thinking is that the resulting sale price of the house will be less the value to restore the house to normalcy.

Mr. Chairman: Thank you. I just want to recognize member Webster-Roy and Miss Olivierre for one question.

Mrs. Webster-Roy: Thank you, Chair. I have a comment, Madam PS, and then I have a question. My first comment is I strongly believe that you need to engage in a public education exercise based on the fact that I did not even know that you do not apply to HDC, because that is what you are always hearing and that is what the public is thinking, that you apply to HDC for a house and no, the HDC is not responding. So you really need to educate the public on the correct process, the procedure so we will understand. We will have no queries out there in the public domain.

My question is this to you, Mr. Lyons. After you attempt to recover debts through the agencies and people still do not pay up, what happens, what is the next step?

Mrs. Hayes: I will just respond to that. We do have a public education campaign that is indeed working. It is just that we do not have money right now. So once we get funds then we roll out the programme and it will tell you everything about the Ministry of Housing and Urban Development, its agencies, the processes, everything.

Mrs. Webster-Roy: Planned for this fiscal?

Mrs. Hayes: For this fiscal.

Mrs. Webster-Roy: Okay, great.

Mr. Lyons: To answer your question, member, we do take legal action next. We do go to court and get judgments.

Mrs. Webster-Roy: How successful has that been?

Mr. Lyons: It has been successful. It is a slow process, you would imagine, the judicial system, but we have been successful.

Mrs. Webster-Roy: I would suspect that the reason you are not collecting is because people assume that nothing will happen to them so we could pay everything else but not pay HDC or pay TTMF or whatever. I think that is it.

Mr. Lyons: That is a perception out there.

Miss Olivierre: If we may just go back to the issue where we were speaking about the incidents of persons obtaining keys and moving into houses without going through the proper allocation process, and the belief out there that oftentimes either persons who work with the HDC or represent themselves to be employees of the HDC would somehow manage to facilitate persons, is your internal audit department involved in conducting investigations of this nature? Does your internal auditor look at examining internal fraud that can occur, and what role does internal audit play in reviewing this type of business?

Mr. Lyons: To answer you specifically, yes the internal audit department has in the past investigated claims of fraud and allegations of fraud and so on. The process of allocation is so extremely rigid that you cannot get a house unless you come to the HDC and pay at the HDC. If you in any way are able to get a house without having paid some deposit at the HDC's cashiers at the head office, you have committed some kind of crime. It is as simple as that. The process is extremely rigid.

Mr. Mark: I just wanted to find out, Mr. Lyons, what is the outstanding number of applicants who have applied and are yet to receive a home from the HDC?

Mr. Lyons: Member Mark, like I said earlier, the database is owned by the Ministry.

Mr. Mark: Yes, the Ministry of Housing and Urban Development, but I know you are borrowing it, so I am asking you.

Mr. Lyons: The latest information I have is in excess of 180,000 applicants.

Mr. Mark: Could you also indicate to us, like the Ministry of Housing and Urban Development as you mentioned, when people apply, you know everybody is anxious, believing that they would be next in line, but as my colleague said there appears to be systems in place that you would have established to ensure that there is fairness in the distribution process. But there is a contamination of that process to the point that there appears to be widespread nepotism, favouritism and people go out there and they actually give people false hopes by saying they can get a house for you, but you must give me $2,000 or $3,000 as a down payment.

I wanted to ask whether you have come across this phenomenon, and if you have, what kind of message or education you have for the public and, further, what steps have been taken by the Ministry of Housing and Urban Development and the HDC to stamp out or root out this kind of behaviour and conduct that appears to be widespread, in some respects, within the Ministry of Housing and Urban Development and the HDC? Could you clear the air for me on that?

Mr. Lyons: Member Mark, let me first remind us all that there is a Cabinet approved allocation policy. It is fairly well known I think. I do not necessarily need to go through the entire thing. So that is the first thing. With respect to your comment about folks pretending to be somebody who can advance you through the system, that is unfortunately quite common. As recent as this week, I have had to report a matter, information that came to me, I had to report it to the Fraud Squad, that they are investigating, and this is quite common.

The HDC has in the past published advertisements advising members of the public that the only legitimate place to transact any business with respect to obtaining a house, particularly payment of any kind of money or funds, it is at the head office at the HDC's cashiers. If you do not do it there, you are committing a crime. You are being fooled, you are being hoodwinked. It is wrong, it is illegal. The HDC is also embarking upon a campaign soon that will continue that education programme, saying to folks do not meet somebody on the street corner, nobody can advance it like that. It does not work like that. If you do not pay at the HDC's head office, it is not legitimate. I take every opportunity to say that, so thanks for this opportunity to be able to say that.

Mr. Mark: Also, what system do you have in place to regularly update customers, applicants who would have applied to the HDC through the Ministry of Housing and Urban Development, that their application is either being considered or their application is not being considered or whatever the reason? But, you know, the customer is very anxious to know what is happening to his or her application, particularly those who have applied five years, six years, seven years, eight years and even just under that.

So do you have a system in place to keep the public aware of where their application is in terms of tracking, so that members would be given some degree of assurance or reassurance that the system has not resulted in the application being lost or misplaced, as the case may be? I just wanted to get that clarified from you, Mr. Lyons.

Mr. Lyons: Member Mark, there is not a routine programme of update, however, there are actually three avenues that are available. Folks can go to the Ministry. Like I said the Ministry is the owner of the database. Applicants come into the HDC all the time. We have customer service reps available during working hours Monday to Friday, who respond to applicants telling them what the status of their application is, and folks can also access the database online through the Ministry's website. When they applied they would have gotten a user name and password, so that they can go in and check to see what is happening.

Mr. Mark: Are you satisfied with the quality of interaction between the customer representatives and the public when they visit HDC or Ministry of Housing and Urban Development to enquire? We as parliamentarians have been receiving some very negative responses in terms of how the customer is treated and related to, via those applicants who come before the customer rep at the level of the Ministry of Housing and Urban Development.

So first of all what has been the reports coming your way, and whether there are efforts to improve if there are such deficiencies, the quality of interaction between the applicants, customers and those representatives of the HDC and the Ministry of Housing and Urban Development?

Mr. Lyons: Member Mark, let me say there is always room for improvement, and any member of the public coming to enquire about their application and they are told that you have not yet been selected, leaves disappointed. So the feedback would not always, but is likely to be one that it was negative. But there is always room for improvement.

Mr. Chairman: Madam PS, I am just looking at the selection criteria and the random selection category. There are a lot of applicants who would say they have applied 10 and 15 years and so on. Can you give us some indication of what those numbers could be, specifically over 10 years? Do you have any idea of what the numbers would be?

Mrs. Hayes: I do not have that number available here. The persons who would have applied for houses over 10 years, I do not have that information.

Mr. Chairman: The reason I am asking that is because I see in your point system that you just have over eight years, five points, but I was wondering whether in fact that over eight years needs to be broken down further. For example, someone who may have applied 15 years ago would be disadvantaged as opposed to someone who has applied eight years ago. Whether any consideration should or could be given to further break down that category, and awarding more points to those who have been waiting the longest? Would you care to comment on that, Madam PS?

Mrs. Hayes: This is a Cabinet decision, so if we have to do it like this then we would probably have to go back to Cabinet, but it is something that we could consider.

Mr. Chairman: I am just thinking what are your own views on that. Do you think it is something that would increase their perception of fairness in the allocation of houses, and is that something you would want to recommend?

Mrs. Hayes: Yes, we would look at it going forward.

Miss Olivierre: If I may just ask, could you indicate what is the size of the database at present? How many applicants are on the database?

Mrs. Hayes: It think it is over 180,000.

Miss Olivierre: When last did you conduct an exercise to ascertain how many of those persons are still interested? Because as you indicated, in terms of eligibility for access to a home you must not have property on your name. So there may be a significant number of persons whose status would have changed over the years that are now ineligible. So does the Ministry of Housing have a particular database update period where you would actually ask applicants to make contact with you to ascertain their validity to still remain on the database? Because then the numbers might reduce to something that is more manageable.

Mrs. Hayes: Yes, thanks for that, because we have been saying that all along in terms of the amount of persons that we have, and no, the Ministry has not done an update on the database, but that is something that we will be considering because it would give us a better picture of the persons that we have who are still interested.

Mr. Chairman: Thank you, Madam PS.

Mr. Cuffie: Madam PS, I have heard several times among the questions here the recognition of a need for a public education programme to inform the population of the procedures, the processes, because if you have 180,000 people on the list and you have less than 1,000 houses to distribute, that creates a kind of panic. But then you also said that you do not have the funds to do the public education campaign. I am trying to work out where this stands on the totem pole of your expenditure, because housing is important and every Member of Parliament can tell you the great demand, and really you have people with unrealistic expectations, and there is nobody educating them on the process of being allocated an HDC home. In fact, some of the problems you have with people thinking that they do not need to pay and they are given a home arises from that lack of information on the HDC process. So I think there should be some room set aside in your budget so that public education becomes an important part of dealing with your stakeholders.

Mrs. Hayes: We have identified funds that we could use under one of the IDB programmes, where we have a component called "Institutional Strengthening", and that is one of the areas we are looking for to go forward with the public education campaign and also the strategic plan. So we are working on getting the funds. It has already been approved, it is just to get the funds to do it.

Mr. Chairman: Thank you, Madam PS. If we could just move on, and I want to direct your attention to goods and services and to invite member Mark to lead that discussion.

Mr. Mark: Madam Permanent Secretary, you know we are in a period of economic contraction, and falling output, inevitably there would be a rise in unemployment and even underemployment and, therefore, there is an imperative for us to place and to pay more attention to the principles of transparency, accountability, openness, which obviously would result in good governance.

I realize that looking at this particular Item 22, Short-term Employment, that Permanent Secretaries seem to have a large or, to put it another way, they seem to have a great degree of influence and discretion, I should say, in the engagement of personnel who might be on short-term contracts, let us say for six months and under.

What I wanted to ask is whether in this economic climate and period, you would not agree that there is need for some degree of set criteria which would be open to the public for consumption, particularly when you have a lot of young people leaving universities with degrees and cannot get employment. Would you not agree with me that the discretion that is available to the PS should be exercised in such a way that there should be an advertisement of these short-term contracts? Because from what I am reading here this is left completely and entirely up to the Permanent Secretary and whoever she or he chooses to be part of whatever arrangement. To recommend "X" person be employed or "Y" person be employed.

Do you believe that at this stage in our economic development, that there is need for greater transparency and accountability and a set of criteria established, which would be advertised and the citizenry could apply to the respective Ministries and on that basis you can proceed to select persons on a short-term basis?

I am just asking because given what I have read here, I do not think that obtains, but maybe you can explain to the Committee what is the process and what you would recommend to improve that process in terms of transparency and openness.

Mrs. Hayes: It depends. What we have here with the short-term persons, most of those persons would have been on long-term contracts at some point in time. Earlier I had indicated that the process to retain positions in the Ministries is a long and tedious one, that you have to go to the PMCD and then the Cabinet, and it just takes long. So in the meantime what happens is that the persons who would have been on those long-term contracts, because it would have been set positions, those persons are the persons that we would retain on the short-term contracts.

If you open it up for, say, outside, the recruitment process is a long process too, because by the time you advertise, you interview, you shortlist, you interview, by that time you know what happens. The six months probably would have been gone, because the process just takes so long. Just thinking about the amount of persons would be applying, as you said, the unemployment rate, the amount of persons who would have been applying.

So these persons here would have been persons who had been employed, performed satisfactorily in the position and we would have recommended them. Also you know how the person would have worked. If you decide to go out, as you say it is costly to advertise and then to recruit and do all of that. It is a cost, so as I said you could look at it. As I said, it depends.

Mr. Mark: All right. How do people get into the system? So that the database that you have, apart from those who might be performing the particular task or job, citizens who would like to submit their application to the HDC or the Ministry of Housing and Urban Development, what is the process? How is it done? So you have, as I said, a database that is available to persons who are desirous of becoming employed, either in the Ministry of Housing and Urban Development or the HDC, or using both, what is the process involved here for citizens?

Mrs. Hayes: For the Ministry of Housing and Urban Development, most of these persons would be on contract, because public officers commonly go through the Service Commissions Department. So these persons would be contract employment. What we do, when we advertise we create a database. After we shortlist we create a database, so say we advertise for the position of, say, Business Operations Assistant, and we had one position there, after you did the interviews then you would have those persons on your database. So you have probably employed one person, but you would have persons who would have met the criteria and who would be on your database. Remember we are talking about short-term. Short-term is supposed to be like six months, so you have a project that you have to do and the PS wants somebody who is a Business Operations Assistant to do some project, then we go on the database and pull the person from there. If the person is not employed, then we just offer them the employment going forward, six months and then we go from there.

Mr. Mark: So what would be the total employment at the level of the HDC and the Ministry of Housing and Urban Development, first of all as it relates to the public service segment and, secondly, the contract service level? Would you have that information available to you, that you can share with us?

Mrs. Hayes: I would not have the information for HDC.

Mr. Mark: Mr. Brent Lyons should have it, but you could have, for instance, for the Ministry of Housing and Urban Development in terms of the total employment at the level of the Ministry of Housing and Urban Development, in terms of public service jobs and the number of contract employees, both short-term, fixed term, three years and under. Do you have that available or you can give us a summary and then you could give us in writing afterwards.

Mrs. Hayes: Yes, I will give you it in writing to be clear, to be sure of whatever it is. The public service, we probably have about 200, between one something, 200 persons in total, but in terms of the breakdown I would have to give you that.

Mr. Mark: Mr. Lyons, how would you help us here?

Mr. Lyons: Yes, member Mark. The HDC has 1,020 employees. It is broken down into three categories. We have three categories of employees. We have monthly paid employees covered by a collective agreement with the PSA, that is 103. We have daily rated employees, again by a collective agreement with the NUGFW, 673, and we have contract employees 244, a total of 1,020 employees.

Mr. Mark: I just wanted to ask the Permanent Secretary—and this is in the interest of transparency and openness, and accountability—when senior officers are being employed in the Ministry of Housing and Urban Development, what role would you have in that exercise when senior people—I want to also join the Chairman in congratulating the new Managing Director and the gentleman in charge of finance in the HDC.

4.35p.m.

But what I wanted to clarify for transparency purposes, when it comes to the employment of personnel at the highest level of these organizations or agencies, what is the role, if any, of the Ministry of Housing and Urban Development? Do you have my role at all in that or that is something completely left to the HDC in terms of employment?

Mrs. Hayes: The HDC is governed by a board so they are responsible for that aspect in terms of hiring. The Ministry does not have anything to do with respect to the hiring of officers for the HDC.

Mr. Mark: So, Mr. Lyons and whoever is employed there they would have been recruited by the—

Mrs. Hayes: Through the board.

Mr. Mark:—through the board. So if you want to get questions clarified, how do we get that? Do we have to bring the board here?

Mrs. Hayes: Questions concerning?

Mr. Mark: Well, in other words like—the public, you know, when people are being recruited for engagement, how is it done? Is it advertised?

Mrs. Hayes: Yes. Yes. They go through the process, they advertise, they have a selection process, interviews and everything, but at the end of it all, the Ministry or the Permanent Secretary does not sign off on that. That is signed off by the board, but they go through the process. The position is advertised, they get their applications. They have an HR unit that will do everything, select, short-list.

Mr. Mark: And if the public is interested in knowing how the process was conducted, you would be willing to provide us in writing with the whole process—

Mrs. Hayes: Yeah. Yes.

Mr. Mark:—for all senior positions there—

Mrs. Hayes: All the senior positions.

Mr. Mark:—whether it is the Managing Director, the person in charge of finance, can we get a breakdown in terms of information on this?

Mrs. Hayes: All the senior positions.

Mr. Mark: You may not be aware of the information now, but as you said you all play a big role in that.

Mrs. Hayes: Yeah. But under the Freedom of Information, based on what information is available, yeah, we could give, based on, subject to that.

Mr. Mark: No. No. No. Not Freedom of Information. This is a committee of the Parliament and taxpayers' moneys are involved.

Mrs. Hayes: Okay.

Mr. Mark: So whether it is John, Harry; in this instance, it is the Managing Director, I congratulate him, the gentleman in charge of finance, but they are paid by taxpayers of this country, and therefore, what I am asking is, what are the criteria established for this exercise; who would be entitled to apply; how were these people selected; what criteria would have been used? And at the end of the day we know, well look, this person was selected or that person was selected. We want that in writing. Could you supply that for us?

Mrs. Hayes: The whole process?

Mr. Mark: The whole process.

Mrs. Hayes: Yes.

Mr. Mark: So we could be enlightened as members of this Committee.

Mrs. Hayes: Yes.

Mr. Mark: Thank you very much.

Mrs. Hayes: You are welcome.

Mr. Chairman: Member Cuffie.

Mr. Cuffie: Thank you, Mr. Chairman. Madam PS, I am interested in the report of the HDC's accounts, and I understand that it goes way back, but how close are you to finalizing these accounts which have been unaudited since 2004?—I believe. And how can you function really without audited accounts for such a long time?

Mr. Lyons: Member Cuffie, thank you. The HDC has recently completed—and this is not only at the request to have all accounts, management and audited accounts brought current as at March31st this year for 2016—the HDC has completed its management accounts and they are now ready.

In terms of audited accounts, the HDC has 2005/2006 audited accounts and we are in the process of having the others audited. We anticipate that it will take us a while again to have all audited, but we are in process. With respect to the reason why that has happened, the HDC since its inception has had some difficulty with respect to the quality of the financial records. And what the HDC has been doing for the last three years or so, three to four years, was basically rebuilding those records and ensuring that they are accurate and we have the right information. So that has taken some time and we are now at the stage where, I would say, we now have management accounts up to 2016 and the audit process is continuing.

Mr. Mark: May I ask, Sir, who are your auditors, your external auditors?

Mr. Lyons: KPMG, member Mark.

Mr. Mark: KPMG. And as member Cuffie asked, when you suspect—I want to congratulate you again—when do you expect these financial audited accounts to reach the Parliament? Because, you know, it is really a serious indictment, not against you because you have just arrived, but I would say that the management of HDC owes an explanation to the country as to why from the period 2004 to 2005 and every year, as you know, Mr. Lyons and Permanent Secretary, the Parliament has been consistently allocating hundreds of millions of dollars, not to mention what the HDC has been able to borrow on the market to build homes, and yet still there is a complete absence of accountability in the context of the submission of annual audited accounts, balance sheets and other financial statements. This is highly irresponsible on the part of an agency as important as the HDC and the Ministry of Housing and Urban Development.

So, we would like an undertaking from Mr. Lyons and your good self, Madam Permanent Secretary, as to when those accounts for the period 2004/2005 to 2016 would reach the Parliament so that we can do our own enquiry and examination into those accounts.

Mr. Lyons: Okay. Member Mark, let me first thank you for congratulating me. There has been a concerted effort to get to the stage at where we are now to have management accounts up to 2016. The audited accounts, like I said, will take some time again. I would probably defer to Mr. Pollonais with respect to when we are able to bring it to the Parliament, but certainly management accounts are available.

Mr. Pollonais: Member Mark, we would have to get the approval of the Auditor General. It is just in February gone, two months ago, that I got from the Auditor General the 2004 audited accounts. So therefore, we have these accounts to audit, but we have to get—we have the approval, I think, up to 2009, but we do not have approval to engage a KPMG from 2009 onward to 2016 because we have to get the approval to have an external auditor as opposed to the Auditor General.

Mr. Mark: But the Auditor General indicated—because, I think under your Act the Auditor General is the agent—

Mr. Pollonais: That is right.

Mr. Mark:—for, you know, examining your statements of accounts.

Mr. Pollonais: Yes.

Mr. Mark: And therefore, if you need an external auditor you will need her permission or his permission.

Mr. Pollonais: That is right.

Mr. Mark: Are you saying to us that you have made that effort and you are awaiting a response from the Auditor General to engage an external auditor so you can speed up this exercise?

Mr. Pollonais: Not at this stage. We do have intentions of approaching the Auditor General to get approval from 2010 to 2016. We only have up to 2009. The current KPMG is currently auditing 2007. They have people there on site currently auditing 2007, but we have up to 2009 approval and so, therefore, it is a bit challenging to give you an overall time frame, but the accounts have been prepared for audit.

Mr. Mark: How can we help you? Because we are responsible to the citizenry of Trinidad and Tobago and we are not only lawmakers, but we supply finance through the budget to provide goods and services for T&T. So the same way how we approve a budget as a Parliament, we are accountable for every cent at the end of the day, meaning we want all those agencies that have been allocated moneys to spend those moneys in accordance with the approval of Parliament. That is our responsibility, to ensure that there is no deviation. And therefore, what I am asking is that seeing that the accounts are outstanding for so many years, what can you recommend to us to assist you to speed up those accounts so that they arrive on the desks of the Parliament? We would like to help you, and that is why I am asking you, how can we assist?

Mr. Pollonais: Well, I think we will have to approach the Auditor General with a view to getting not just KPMG, one or two other firms involved in the audit, because that is where we are right now and we cannot go to the slowness or the pace of KPMG to get these things done, but the figures are there prepared up to 2016. So, I think how you can help me is probably sensitizing the Auditor General that we may have to use more than one external auditor to get this thing done.

Mr. Mark: Could you submit that in writing? And may I also ask, Mr. Chairman, whether Mr. Lyons—yes. Yes. I was making the point whether Mr. Lyons could provide us with any information as it concerns the 2004 accounts, the accounts of 2004, whether you are aware that those accounts were qualified by the auditor? And if you are aware, could you share with us some of the findings? And if you cannot do it, could you advise us why you cannot, whether you are aware of these things?

Mr. Lyons: I am aware that it is qualified. With respect to specific findings, I can provide that to you.

Mr. Mark: Yeah. Is it possible that you can do that—you may not be able to give us everything, but is it possible that you can give us a tight summary of what you consider to be some of the key findings of the qualified audit of 2004?

Mr. Lyons: Sure. I will ask Mr. Pollonais to fill you in.

Mr. Pollonais: Yes. Through the Chair, member, there were delayed bank reconciliations were one. As you know, that has significant reputational risks because not clearing bank reconciliations on a timely basis is a problem; inventory management was another one; fixed asset register issues was another one; payables, some people were paid twice, that was another one that was noted in the management letter of 2004. It was around those kinds of issues that we are talking about. Delayed bank recs, payables being twice, inventory, fixed assets. Those are the general gist of it.

Mr. Mark: Do you have a fraud policy, an existing fraud policy?

Mr. Pollonais: Yes. We do.

Mr. Mark: And would you share with us whether from your examination of those accounts, there were any signs of fraud being committed against the HDC and by extension the people of Trinidad and Tobago that warranted our concern?

Mr. Pollonais: Well, the nature of the qualification was a disclaimer. Right? The auditor disclaimed an opinion which is the worst type of qualification you could have because of that very nature of things. But there was not really any issue from what we saw of fraud, but then you could never deal with it in that way. Yeah?

Mr. Mark: Thank you very much, Sir.

Mr. Chairman: Through you, Madam PS, to Mr. Lyons. I note the allocation of $354,341,372 to the HDC which represents a decrease of $69 million thereabouts. Can you indicate to us how this is going to affect your delivery in 2017?

Mr. Pollonais: I will take that, Mr. Chair. We had responded that we would maintain the expenditure. How we would do that is we would look at the proceeds from our Victoria Keyes project which is estimated around $400 million odd, and so therefore, we were short by $571 million and we will make that up through the shortfall at Victoria Keyes and the conversions that we normally do in terms of LTS to mortgages.

Mr. Chairman: As we are halfway through the financial year, can you say, can you indicate how much of that projected amount has been realized or is expected to be realized?

Mr. Pollonais: Well, we have just started on Victoria Keyes, the inflows; it has now started to come in in terms of from March. Right? But we still depend on the Ministry of Housing and Urban Development for our debt financing. They tend to pay our bond interest and our bond financing and our loan arrangements. So some of it is still up in the air in terms of where we go.

Mr. Chairman: And the income from Victoria Keyes will be by way of sale of units?

Mr. Pollonais: Yes.

Mr. Chairman: Can you indicate how many units have been sold?

Mr. Pollonais: Within five weeks there were 30 units to the tune of $63 million.

Mr. Chairman: I also note that the HDC administrative cost is not covered by the allocation. Can you indicate where that cost comes from, where is it budgeted?

Mr. Pollonais: Well again, we wanted to make it up with the sales from Victoria Keyes and the conversions, the cost is definitely not governed by the allocations, and the conversions by way of mortgages.

Mr. Chairman: Thank you. If I could just move on and direct our attention to the development programme and the Consolidated Fund and to note that with regard to the board of the Sugar Industry Labour Welfare Committee which demitted office on September 12, 2015, and that a new board is yet to be installed, Madam PS, could you shed some light as to why almost two years later that has not taken place?

Mrs. Hayes: I am aware that the information has been submitted to the Ministry of Finance, there is a board's committee and we are still awaiting information on that.

Mr. Chairman: We have a representative from the Sugar Industry Labour Welfare here?

Mrs. Hayes: Yes.

Mr. Chairman: Can I, through you, Madam PS, ask as to how the absence of a board would have affected—perhaps first of all to explain to the public what projects are involved and to what extent these projects would have been affected?

Mrs. Hayes: Yes.

Ms. Brown: Mr. Chairman, the Act specifically states that only the board can do works in our housing developments and we have about 21 housing, between 21-24 housing developments. So, we cannot do any infrastructural works, we cannot do drains, we cannot fix any roads, et cetera. Apart from that, there are legal matters that we have to attend to. For example, we have—because Sugar Industry Labour Welfare was initially set up as a mortgage company to offer mortgages to cane farmers and sugar workers. We currently have about 764 mortgages, because we stopped giving mortgages in 2007, but we have about 764 existing mortgages that we are collecting instalments on.

When the borrowers have finished with their mortgages and they want their deeds, et cetera, we have a backlog awaiting the new board because we cannot do any conveyancing because the board has to sign off on these matters. So what we have been doing in the absence of the board is light works within the development, because we have empty lots that we cannot give out to anybody, but we have to secure them and ensure that they are kept clean in keeping with the Public Health Ordinances of the various regional corporations where we have these housing estates, but the lack of a board has compromised our work a great deal.

Mr. Chairman: Member Mark.

Mr. Mark: Now, may I—I am alarmed. I am shocked that two years, almost, we have not had a board appointed. You know, on another occasion I cannot ask the Permanent Secretary nor your good self for that answer, maybe this Committee will decide on another occasion to summon the Minister of Housing and Urban Development to explain to this Committee why a board has not been appointed after two or close to two years. And what is even more alarming is this. You have indicated to us that only the board can give approval for infrastructural works and projects, and to date no drainage work has been done, no infrastructural works have been done, more seriously 764 mortgages, and people have completed payments and they are waiting for their deed of release and they cannot get it, based on what you have said. Is that a fact?

Mrs. Hayes: Mr. Chairman, just a bit of correction. We have about 764 existing mortgages. All have not been paid off.

Mr. Mark: Could you tell us how many have been paid off and awaiting deeds of release?

Mrs. Hayes: We have about 75 persons who are currently awaiting releases from there. So what they have been doing, they have paid their releases, but we cannot convey.

Mr. Mark: Convey. Now this is the point I am making. I understand your predicament. You are not to be blamed at all for this terrible situation. We will take it up with the necessary persons who are responsible for this.

What I would like to suggest is this: have you been about to make an assessment of the deterioration of the quality of the infrastructure, given the lack of maintenance, given the inability to do infrastructural projects and drainage? What is happening to those units, the 764 units or less than 764 that you would have normally serviced? What is happening there? Could you give a status report?

Mrs. Hayes: In the housing estates, fortunately the regional corporations in which the housing estates exist do assist us by doing infrastructural works in those housing estates, because sometimes Sugar Industry Labour Welfare does not have the financial wherewithal to do the volume of work that is needed. The regional corporations would pick up some of the slack. So while we may not be able to do any work, it is not to say that work is not being done at all. The regional corporations have been assisting greatly in ensuring that the standard of living of the residents in our housing estates does not fall below the standard within those regional corporations.

Mr. Mark: Okay.

Mr. Chairman: Thank you. Madam PS, would you agree that in the absence of a board it would be the responsibility of the Ministry of Housing and Urban Development to perhaps oversee what is taking place at the SILWC? And if you do agree, can you in that light tell us perhaps when last a site visit by the Ministry would have been done to any of the housing projects of the Sugar Industry Labour Welfare board? And if so, what were the findings?

Mrs. Hayes: The Ministry has not done any site visits within recent times, so I cannot say what is status of the units, the developments.

Mr. Chairman: But, Madam PS, would you agree that it would be incumbent upon the Ministry to perhaps do a site visit or to so order a site visit in the absence of the board?

Mrs. Hayes: Yes.

Mr. Chairman: And could you give the Committee the undertaking that such will be done in the very near future pending the appointment of the board?

Mrs. Hayes: Yes.

Mr. Chairman: Thank you. Member Cuffie.

Mr. Cuffie: Thank you, Mr. Chairman. Ms. Brown, could tell us, what were the significant projects that were being embarked on by the board over the last five years and where were these projects?

Ms. Brown: Through you, Mr. Chairman, I assumed duty in Sugar Industry Labour Welfare in October of 2016. What I do know is that the last set of projects that were being done were being done at Brothers Garth which is a relatively new housing development, Tarouba, and we also have one at Orange Field. Brothers Garth would have been a sewer system that we—initiating a sewer system in Brothers Garth that is still an ongoing project. In Tarouba, we were doing squatter regularization in Tarouba.

Mr. Cuffie: Where is Brothers Garth?

Mrs. Hayes: Brothers Garth is in Princes Town. We were doing squatter regularization in Tarouba which is in San Fernando just opposite UTT and we are upgrading of SILWC housing development that is the general upgrading of all the housing developments under SILWC. In Orange Field which is a new development, we were also developing the lots to hand out to the persons who were given VSEP lands under the Caroni Limited. When the Caroni lands were exhausted, they approached Sugar Industry Labour Welfare and we gave out lands to the former Caroni workers also. So those were the projects that I know we were working on over the past five years.

Mr. Chairman: Thank you. Member Mark.

Mr. Mark: Madam, through the Chair, could you tell us whether these houses under the 24 development projects that you outlined, that is under the SILWC, are these houses allocated solely for past employees of the Sugar Industry Labour Welfare Committee or is it open to the public?

Mrs. Hayes: No. It is not open to the public. According to the Act, the houses were for cane workers and cane farmers only. So members of the public cannot access them unless the Act is changed.

Mr. Mark: And could you tell us, what is the relationship between the Sugar Industry Labour Welfare body and agencies of Government such as T&TEC, WASA, the Environmental Management Authority in terms of making sure that whatever objectives or goals that you have set yourselves would be achieved?

Mrs. Hayes: Well, we have to approach all the regulatory agencies especially when we are developing lands. For example, in Orange Field which is a new development, we had to partner with WASA, with T&TEC and also the EMA in order to get that project off the ground. And they have been working closely with us, because the project is still an ongoing project, it has not been completed as yet, and they have been working closely with us to ensure that we stay within the guidelines that they have given us.

Mr. Mark: Could you give us an appreciation of the infrastructural works that have been detained as a result of the absence of the appointment of a board, apart from the lack of construction of drainage as an example? What other infrastructural works have been negatively affected by the absence of a board, from your perspective, and what you know would have normally been in the pipeline had a board been in place?

5.05 p.m.

Ms. Brown: Well, for example, if you take in the squatter regularization project in Tarouba everything is at a standstill because you must have board approval. When you regularize the squatters, the board has to sign off on who will get what lots, et cetera. The board has to sign off on what is the cost of the premium that the person will pay for that lot. The board also has to be involved if we have to get T&TEC approval, WASA approval to come and access electricity, run water, et cetera. The administration cannot sign off on those things, the board has to sign off on it. So, everything we do where land is concerned must have board approval. So, everything is in abeyance at the moment until we get a board.

Mr. Mark: Could you also indicate to us what was the allocation in the 2015/2016 budget for this particular body, as well as what was in the budget for 2016/2017? I do not have that before me at the moment.

Ms. Brown: No, I cannot give you the figure for 2015/2016. I could provide it in writing, but if you are talking about PSIP projects, we got $8 million in 2016/2017.

Mr. Mark: And what about recurrent budget, the recurrent?

Ms. Brown: I could give you that in writing, I cannot remember the current budget right now.

Mr. Mark: But because of the absence of a board—if you do not get a board appointed by the end of this fiscal year, the PSIP allocation would be returned to the Consolidated Fund?

Ms. Brown: Yes.

Mr. Mark: And the same would have happened last year?

Ms. Brown: Yes.

Mr. Chairman: Thank you. Member Cuffie.

Mr. Cuffie: Through you, Mr. Chairman, I just want to get something clear. Caroni (1975) Limited closed in 2003 and you are saying that we have a company still dedicated to building homes for Caroni workers in 2017?

Ms. Brown: Well, we are no longer building homes but we have existing mortgages on the books that we have to manage. Apart from that, we also process the Home Improvement Grant and Home Improvement Subsidy on behalf of the Ministry of Housing.

Mr. Cuffie: Thank you.

Ms. Brown: So, that is what we engage—and we also do title searches for the Land Settlement Agency.

Mr. Cuffie: But you mentioned drainage works and construction, what are those for?

Ms. Brown: No. For the housing estates that we have we are responsible for all the infrastructure, because they belong to sugar welfare. So, if the roads need to be fixed, if the drains need to be fixed, anything, if a retaining wall needs to be built, sugar welfare is responsible for building.

Mr. Cuffie: And those have not been handed over to the regional corporation?

Ms. Brown: No. When I checked—because I have had discussions with the Couva/Tabaquite/Talparo Regional Corporation to start the process of handing over Dow Village, which is one of our housing estates, and it is an extremely long and complicated process. We have had site visits already to see what works we need to do before we hand them over. But when I investigated the last housing estate that sugar welfare handed over would have been in the 1970s.

Mr. Cuffie: Thank you.

Mr. Mark: Thank you. Madam PS, if I could direct your attention to the IDF fund of $170 million that was allocated, but in particular to look at the Accelerated Housing Programme which I believe $160 million would have been allocated, can you give us some insight as to what this programme is designed to achieve?

Mrs. Hayes: I would let Mr. Lyons give the details of what is happening there.

Mr. Lyons: Chairman, the HDC as you know is mandated to deliver low and middle income housing, and the board has set some very specific targets and so on. So, for instance last year the target was 2,000 housing starts and this year 2,500 housing starts. I am pleased to report that we are on target and the Accelerated Housing Programme, really, it is to be able to deliver housing programmes.

Mr. Chairman: So you are saying that you are on target for 2,500 housing starts this year?

Mr. Lyons: Yes.

Mr. Chairman: Can you indicate how much of this allocation has been utilized in achieving those? First of all, how many you have actually achieved so far to date?

Mr. Lyons: Right. So, the allocation we have utilized approximately $126 million out of the $160 million. And with respect to starts, actual starts over 250 starts.

Mr. Chairman: Surely that is way below your expected target? If you are saying that you are looking at 2,500 housing starts, perhaps you may want to define what you mean by housing starts to start with?

Mr. Lyons: Good. These are actual contracts that have been awarded for the construction of housing units where some sod turning has taken place and construction activities have started. I mentioned earlier about our PPP programme which you will see that it will get going in earnest in the next couple of months or so, and that will generate a significant number of the housing starts. We also have a number of projects in progress. You will also see several sod turning ceremonies in the coming months which will add, at the end of it we will have the 2,500.

Mr. Chairman: Mr. Lyons, I am trying to reconcile the expenditure of $126 million thereabouts? Correct me if I am wrong, but how many housing starts did you say it was?

Mr. Lyons: Just over 250.

Mr. Chairman: Over 250. So, would all of that expenditure be geared towards housing starts or would they have been expenditure geared towards other aspects of the HDC housing stock?

Mr. Lyons: Other aspects of the HDC construction programme.

Mr. Chairman: Can you give us some examples, perhaps as to what this expenditure would have been on?

Mr. Lyons: Sure, let me ask Mr. Ramarack to full us in on that.

Mr. Ramarack: Good day again everyone. So, for instance, we have 16 ongoing construction projects right now, and this is to do with the housing starts that Mr. Lyons was referring to just now. So the 16 sites really have a total yield of 5,580 units. Out of that 5,600 units approximately 2,900 were completed, 2,950 units, and there is a remaining 2,650 units to be completed. So, the majority of that fund was actually used on this 2,650 units to be completed, and this is actually ongoing right now, and is expected to be completed over the next 20 months.

Mr. Chairman: Thank you.

Mr. Mark: May I?

Mr. Chairman: Member Mark.

Mr. Mark: I do not know if this should be directed at the Ministry of Housing or to the Managing Director of the HDC. Could you give us a status report on the two abandoned towers in Edinburgh 500 which I understand would have been built between 2008 and 2009 at a cost of close to $140 million? But my information is that there were a number of design defects in those structures, and those structures are just standing in the wilderness at this time as we speak. So I was wondering if HDC is interested in housing people, there are two structures that are standing there for almost 10 years. Is it the intention of the HDC to refurbish, redesign, and if you are going to do so, at what cost? Could you enlighten the public?

Mr. Lyons: Yes. The HDC is actively pursuing all abandoned projects. The Edinburgh Towers as you alluded to is high on our agenda. We have reviewed new designs for it at what we would consider to be a reduced cost. To give you a sense, it will probably be in the vicinity of about

$140 million to complete it, but we are actively pursuing that as well as others. There is the fourth project in St. James that is ongoing, we hope to complete that within 18 months or so, and several other projects like that we are actively pursuing.

Mr. Mark: How many apartments are there in those two towers and what time frame you anticipate for, let us say, a reconstruction or redesign I should say, and let us say completion of these towers? What time frame are you anticipating?

Mr. Lyons: Let me ask Mr. Ramarack to provide those specific details.

Mr. Ramarack: Currently there are 120 apartment units. A redesign of it would see that we could yield 138 units, and we need to do retrofitting works, so there is that design component. It will be done more than likely as a design/build procurement route. So, for design and construction it is expected to take 18 months to completion.

Mr. Mark: Eighteen months?

Mr. Ramarack: Yes.

Mr. Chairman: Member Cuffie.

Mr. Cuffie: Mr. Chair, I just wanted to request, through you, Mr. Ramarack, could we get the 16 projects in writing, and the status of them?

Mr. Ramarack: Of course.

Mr. Chairman: Madam PS, just to—and as we close up and I would invite members to think about any final questions they may have. But, in terms of the Development Programme, the Consolidated Fund, that allocation of $86,100,000 million—if that is correct—can you indicate to this Committee what percentage of the Ministry's development programmes have been implemented to date?

Mrs. Hayes: I would ask Ms. Antoine to give you that.

Ms. Antoine: Hi, good day, unfortunately we do not have that information at hand, but it can be provided at a later date soon.

Mr. Chairman: Thank you. So, can we take it that we will get that information in writing?

Ms. Antoine: Yes, you can.

Mr. Chairman: Thank you.

Mrs. Hayes: I just wanted to clarify something. You had asked about the site visits to SILWC. I have been advised that there were site visits to SILWC but I will have to give you the status reports on those things. So, we have been visiting.

Mr. Chairman: That will be much appreciated. Thank you, Madam PS.

Mr. Mark: Through the Chair to the Permanent Secretary, I see under 002—Social Development Programme, East Port of Spain, there is an allocation for 2017 of $5 million, a variation of 4.3 over that of 2016—a board is in place, as I understand it now, Madam PS?

Mrs. Hayes: Yes.

Mr. Mark: Could you tell us—first of all, what portion or percentage of this allocation has been drawn down as we speak, and what particular community services have been provided to the 78,000 people in that area as it relates to the draw down thus far, and whether we can get an appreciation of what community services the company has in mind for fiscal year 2017? So, I do not know if you or the gentleman from—

Mrs. Hayes: From East Port of Spain, Mr. Lamb would give information, the specifics on that.

Mr. Mark: Thank you very much, Mr. Lamb.

Mr. Lamb: A pleasant good afternoon once again. In relation to the drawdown on the $5 million, no fiscal cash has been received. However, all of the approvals have been granted and we are just awaiting the releases. As far as the areas of development are concerned, normally what we do we have about eight areas, eight target areas that—it is like eight programmes that are continually run, however we have individual projects that would fall under those programmes. For example, we have the Community Impact Centres, we have the Business Development District which is an ongoing programme, the programme which we consider Education to Production, Community Festivals, Urban Agriculture, Sport Programmes, and Community Development Plans.

Now, specifically, under the Community Impact Centres, these are individual centres over time that we would have set up in different communities within the East Port of Spain area, where we would conduct homework classes, we would conduct different craft programmes. It is almost like a community centre. So, these programmes are currently ongoing. Then we have the Business Development District, under the Business Development District there is an area, for example, that we may consider the commercial stretch, and this initiative is really where we highlight it as such. So, the company signage, the road signage and all of that, it is about developing those particular components. And out of the $5 million we would have apportioned $1 million to deal with that.

Education to Production: Now, a serious challenge we have in East Port of Spain is where the majority of the contracts or the development programmes that go on we try to employ the contractors from within the community. But then we have the challenge where some of the contractors are untrained of the tendering process, some of the people are not well educated about dealing with that type of business. So, we have embarked on a training programme where we would now educate the contractors, contractor training programmes, liaising with how to get your company VAT registered, and things like that. We also had a U-Biz programme which we conducted in the last fiscal year under that same initiative.

Then we can go on to the Community Festivals where we do "lil" sport days, the different—like if we were to have Divali, when we have carnival, we deal with "lil" projects and festivals as we go along. And the sport programme, most highlighted there would be the boxing programme that we have ongoing right now, which we also use some of the community centres as a training centre for the boxing.

Mr. Mark: I want to really congratulate your good self and the company for such lofty noble projects and ideas, but if we are to go by what happened in 2016, you know, where the Minister of Finance apparently only released money late in July, and by the time you tried to draw down on that we were at the end of the fiscal year, so you end up with being able to do little or nothing for the 78,000 people of the East Port of Spain area. I would only hope, on behalf of this Committee, that you would get some early releases so you can pursue those noble goals, because unlike the Sugar Welfare Association board that does not exist—you have a board, but your problem is no money. So, let us hope that very shortly you would be able to have the releases, and that the very good work that you are doing, and the board of directors of that company, would in fact be pursued. And we can close with that.

Mr. Mark: I too would want to commend you on the projects undertaken Mr. Lamb, but also to ask whether in this financial year, whether the release has been different than earlier, could you shed some light on that?

Mr. Lamb: Yes I can. So far, yes, I would say that the release has been different. Now, I want to take the opportunity to go back a "lil bit" into last year, and I think last year there was a little bit of a challenge on the procedure for how we draw down on the money. Because historically we have, when you talk about projects, people concentrate on hard projects, building drains, infrastructure, concrete. These projects are soft projects, social projects. So, when the emphasis was made on how do we spend recurrent funds, we spend recurrent funds to pay salaries and to pay bills, operational expenditures.

IDF funding, we use that, for want of a better expression, to do concrete work. Okay, hard projects. But, based on the mandate of our organization we have a social responsibility, so we have now soft projects which do not fall under recurrent funding nor does it fall under IDF, and that is where the PSIP stepped in, and that really kicked in last year. And I guess in the last fiscal year we had some teething problems with how are we going to go about accessing the funding, what type of information, what type of reporting structure we are going to have. But that seemed to have ironed itself out in this new financial year. So, we are really looking forward to having the funds on time and moving forward.

Mr. Mark: Before Chairman takes on—you also have IDB funding?

Mr. Lamb: "Aah", no. Not IDB funding. No.

Mr. Mark: All right. So, as you said in terms of the hard and the soft projects, the hard projects, would that include a project we learnt about some years ago where they were trying to move the residents from that area, that is Laventille and its surrounding areas, from using outdoor toilets and getting into proper modern lavatories?

Mr. Lamb: Yes. The Latrine Eradication Project.

Mr. Mark: Right.

Mr. Lamb: And that would be considered a hard project, that is an IDF, or falling under the development funding projects.

Mr. Mark: How is that project proceeding? You could give us a status report on that?

Mr. Lamb: That project for the last two financial years; it has been excellent. All of the funding that we requested has been drawn down. All of the sites that we attended to have been completed 100 per cent. We also have that in our 2016/2017 IDF funding to continue with the project, and we have gotten approval, the contractors have been selected, so it is a matter of getting the funds and moving forward.

Mr. Mark: Thank you very much.

Mr. Chairman: Thank you very much and, of course, those questions would have been directed with the understanding that some of these social projects would impact on crime prevention?

Mr. Lamb: That is right. Yes.

Mr. Chairman: Not only in that area but in other areas—

Mr. Lamb: In other areas, yes.

Mr. Chairman: If there are no other questions from members of the Committee, Madam PS with your permission I would want to invite Mr. Lyons first of all to make any statements or suggestions that you would have for this Committee in terms of how we can assist the HDC going forward.

Mr. Lyons: Mr. Chairman, thank you. I want to thank the Committee actually for having us here, and giving us an opportunity to share with the Committee insights into the running of the HDC and what transpired. I am also thankful to be able to share with the national public information on the applicant database and so on, and the fact that in the allocation process, that if by chance you are receiving a house without having passed through the doors of the HDC at the head office, and particularly paying some kind of deposit at the cashiers, that you are in fact doing something fraudulent, so I thank the Committee for that opportunity. With respect to any improvements or so on, or suggestions that I have for the Committee, I think the Committee is doing good work, and I ask the Committee to continue and wish them all the best.

Mr. Chairman: Thank you, Mr. Lyons. Madam PS, can I invite you now to make any statements that you would consider useful, important in terms of how we go forward at the Ministry.

Mrs. Hayes: Yes. I would also like to thank the Committee. Before I came I did some research and then I saw that the Committee is the watchdog for the government funding, so I am saying I know they also said that they are there to assist us where there are shortcomings to help us to perform better. So, I said going forward I have been looking at it and I see you all have been doing a lot of good work. So, I would like to thank you all again for the opportunity for being here, and certainly your recommendations will be taken, and hopefully we would not have to come back again because we would be doing something good. [*Laughs*] So, thank you again.

Mr. Mark: Thank you, Madam PS. Before I close I would just want to—I know you would have spoken for the other entities under your watch, but if there is anyone who would want to say anything in closing.

Mrs. Hayes: No.

Mr. Chairman: And before I close, member Mark wants to make a point.

Mr. Mark: I just wanted to say to the Permanent Secretary and to Mr. Lyons, that the conversation is two way, two way conversation. We have put forward some ideas for your consideration and we would like both the Managing Director of HDC and your good self as the PS, to submit to us in writing, to the Chairman, the Secretary, any further suggestions and recommendations that you would like to advance with a view to helping us consolidate whatever reports we would be generating to be submitted to the Parliament so that we can, at the end of the process, in a very tangible way, assist both the Ministry of Housing and Urban Development as well as the HDC with some very positive and concrete steps that they can take to improve their operations, to improve their efficiency levels, the effectiveness of your operation, and the overall economy of it as well. And that in the final analysis would contribute towards improving the quality of the delivery of goods and services to the population, and ultimately result in a higher quality of life and standard of living.

So I would like you all, both of you to submit in writing to the Chairman whatever recommendations you all would like to submit so it could help guide the Committee in its final deliberations as it produces its report for Parliament's consideration.

Mrs. Hayes: I would just like to ask the Chair though, before we started I should have made this comment. When we had submitted our written responses in the first instance we would have made some changes after, because some of the questions—so I just want to know if you all would want that amended version? Yes?

Mr. Chairman: Yes.

Mrs. Hayes: Right, because we would—right, okay, so we will send it forward to you all and then do our—

Mr. Chairman: Thank you for that.

Mrs. Hayes: You are very welcome.

Mr. Chairman: Mrs. Hayes, Mr. Lyons, other members of the team, on behalf of the Committee, I would want to express our sincerest thanks for you appearing here today and to endorse the comments by member Mark that you should feel free, and in fact we would be very happy to receive your recommendations, any suggestions that you might have going forward that you might think of after the close of this meeting. I would again want to congratulate Mr. Lyons, I know it is a very challenging position. Housing is a very important social good in the society, and of course both you Madam PS and Mr. Lyons would carry tremendous responsibility in trying to meet the unfilled needs of those seeking housing. So, again, I would want to thank you and to wish you all a very safe journey home, and to wish you good afternoon. Thank you.

Mr. Lyons: Thank you, Chairman.

Mrs. Hayes: Thank you very much.

Mr. Chairman: This meeting is now adjourned.

5.33 p.m.: *Meeting adjourned.*