

REPORT FROM THE MINISTER OF EDUCATION

ON THE RECOMMENDATIONS FROM THE

TWELFTH REPORT OF THE

PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE

OF THE

THIRD SESSION OF THE 11TH PARLIAMENT

ON THE EXAMINATION OF

THE AUDITED ACCOUNTS, BALANCE SHEETS AND

OTHER FINANCIAL STATEMENTS OF THE

NATIONAL TRAINING AGENCY

FOR THE FINANCIAL YEARS 2008-2011

AUGUST 10, 2018

Section I – The Mandate and Relevance of NTA

Recommendation 1

“The Ministry of Education should urgently examine the relevance of NTA and perform an analysis to determine whether these training services are offered by other training agencies such as YTEPP, OJT and NESC.”

The mandate of the NTA is to:

- Establish a national training system by rationalizing the existing system, and coordinating and collaborating with existing training institutions, corporate entities and other bodies.
- Establish, maintain and revise as necessary technical, vocational, industrial, scientific academic and other educational standards in collaboration with the industrial sector, national and international bodies.
- Ensure the establishment, maintenance and revision as necessary of accreditation systems for all technical, vocational education and training and other relevant sectors in the Republic of Trinidad and Tobago.
- Conduct training needs assessment and maintain and revise as necessary a database of the technical, vocational, industrial and scientific manpower needs of all industries in the Republic of Trinidad and Tobago.
- Establish, maintain and revise as necessary all technical, vocational, industrial, scientific and other educational qualifications that are approved or supported by the National Training Agency.
- Do all such things as necessary, incidental or conducive to the achievement of all of the aforementioned objects.

Accordingly, the NTA as incorporated under the Companies Act Chapter 81:01 is not a training provider but rather a regulatory body establishing quality standards for training provided in technical, vocational education and training (TVET). It is to be noted that NTA is therefore not a training body.

At this time, the Ministry of Education does not have the capacity to conduct an in-depth analysis to determine whether the services provided by the NTA can be offered by other agencies such as YTEPP, MIC-IT, NESC or ACTT.

The Ministry is seeking the assistance of the Public Management Consulting Division of the Ministry of Public Administration to conduct a review of the regulatory body (NTA) and the agencies offering training in TVET (NESC, MIC-IT, YTEPP) to determine the degree to which duplication, if any, exists and to ensure the viability of the agencies to meet the future needs of the country.

Recommendation 2

“The Ministry of Education should critically assess NTA’s ability to fulfil its mandate and submit a report to the PAEC no later than June 30, 2018.”

As stated at Recommendation 1, the mandate of the NTA is to:

- Establish a national training system by rationalizing the existing system, and coordinating and collaborating with existing training institutions, corporate entities and other bodies.
- Establish, maintain and revise as necessary technical, vocational, industrial, scientific academic and other educational standards in collaboration with the industrial sector, national and international bodies.
- Ensure the establishment, maintenance and revision as necessary of accreditation systems for all technical, vocational education and training and other relevant sectors in the Republic of Trinidad and Tobago.
- Conduct training needs assessment and maintain and revise as necessary a database of the technical, vocational, industrial and scientific manpower needs of all industries in the Republic of Trinidad and Tobago.
- Establish, maintain and revise as necessary all technical, vocational, industrial, scientific and other educational qualifications that are approved or supported by the National Training Agency.
- Do all such things as necessary, incidental or conducive to the achievement of all of the aforementioned objects.

In their letters of appointment dated August 16, 2017, the Members of the Board of the NTA were given the aforementioned mandate. The Board has met on ten (10) occasions between its 1st meeting on September 19, 2017 and May 15, 2018. The Board is at present reviewing the work of the agency to ensure that it fulfils its mandate.

Recommendation 3

“NTA should ensure that the Government subventions received by the Agency are being used to fulfil its core mandate.”

By letter dated June 29, 2018 the NTA indicated that subventions received by the agency through the Estimates of Recurrent Expenditure are used for operational costs in relation to its core mandate, including activities as authorized by the Board of Directors. The three main areas of expenditure are as follows:

- i. Personnel Costs;
- ii. Goods & Services; and
- iii. Minor Equipment.

Section II – The Non-Submission of Audited Financial Statements for the FYs 2012-2017

Recommendation 1

“The Ministry of Finance – Investments Division should conduct an investigation into the legal documentation and incorporation of the NTA and report to the Committee no later than June 30, 2018.”

The Ministry of Finance is expected to reply directly to the PA(E)C.

Recommendation 2

“In determining the relevance of NTA, the Investments Division of the Ministry of Finance should ensure that NTA is incorporated in accordance with the company’s act as a limited liability company like all other state enterprises.”

The Ministry of Finance is expected to reply directly to the PA(E)C.

Recommendation 3

“The Ministry of Education should provide a status report on the progress made in the approval of an external auditor no later than May 30, 2018.”

Following the 25th Meeting of the PA(E)C on January 24, 2018 and having received legal advice from the Ministry’s Director of Legal Services, the Minister of Education wrote to the Chairman of the Board of NTA on February 14, 2018 (see **Annex A**) enquiring as to whether the current Board was desirous of changing the External Auditors, a decision which had been made by the previous Board in 2013.

By letter dated February 20, 2018 the Chairman of the Board indicated that it was still considering engaging suitably qualified accounting firms to obtain quotations to conduct external audits for the years 2012-2017, including the existing auditors, KPMG.

Subsequently at the 9th Meeting of the Board of Directors on April 30, 2018, the Board approved the recommendation of the Audit Committee for the engagement of KPMG to perform the financial audits of the company for the years 2012 to 2018.

Thereafter, by letter dated June 29, 2018, from the acting CEO of NTA, it was confirmed that the NTA had engaged the services of the KPMG to audit the agency’s Financial Statements for the years 2012 to 2018.

Further, as requested by the NTA (see letter dated November 1, 2017 from Chairman of the Board of Directors at **Annex B**), the Ministry of Education is finalising the names of the new nominees as Members of the NTA. Since the agency was incorporated as a Non-Profit company, it has members rather than shareholders. The existing Members, who were former employees of the Ministry of Education, have all retired. The Members are required to call the Annual General Meeting to facilitate the appointment of the Auditors.

The Ministry expects to complete this process within two (2) months, given that Cabinet approval is required for the new Members and the external auditors, KPMG has indicated that the Audited Financial Statements for the NTA for the years 2012 to 2014 are expected to be completed by September 30, 2018.

Recommendation 4

“NTA should implement stringent measures to ensure adherence to the stipulated deadlines set out in Section 3.2.5 of the State Enterprises Performance Monitoring Manual.”

The NTA has advised the Ministry of Education that KPMG has indicated that the schedule for the outstanding external audits is as follows:

- i. Financial Years 2012 to 2014 are expected to be completed by September 30, 2018;
- ii. Financial Years 2015 and 2016 are expected to be completed by December 31, 2018;
- iii. Financial Years 2017 and 2018 are expected to be completed by June 30, 2019.

The NTA has indicated that the closing balance for one financial year is used as the opening balance for the following financial year. Therefore the audited financial statement for the financial year 2018/2019 can be commenced immediately after the close of the financial year on September 30, 2019. Accordingly, the NTA has advised the Ministry of Education that it will be able to comply with the stringent measures of Section 3.2.5 of the State Enterprises Performance Monitoring Manual for the Audited Financial Statement for the year 2018/2019 to be submitted within the four (4) month period.

Recommendation 5

“NTA should take urgent steps to complete the audited financial statements for the years 2013-2016 and submit to the Committee no later than August 30, 2018.”

Based on the schedule proposed by KPMG above, the Audited Financial Statements for 2013-2016 are expected to be completed as follows:

- i. Financial Years 2012 to 2014 are expected to be completed by September 30, 2018;
- ii. Financial Years 2015 and 2016 are expected to be completed by December 31, 2018.

Upon completion, copies will be sent to the Ministry of Finance and the Public Accounts (Enterprises) Committee.

Section III – The Lack of Effective Oversight by the Ministry of Education

Recommendation 1

“As a recipient of Government subventions, NTA should submit their annual Budgets to the Investments Division and respective Line Ministry for assessment at least six (6) months prior to commencement of the Fiscal year, in accordance with Section 3.2.2 of the State Enterprise Performance Monitoring Manual.”

The NTA indicated that the Annual Budgets are prepared and reviewed by the Board of Directors before onward submission to the Ministry of Education and the Ministry of Finance. The NTA has committed to ensure that submission of its Annual Budget is made on or before 30th March, in accordance with Section 3.2.2 of the State Enterprises Performance Monitoring Manual.

Recommendation 2

“The Ministry of Education should hold semi-annual meetings with all State Agencies under its purview to ensure that public funds are being expended in a transparent and efficient manner commencing June 30, 2018.”

The Ministry of Education currently has a process to examine the operations of the agencies on a monthly basis through the review of the Board Minutes and Financial Statements received. As part of its enhanced monitoring role the Ministry will be scheduling semi-annual meetings with all State Agencies under its purview to ensure transparency and accountability in the use of public funds.

Recommendation 3

“NTA should immediately cease the practice of saving public funds and return the accumulated savings to the Consolidated Fund via the Ministry of Education for the fiscal year.”

The NTA has requested a meeting with the Ministry of Education and the Ministry of Finance – Investments Division to discuss this recommendation in light of financial obligations viz-a-viz the costs to be incurred for the Audited Financial Statements to be conducted by KPMG for the outstanding period 2012-2018 and the completion of its strategic plan for the period 2018-2022.

The Ministry of Education and the Ministry of Finance – Investments Division are expected to hold preliminary discussions during the week of August 13, 2018 to discuss financial issues and other matters related to governance and monitoring of the NTA and all other State agencies under the purview of the Ministry. Thereafter a meeting will be held with the NTA Management on its practice on saving public funds. The appropriate procedures will be followed regarding the return of any accumulated savings to the Consolidated Fund.

Recommendation 4

“The Permanent Secretary should put measures in place to oversee the accountability and transparency of funds granted to State Enterprises under its purview”.

The Ministry of Education is seeking to establish an oversight multi-disciplinary group with skill sets in legal, finance, auditing, human resource management and technical matters to monitor the operations of all State Enterprises under the Ministry with the objective of ensuring that good governance is practiced and maintained in keeping with the State Enterprise Performance Monitoring Manual and other policy guideline documents of the Government.

Recommendation 5

“The Line Ministry should ensure the receipt of all actual expenditure statements from the State Enterprises and conduct a thorough analysis of these statements before the further disbursement of allocations”.

The multi-disciplinary group mentioned at recommendation 4, along with the Accounts Department of the Ministry will have responsibility for ensuring the receipt of all actual expenditure statements from the State Enterprises and for conducting the required analysis of such statements to inform disbursement of allocations in an ongoing basis.

Section IV – Lack of Accountability and Transparency with respect to Purchases

Recommendation 1

“NTA should take urgent steps to develop an accurate and verifiable system for recording and reporting on all financial transactions and provide a report of the systems implemented to the Committee no later than June 30, 2018.”

The NTA has informed the Ministry of Education that the following systems have been implemented for the recording and reporting on all financial transactions:

- i. Financial-related documentation is first managed through a document control process. This involves the logging of all documentation in a Microsoft Access Document Control Database. Each document is given a unique, system-generated number for ease of referencing and tracking.
- ii. Documents are then accounted for using the SAGE 50 (Peachtree) Accounting Software and Inflow Inventory Management Software.
- iii. Hard copies of the Financial Records are maintained within the control of the Finance and Corporate Services department.
- iv. Soft copies of Financial Reports are stored on the NTA secure server, where access is controlled.
- v. Cheque leaves, receipt books and other controlled source documents are locked in a fire-proof safe for safe keeping.
- vi. Payroll related transactions are accounted for using the Microsoft Payroll Software.
- vii. There are several levels of access control and segregation of duties, which add to the integrity of Internal Controls within the Finance and Corporate Services department.
- viii. Standard Operating Procedures are periodically reviewed and updated as necessary.
- ix. General Ledger Account Reconciliations are prepared periodically to ensure completeness and accuracy in the Financial Reporting System.
- x. Management Accounts are prepared for review by the Board of Directors and subsequent submission to the Ministry of Education and Ministry of Finance.

Recommendation 2

“The Ministry of Education must implement the necessary institutional arrangements required to enhance financial management transparency and accountability within State Agencies under its purview”.

The Ministry of Education will implement the necessary arrangements required through the multi-disciplinary group mentioned at recommendation 5 of Section III to enhance financial management transparency and accountability within all the State Agencies under its purview.

Recommendation 3

“NTA should develop strict guidelines and policies relating to the procurement of all transactions by June 30, 2018, and submit a report to the Parliament on the initiatives taken to implement same.”

The NTA has indicated that it has existing Procurement and Tender Policies. Steps are being taken by the NTA to align its procurement activities to conform to the new procurement legislation. Additionally, the NTA has advised that it has commenced the process to implement an approved supplier listing.

Attached at **Annex C** is a copy of the Tenders Policy currently in use which was approved by the Board of the NTA in 2004. When updated to conform to the new procurement legislation, the revised Tenders Policy will be submitted to the PA(E)C.

Section V – The Misuse of the Company’s Credit Card

Recommendation 1

“The Auditor General should conduct a Special Audit into the operations and procurement process of NTA, and submit a report on the findings and recommendations to the Parliament no later than June 30, 2018.”

The Auditor General will provide a Report.

Officials of the Auditor General’s Department held preliminary discussions with both the Ministry of Education and the NTA on June 21, 2018 and June 29, 2018, respectively.

Recommendation 2

“NTA must ensure that external auditors are employed to conduct audit examinations for the periods 2012 to 2017 no later than June 30, 2018.”

The Board of Directors has reappointed the existing external auditors (KPMG) to conduct the external audit review of the NTA’s Financial Statements for Financial Years 2012 to 2018. The engagement letters to KPMG were signed on May 28, 2018. The external audit commenced in June 2018.

Section VI – Lack of Governance and Internal Control Systems

Recommendation 1

“The current Board should take urgent steps to resolve the outstanding issues identified in the Analysis of Internal Audit Findings and report to the Committee on its progress no later than June 30, 2018.”

Attached at **Annex D** is the most recent Recommendation Tracking Report from the NTA’s Internal Audit Department which was provided to the Board’s Audit Committee. It details the actions taken with a view to resolving the outstanding issues identified in the Analysis of Internal Audit findings. The Internal Audit Department conducts this tracking exercise on a quarterly basis. As such the next exercise will be conducted in October 2018 for the period covering July to September, 2018.

Recommendation 2

“The Board of Directors should critically assess the performance of the Chief Executive Officer and Management team in managing the Agency in the most transparent and accountable manner and present a report to the Committee no later than June 30, 2018.”

By letter dated June 28, 2018 (see **Annex E**), the Chairman of the Board of Directors stated that a thorough review of operations has been ongoing since the appointment of the Board in August 2017. The Board’s assessment of the CEO and the Management Team is continuing and is expected to be discussed at its next meeting. It is estimated that the Board will submit its Report to the Ministry of Education by August 31, 2018. Upon receipt, the Report will be submitted to the Public Accounts (Enterprises) Committee.

Recommendation 3

“NTA should review all policies and procedures and submit a report to the Parliament on the initiatives taken by June 30, 2018.”

The following policies have been drafted and will be forwarded to the Board of Directors for ratification:

- i. Draft Policy in Salary Advance
- ii. Draft Signing Authority Policy
- iii. Draft Local Travel and Subsistence Policy
- iv. Draft Fixed Asset Policy and Procedures
- v. Draft Credit Policy and Procedures

Upon ratification by the Board, copies will be sent to the Public Accounts (Enterprises) Committee.

Recommendation 4

“NTA should urgently develop and implement Standard Operating Procedures for all operational and financial activities conducted by the Agency.”

Standard Operating Procedures (SOPs) have been established and are currently in use for the Agency’s operational and financial activities. The Board of Directors is currently reviewing all Standard Operating Procedures as part of the development of the NTA's strategic plan. The Manual of Administrative and Personnel Policy was reviewed and awaiting Board's approval.

Section VII – Excessive Travel by the Executive Management

Recommendation 1

“In accordance to Guideline 3.1.8 of the State Enterprises Performance Monitoring Manual, the agency is required to meet only the expenditure related to official business.”

The NTA is cognizant of the guidelines provided in the State Enterprises Performance Monitoring Manual. To this end, all submissions for overseas business travel would have been subject to the due process of approval and authorization by the Board of Directors, as evidenced by Board Minutes.

Recommendation 2

“In accordance to Guideline 3.1.8 of the State Enterprises Performance Monitoring Manual, Managers (including Managing Directors and Executive Directors) and other senior personnel of State Enterprises who are required to travel obtain the approval of the Board of Directors of their Companies, who may delegate this authority. Chairmen and Non-Executive Directors who are required to travel obtain the approval of the Line Ministers responsible for their respective Companies.”

As stated in Recommendation 1, the NTA is cognizant of the guidelines provided in the State Enterprises Performance Monitoring Manual. To this end, all submissions for overseas business travel would have been subject to the due process of approval and authorization by the Board of Directors, as evidenced by Board Minutes.

Recommendation 3

“The Agency should ensure that all supporting documents are provided for the reimbursement of overseas travel and upkeep.”

The NTA indicated that documentation in relation to overseas travel is maintained within the Finance and Corporate Services Department of the Agency and that all travel requests are reviewed and duly authorized before being expended.

Recommendation 4

“NTA should establish a daily travel allowance limit for overseas travel by June 30, 2018, and report to the Committee on such.”

The NTA has advised that it does not have a formal travel policy, however the Agency follows the guidelines of the COA14/5/54 – Minister of Finance Circular No. 02 dated April 07, 2006 which relates to the first class travel and revised per diem and other allowances for official overseas travel. The Ministry of Education has advised the NTA that it needs to develop a policy on overseas travel.

Recommendation 5

“In an attempt to ensure proper oversight of the company’s operations, no more than two (2) persons of the Management team should be out of office at the same period of time.”

The recommendation is noted and the NTA will ensure that it is implemented.

Section VIII – Lack of an Official agreement between the National Training Agency and the Unit Trust Corporation for the formalisation of the Universal Retirement Fund

Recommendation 1

“NTA must take urgent steps to formalise a pension plan for its employees no later than June 30, 2018, and report on same to the Committee.”

The NTA’s Board of Directors has undertaken a fact-finding mission into the Unit Trust Corporation’s Universal Retirement Fund (UTC URF). The Finance and Investments Committee of the Board presented a report from this exercise at the Board’s 12th Statutory meeting held on July 24, 2018.

Two critical recommendations were approved by the Board, as follows:

- i. To engage the bargaining body for staff, Oilfield Workers Trade Union, on the issue of converting the Universal Retirement Fund (URF) to a registered pension plan.
- ii. The NTA’s Internal Audit Department and the Auditor General’s Department to conduct a review of actual withdrawals from the URF to assess compliance with the Cabinet approved terms and conditions.

Both the Internal Audit Department of the NTA and the Auditor General's Department are currently addressing the latter request. A copy of the findings of the Finance and Investments Committee of the Board can be provided, however, the audits are currently in the incipient stages and as such a date for completion cannot be provided at this time. However, upon completion, a Status Report will be provided to the PA(E)C.

Recommendation 2

“The relevant Accounting Staff must ensure that all reconciliations are prepared in accordance to the International Financial Reporting Standards (IFRS).”

The NTA has advised that Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) and/or International Accounting Standards (IAS), where applicable. Reconciliations are prepared periodically, reviewed and approved. Additionally, audit schedules are prepared for review by the external auditors. All efforts are currently being made to ensure ALL general ledger account reconciliations are brought up to date and correcting entries made where applicable. This is in an effort to ensure completeness and accuracy in the accounting records.



The Government of the Republic of Trinidad and Tobago
MINISTRY OF EDUCATION

The Honourable Anthony Garcia,
Minister of Education

E:22/1/1

February 14, 2018

Dr. Ruby Alleyne
 Chairman
 National Training Agency
 140-142 Mulchan Seuchan Road
CHAGUANAS

Dear Dr. Alleyne,

*Change of Members of the National Training Agency (NTA)
 to enable the Appointment of External Auditors*

Your letter dated November 1, 2017 regarding the request of the new Board of Directors of the National Training Agency to change the Members of the Agency to enable it to convene an Annual General Meeting for the purpose of appointment of the External Auditors of the Agency, refers. This request, as stated was to facilitate a decision of the previous Board in 2013.

In this respect, the Ministry notes that the procedure to change the Members is a process which includes Cabinet approval for the recommendation of new Members of the National Training Agency. The Ministry further notes that upon recommendation of the Minister, it is the Board of the NTA who has responsibility for approving the new Members, in keeping with Article 5 of the Articles of Association of the NTA.

In this regard, as the Line Minister for the NTA, I wish to draw your attention to Sections 163(3) and 164 of the Companies Act which state as follows:

Section 163 (3):

- (3) "Notwithstanding subsection (1), if an auditor is not appointed at a meeting of shareholders, the incumbent auditor continues in office until his successor is appointed.



The Government of the Republic of Trinidad and Tobago
MINISTRY OF EDUCATION

The Honourable Anthony Garcia,
Minister of Education

Section 164:

- “(1) The shareholders of a company, other than a company mentioned in section 156(1), may resolve not to appoint an auditor.*
- (2) A resolution under subsection (1) is valid only until the next succeeding annual meeting of shareholders.*
- (3) A resolution under subsection (1) is not valid unless it is consented to by all the shareholders, including shareholders not otherwise entitled to vote.”*

Any decision which may have been made by the Board of the Agency to not appoint an auditor may be contrary to Section 164 (1) which requires that any decision to not appoint an auditor must be by unanimous consent of shareholders, in accordance with Section 164 (3).

The Ministry notes that the NTA is a non-profit company and is therefore guided by Section 307 (1) of the Companies Act. Section 307 (3) (a) states that certain provisions of the Companies Act apply to non-profit companies, including the provisions of Division 7 of the Act. Section 163 which deals with the appointment of an auditor, is part of Division 7 of the Act.

The Ministry is also conscious of the issues and concerns expressed by Members of the Public Accounts (Enterprises) Committee at its 25th meeting held on January 24, 2018 to examine the Audited Accounts, Balance Sheet and other Financial Statements of the National Training Agency.

In light of the above references to the Companies Act and the views, questions and suggestions put forward by the Honourable Members of the Public Accounts (Enterprises) Committee on January 24, 2018; kindly advise the Ministry whether the Board of the NTA is at this time desirous of changing the External Auditors of the National Training Agency, as decided by the previous Board of Directors in 2013.

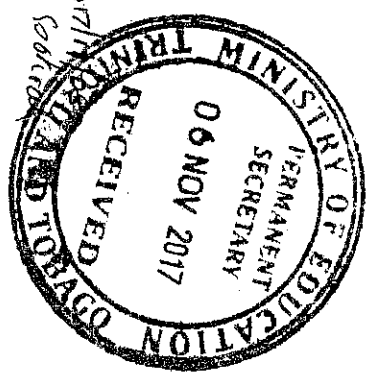
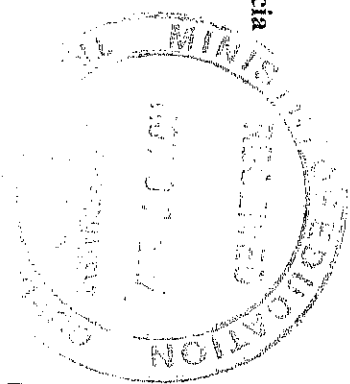
Anthony Garcia
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Anthony Garcia
Minister

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1st November, 2017

The Honourable Anthony Garcia
Minister of Education
Ministry of Education
15th Floor, Education Tower
Building A
5 St. Vincent Street
PORT OF SPAIN



Best prepare a response
D.P.S. Sochor
2014-11-04

Dear Honourable Minister

Re: Change of Members of the NTA to enable the Appointment of External Auditors

We refer to the letter dated 22nd September, 2017 from the Permanent Secretary in the Ministry of Finance captioned, "Change of Auditors of National Training Agency" (*attached*).

As you may be aware, the previous Board of the National Training Agency (NTA) took a decision to hire new External Auditors in 2013. This decision was taken as the current External Auditors were in place since the inception of the Company in 1995.

The NTA then proceeded to obtain proposals and quotations from Audit firms and requested the Ministry of Finance to assist in the appointment of the recommended External Auditor. The NTA also sought legal advice on the appointment procedure. The legal advice stated, *inter alia*, that the Membership of the NTA was the only body that could call an Annual General Meeting (AGM) to appoint the External Auditors.

The Ministry of Finance eventually concluded that the NTA was not a State Enterprise under its purview as it was not a limited liability company whose shareholder was Corporation Sole (Minister of Finance).

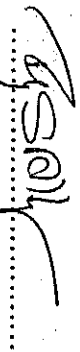
The Ministry of Finance noted that the NTA was a company limited by guarantee and incorporated as a non-profit Company under the Companies Act, and the Minister of Finance was not listed as a Member.

The Corporate Secretary has advised that a majority of the original members of the NTA (see *attached list of members*) are no longer in the employ of the Ministry of Education, and are not subject to the direction or control of the Ministry of Education. Consequently, we are advised that with the permission of the Minister of Education, the matter can be resolved by the Board of Directors exercising its power under Article 5 of the NTA's Articles of Association in moving to revoke the membership of the six (6) persons listed as members, and to appoint new members of the NTA. Further, it is recommended that the new Members to be appointed be no more than three (3) senior personnel of the Ministry of Education, recommended by the Minister of Education.

For the purpose of clarity, the functions of the Members are strictly limited to participating in the Annual General Meeting of the National Training Agency, where the main business would be for the appointment of External Auditors to conduct the audit of the annual financial statements.

Thanking you in advance for your attention in this matter, we look forward to your response.

Yours sincerely



Dr. Ruby S. Alleyne
Chairman
National Training Agency

cc: *Dr. The Honourable Lovell Francis, Minister of State in the Ministry of Education*
Permanent Secretary, Ministry of Education



Government of the Republic of Trinidad and Tobago
MINISTRY OF FINANCE
INVESTMENTS DIVISION

F (D):1/111/1

September 2, 2017

Mr Steve Arman
Chief Executive Officer
National Training Agency
21-22 Mulchan Seuchan Road
Chaguana

Dear Mr Arman

Change of Auditors of National Training Agency

I refer to your enquiries relating to the removal of the current auditors and the appointment of new auditors of the National Training Agency and discussions between your Finance Manager and the Treasury Solicitor on this subject.

You are advised that the National Training Agency (NTA) was incorporated under the Companies Act, Chapter 81:01 as a non-profit company limited by guarantee. As such, NTA is a non-profit company owned by members and not a profit company owned by shareholders. Corporation Sole is neither a member nor a shareholder of NTA and consequently, there is no role for the Corporation Sole nor the Investments Division of the Ministry of Finance in the appointment and removal of auditors of NTA.

Additionally, section 4 of the Articles of Association of the Company states that the directors are appointed by the Minister with responsibility for Education.


It is to be noted that the Articles of Association of the Company do not address the appointment and removal of auditors and as such guidance can be obtained from sections 166 to 171 of the Companies Act, Chapter 81:01 in appointing and removing auditors. I have also noted that your Finance Manager received legal advice on this issue in letter dated November 25, 2014 from Ashmead Ali & Co, Attorneys-at-law. A copy of the letter is attached for reference.

Yours sincerely

Phillips
Permanent Secretary in the
Ministry of Finance

cc Permanent Secretary, Ministry of Education

(868) 612-9700
ext. 2539

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 Phillips1@gov.tt



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The company must send a copy of the auditor's statement to every member entitled to receive notice of any members meeting (Section 171 (2)).

No person shall accept an appointment or consent to be appointed as auditor of a company if he is replacing an auditor who has been removed until he has requested and received from that auditor a written statement of the circumstances and reasons why in that auditor's opinion, he is to be replaced (see Section 171 (3)).

If within fifteen (15) days after making the request referred to above, the auditor does not receive a reply he may accept an appointment or consent to be appointed as auditor of a company (Section 171 (4)).

Except in the circumstances mentioned in Section 171 (4), an appointment as auditor of a company of a person who fails to comply with Section 169 (3) is void.

In the circumstances we advise that the auditor to be removed must be given the relevant notice as to the intention by the members to remove him as auditor and the proposed auditor prior to accepting an appointment must comply under Section 171 (3).

Yours faithfully,

RADHA CARRIE MAHARAJ
ASINMEAD AJJ&CO

*Received
@
31/07/2015
Receipt from: E. Latham.*

NATIONAL TRAINING AGENCY

TENDERS POLICY

AND

**RULES AND PROCEDURES FOR THE
INVITATION AND CONSIDERATION OF
OFFERS AND TENDERS FOR THE AWARD
OF CONTRACTS FOR ARTICLES, WORKS
AND SERVICES**

January 6, 2004

NATIONAL TRAINING AGENCY

TENDERS POLICY

1. POLICY STATEMENT

It will be the policy of the company to ensure that in the purchasing of all requirements for its operation and the implementation of its projects, in terms of plant, equipment, materials, goods and services, adequate quality, standards and prices are the best that can be obtained, all things being considered. Also, that where available and applicable, locally made or processed items and locally offered services are given preference to foreign purchases within the limits established by the Board of Directors and reasonable economic considerations. The company will ensure that proper tendering procedures are adhered to, payments are made promptly and that there is an on-going analysis of the cost and benefits of all its purchases. The Agency may award a contract in whole or in part or not at all, and is not bound to accept the lowest or any tender.

2. LEVELS OF AUTHORITY

The following chart summarises the levels of Authority for awarding contracts and/or authorizing the approval of expenditure of the Company's money for the purchase of goods/services:

QUANTUM OF PURCHASES/TENDERS	AUTHORITY	COMMENTS
Up to \$50,000.	Chief Executive Officer	For any single purchase
\$50,000. - \$1,000,000	Tenders Committee	To be appointed by the Board of Directors
Contracts \$1M to \$5M.	Board of Directors	
Contracts above \$5M.	Board of Directors/ Ministry of Finance	

3. CONSTITUTION OF THE COMMITTEE

The Board of Directors will establish a TENDERS COMMITTEE for the purposes of handling purchases of any single item over \$50,000.00 and up to \$1,000,000.00 in accordance with the following:

- i. The Tenders Committee shall consist of:-
 - A Chairman who shall be a Board Member of the Agency.
 - Three (3) other members of the Board one of whom shall be the Deputy Chairman of the Committee. In the absence of the Chairman from any meeting or part of a meeting the deputy chairman shall preside.
 - The Chief Executive Officer.
- ii. The Manager-Finance and Corporate Services/Secretary to the Board shall perform the duties of Secretary to this Committee.
- iii. Three (3) members shall form a quorum, one of whom must be the Chairman or the Deputy Chairman.
- iv. The Committee may invite other officers of the Agency to attend meetings, who in their opinion may be capable of providing information at any meetings of the Tenders Committee.
- v. Members shall disclose the fact that they are connected in any way with persons or organisations which tender for contracts with the company and shall not take part in any meeting of the Committee in which the tenders are discussed or considered.
- vi. Meetings of the Committee shall be arranged as required by the Secretary in consultation with the Chief Executive Officer and the Chairman.
- vii. The Committee will not be bound to accept the lowest or any tender. If, however, the lowest tender is not accepted, the Committee shall report its action to the Board of Directors and shall provide reasons for its decision.
- viii. The Committee can authorize the obtaining of tenders for special goods and services by means other than those required by these procedures on the recommendation of the Management through the Chief Executive Officer.

4. TERMS OF REFERENCE OF THE COMMITTEE

The Terms of Reference of the Committee shall be as follows:

- i. To approve the names of firms to be included either in selective tendering or in submission of proposals for professional services.
- ii. To open tenders and proposals and make awards for such supplies, services etc, within the limits of values set by the Board of Directors from time to time.
- iii. To approve general rules for all purchasing in the Company.
- iv. To study and make recommendations to the Board of Directors on formal contracts in excess of values stipulated for their approval by the Board of Directors.
- v. To recommend to the Board of Directors appropriate action concerning poor performance by Contractors
- vi. To deal with any matters referred to it by the Chairman, the Board of Directors or the CEO.

5. TENDERING PROCEDURES

Stock Items, Non-Stock Items and Contracts

- i. Definitions
 - Stock Items are all plant, equipment and materials which are normally held in stock and considered necessary for the efficient operations of the company.
 - Non-Stock Items are all consumable items which are not normally held as a stock item.
 - Contracts are written offers made by the Company and accepted by a second party to provide goods and/or services to the Company.
- ii. Limits of Agency
 - The Chief Executive Officer shall invite, open and make awards for proposals and tenders of values of \$50,000.00 and less.

- The Tenders Committee shall invite, open and make awards for tenders and proposals of values in excess of \$50,000.00 but not exceeding \$1,000,000.00
- The Tenders Committee shall open and make recommendations to the Board with respect to tenders and proposals of values in excess of \$1,000,000.00.
- The Board shall make awards for tenders and proposals of values in excess of \$1,000,000.00 for non-stock items to a maximum value of \$5,000,000.
- Awards of contracts valued over \$5,000,000 (or such other sum to be determined by the Minister of Finance) must have prior approval of the Minister of Finance.
- Details of contracts below the value of \$5,000,000 awarded from September 01, 2001 and onwards must be provided to the Ministry of Finance on a monthly basis.

**RULES AND PROCEDURES FOR THE INVITATION AND CONSIDERATION OF
OFFERS AND TENDERS FOR THE AWARD OF CONTRACTS FOR ARTICLES,
WORKS AND SERVICES FOR THE NATIONAL TRAINING AGENCY**

1. INTRODUCTION

1.1 These Rules have been developed to ensure:

- (a) That the Agency award contracts for Articles, Works or Services to competent companies or persons on a basis of competitive bidding except where specifically provided herein, taking due cognizance of quality, technical ability and cost.
- (b) The proper administration of Tenders and Contracts throughout the Agency.

Adherence to these rules would ensure the achievement of these objectives.

2. DEFINITION

2.1 In these rules

“Agency” means the National Training Agency

“Articles” mean all goods, materials, stores, vehicles, machinery, equipment and things of all kinds.

“Board” means the members of the Agency appointed by GORTT.

“Chairman” means the Chairman of the Committee or the Agency as the text may admit.

“Committee” means the Tenders Committee charged with all matters relating to tenders within its scope in accordance with these Rules.

“Chief Executive Officer” means the person responsible for carrying out the decisions of the Agency.

“Minister” means the Minister to whom responsibility for the Agency is assigned.

“Ministry” means the Ministry to which responsibility for the Agency is assigned.

“Relative” means father, mother, brother, sister, son, daughter, son-in-law, daughter-in-law, spouse (including common law spouse) and parents of “spouse of the person referred to in these rules.”

- "Services" mean administrative, financial, marketing, legal, engineering and all other technical services including consultancy services.
- "Tender" means an offer or quotation or group of offers or quotation made by companies or persons in response to a request by the Agency to conduct specified Works, Services or to supply Articles.
- "Works" mean building construction, maintenance and engineering works of all kinds.

3. FUNCTION OF COMMITTEES

- 3.1 The Committee/Chief Executive Officer, shall, in accordance with the levels of an Agency, invite and consider offers and tenders for the supply of Articles and for the undertaking of Works and Services necessary for carrying out the functions of the Agency and shall make recommendations or decisions on the acceptance or rejection of such offers and Tenders in accordance with these rules.
- 3.2 The Committee/Chief Executive Officer shall not, for the purpose of giving itself Agency to set under these rules, subdivide the quantity of Articles to be supplied or of Services or Works to be undertaken in two or more portions so that the value will fall within their respective financial limits.
- 3.3 The Committee/Chief Executive Officer may dispose of assets in accordance with Article 12 of these Rules.

4. PROCEEDINGS

- 4.1 At any meeting of the Committee appointed under these Rules, any three members shall constitute a quorum, one of whom shall be the Chairman or Deputy Chairman.
- 4.2 The Committee shall meet as often as is necessary or expedient for the transaction of their business.
- 4.3 The Chairman shall fix the date, time and place at which the Committee shall meet and may call special meetings of the Committee for the consideration of any urgent matter.
- 4.4 Except as determined by the Chairman of the Committee, notices and agenda of the meetings shall be circulated to members of least forty eight (48) hours before the time for such meetings.

- 4.5 The decisions of the committee taken at meetings shall be by majority votes and for this purpose the Chairman shall have both an original and a casting vote.
- 4.6 Only in exceptional cases and in matters which do not require the use of personal judgement and/or do not require discussion, as determined by the Chairman, shall decisions of the Committee, be taken by the circulation of papers. Such circulated papers should reflect the comments of each member on one document in relation to each matter so dealt with.
- 4.7 Where papers are circulated among the members of the Committee by round-robin:-
- 4.7.1 The Chairman may direct that the papers shall not be circulated to any member, who through declared interest, is precluded from voting.
- 4.7.2 A Committee member who is precluded from participation in the award process by reason of a conflict of interest shall so indicate and shall not vote.
- 4.7.3 A Committee member may request the Chairman to reserve any matter for discussion at the next meeting of the Committee.
- 4.8 Decisions taken by the Committee and justification and conditions if any for all decisions are to be recorded. In the event the Committee or the Chief Executive Officer does not make, an award, the reason(s) shall also be recorded.
- 4.9 Any member of the Committee who dissents from any decisions may request the Chairman to record such dissent, and the Chairman shall cause such dissent and the reasons(s) therefore to be recorded in the Minutes.
- 4.10 The Committee may reject any Tender which does not comply with any of the requirements set out in the Invitation to Tender.
- 4.11 Minutes of each Committee meeting shall be prepared and confirmed at the next succeeding meeting, and kept at the office of the Agency.
- 4.12 Copies of confirmed Minutes of the Committee certified by the Chairman shall be forwarded to the Board.
- 4.13 Monthly reports in tabular form with details of acceptance and rejection of Tenders, successful contractors, value of awards and subsequent variations, if any, shall be prepared by the Secretary of the Committee and certified by the Chairman for submission to the Board.
- 4.14 Details of contracts below the value of \$5 Million should be provided to the Ministry of Finance on a monthly basis.

5. INVITATION TO TENDER

- 5.1 The Chief Executive Officer whenever Articles or Works or any Services are required to be supplied to, or undertaken on behalf of the Agency, in excess of the authority of the Chief Executive Officer, shall make a request in writing to the Committee. The request shall be accompanied by the relevant bid documents.
- 5.2 Invitations to Tender shall be open to the public except approved otherwise by the Committee/Chief Executive Officer as the case may be for competitive bidding or any other circumstances as approved by the Board.
- 5.2.1 The Agency shall prepare and have a list of pre-qualified contractors approved by the Committee whom they may wish to bid for the supply of goods and services falling under the scope of this policy.
- 5.2.2 Selective invitations shall be issued only and directly to competent companies or persons as approved by the Committee.
- 5.3 A pre-qualification or post qualification process shall be conducted when Tenders are invited by open tendering.
- 5.4 The Letter of Invitation shall be signed by the Chairman of the Committee and shall contain:-
- a) A sufficient description of the Articles required or scope of works or services to be undertaken and shall whenever necessary also contain the place where and the time when additional information relating thereto can be obtained;
 - b) The form or manner in which an offer is to be made;
 - c) Date of completion for works or services, period of delivery for articles;
 - d) The date and time within which the offer is to be made;
 - e) The period of validity of the offer;
 - f) The place and the manner in which the offer is to be submitted;
 - g) The quantum of the non-refundable tender deposit (and/or bid bond to be paid to the Agency where the Committee deems it necessary);
 - h) Indication of the form of security which may be required by the Agency where the Committee deems it necessary;
 - i) Where a performance bond in the form of bank guarantees is required from the successful candidate it shall not be less than 12 ½ % of the tender amount;
 - j) A summary form containing the main data comprising the submission;
 - k) Any other essential matter.

- 5.4.1. All tenderers shall be invited to witness the opening of tenders.
- 5.5 The Summary information required under Article 5.4.(j) above shall be as follows:-
- a) Name of tenderer (specifying joint-venture or other, as necessary)
 - b) The Income Tax Certificate Number of the tenderer
 - c) Name of product or model of item, in the case of supply of Articles
 - d) Works or Services to be performed, in the respected case
 - e) Unit Costs or rates and total costs, as applicable
 - f) Delivery or completion period and mobilization period
- 5.6 The time between the Invitation to Tender and the closing date for Tender shall be reasonable with due cognisance given to the nature of the requirements of the Tender but in no case less than fourteen days.
- 5.6.1 Any extension to the closing date shall be immediately communicated to all invitees.
- 5.7 The Agency may prepare and cause to be printed such form, etc., as in its opinion are necessary and appropriate for the making of offers for the supply of articles or for the undertaking of Works or any Services in connection therewith.
- 5.8 Offers for the supply of Articles for the undertaking or Works or any Services in connection therewith may be made on the appropriate forms supplied in accordance with Article 5.4 when so directed by the Committee, by letter, and shall be signed by the person making the offer or in the case of a company, partnership or business firm by the person duly authorized, and shall be enclosed in a sealed envelope addressed to the Chairman of the Committee.
- 5.9 Every Tender shall be accompanied by clearance certificates issued by the Board of Inland Revenue and the National Insurance Board dated not more than six (6) months prior to the closing date of tender, certifying that the individual, company, partnership or business firm has satisfied all obligations in respect of all taxes and contributions administered by respective Boards.
- 5.10 The person making the offer, or in the case of a company, partnership or business firm, the duly authorized officer shall initial all alterations in any offer made to the Committee.

- 5.11 The Committee may reject any offer, which does not comply with any of the provisions of these rules.
- 5.12 The Agency may as appropriate, or upon a reasonable request by any of the persons invited to Tender, arrange clarification meetings and/or site visits which shall be arranged, prior to the close of Tenders, to which all tender invitees shall be invited by written notice. Such notice may be contained in the Invitation to Tender.
- 5.13 All queries or request for clarification shall be answered and circulated to all invitees. No queries or request will be entertained within seven (7) days of the closing period.

6. **TENDER BOXES**

- 6.1 The Agency shall keep at its office specially constructed boxes in which all Tenders shall be placed. The boxes may also be kept in such other places as in the opinion of the Chairman of the Committee may be necessary or appropriate.
- 6.2 Each box shall be marked "Tenders Box" and shall conform to specifications that ensure adequate capacity and security of the documents placed in the box.
- 6.3 Each box shall have two independent locks that control the opening of the box, the key for one of the two independent locks shall be kept in the custody of the Chairman of the Committee and the key for the other independent lock shall be kept in the custody of another member of the Committee.
- 6.4 When a box has been assigned for the receipt of Tenders it shall be marked so that it may be readily identified by persons delivering Tenders and may not be used in relation to more than one matter unless such Tenders close at the same time.
- 6.5 When the time for submission of Tender has expired, the boxes assigned shall be sealed by both the Secretary to the Committee and the Divisional Head present at the same time so that no further bids may be inserted, and the box or boxes shall be removed to such secure place as may be designated by the Chairman of the Committee from time to time, to be opened shortly thereafter.

7. **OPENING OF TENDERS**

- 7.1 Tenders in sealed envelopes shall be deposited in the appropriate tender box before the closing date and time.
- 7.2 Tenders will close at the designated times on designated days and shall be opened at designated times on designated days.

- 7.3 On the designated day, the tender box shall be unlocked by the persons identified in 6.3 and the Tenders found therein, shall be removed in the presence of the following Agency personnel:-
- a) The Secretary to the Tenders Committee
 - b) Department Head
- 7.4 Tenders received shall be grouped by the tender description stated on the face of the envelopes.
- 7.5 Envelopes which do not bear a tender description on the face shall be opened at the discretion of the Agency's personnel in 6.3 above who shall stamp, date, initial and deal appropriately with the Tenders enclosed therein.
- 7.6 Upon the opening of a Tender a contemporaneous note shall be taken of:-
- a) The names of the persons or firms making the Tender.
 - b) The sums of money mentioned in the Tender.
 - c) Deposit receipt and/or bid bond if required.
 - d) Such other information as may be suitable.
- 7.7 Every person or firm, who makes an offer, shall be entitled to be present either personally or through a duly authorized representative at the opening of tenders.
- 7.8 All persons, tenderers and/or their representatives present shall be required to sign a register as evidence of attendance.
- 7.9 The Tenders, having been opened, noted and signed, shall be placed in a safe place pending evaluation.
- 7.10 Minutes of proceeding of openings are to be prepared and signed by the Agency's personnel designated under 7.3.
- 7.11 A Tender may only be withdrawn by a letter signed by the signatory of the tender and addressed to the Chairman of the Committee before the closing date and time of the tender.
- 7.12 The Agency shall, for each invitation to bid, prepare and deposit into the tender box prior to the deposit of tenders a counter-estimate which shall not be revealed to the public but shall be kept confidential.

7.13 Late Tenders shall not be accepted in any circumstances.

8. **ALTERNATIVE TENDERS**

8.1 The Agency shall invite an alternative approach to that outlined in the scope of work, as it may deem fit. The companies or persons invited shall submit a base Tender and/or an alternative Tender. The Committee shall consider all such Tenders received for the award.

8.2 Alternative Tenders (solicited or unsolicited) which result in a change in the scope of work will not be considered for the award.

8.3 Unsolicited alternative Tenders shall not be considered.

9. **EVALUATION OF TENDERS**

9.1 The Committee shall, at such time or times as may be deemed necessary or expedient, consider tenders received.

9.2 Where there is no significant difference in the quality of Articles or in the capacity to undertake Works or Services between any tenderer, the lowest offer shall be accepted subject to (a) or (b).

a) Where the quality of Articles differs between tenders, account shall be taken of the following in determining the lowest evaluated tenderer:-

- i. Price quoted and terms of payment in comparison with Agency's counter estimate
- ii. Evidence of reliability of performance;
- iii. Any warranty of guarantee given;
- iv. Maintenance or repair service provided;
- v. Compatibility with other Articles used by the Agency;
- vi. Future requirements of the Agency;
- vii. Adequacy and availability of stocks of spares;
- viii. Currency of payment and risk of price increases during a supply period;

- ix. Any other matter related to quality, reliability or adequacy of the Articles.
- b) Where there is a significant difference in the offers to undertake Works or Services, account shall be taken of the following in determining the lowest evaluated tenderer.
 - i. Such matters listed at (a) above as may be relevant:
 - ii. Evidence of previous performance of similar Works and Services:
 - iii. Technical skills, adequacy of supporting staff, supporting financial and contractual arrangements available to the persons making the tender:
 - iv. Any other matter related to the quality or adequacy of performance of the Works or Services in selecting which tender shall be accepted
 - v. Tenders greater or less than 25% may not be accepted.

10. **TENDER ACCEPTANCE AND CONTRACT AWARD**

- 10.1 Where a tender has been accepted, the person who has submitted the Tender shall be notified by the Chairman of the committee in writing of its acceptance and that he is required to enter into a formal contract with the Agency.
- 10.2 A formal contract shall be in such form, and contain such terms, conditions and provisions as the Agency may determine, and shall specify inter alia, whenever applicable:
 - (a) A description of the Articles to be supplied or the Works or Services to be undertaken.
 - (b) The terms of payment and the price to be paid for the supply of such Articles or the undertaking of such Works or Services.
 - (c) The period within which the matters contemplated by the contract are to be performed.
 - (d) The amount of damages payable by the contractor for delay or non-completion within the period stipulated.
 - (e) Provisions for damages in the event of breach of such contract by the Contractor.

10.3 A Company or person to whom any contract is awarded may be required to provide security in such form and to such extent as the Committee may determine in respect of the satisfactory performance of the contract.

10.4 Before work commences, every contractor is requested to produce (where applicable), evidence of workmen's compensation and such other insurance coverage as may be required for the duration of the contract.

11. CONSULTANCY SERVICES

a) Firms invited to bid for consultancy services, must satisfy the technical requirements before consideration is given to financial proposals.

b) Every tenderer must submit two (2) envelopes

- Envelope 1 containing the technical proposals
- Envelope 2 containing the financial proposals

c) Only envelope 1 shall be opened and forwarded to the executing Division for detailed analysis for the technical proposals and their order of merit.

d) Only envelope 2 corresponding with Envelope 1, of the first rank firm shall be opened in the presence of its representative(s) and contract negotiations shall commence with this firm. Failing an agreement of the terms and conditions of contract with the first ranked firm it shall be notified of its rejection in writing and negotiations shall be initiated with the second ranked firm and so on until a satisfactory agreement is reached.

In the event that no agreement is reached with any of the firms, the work must be re-tendered.

12. NON COMPETITIVE PROCUREMENT

All contracts for the supply of Articles, works or services must be awarded on the basis of competitive bidding except as provided hereunder:-

- a) Where Articles are spares or replacement parts for equipment in use;
- b) Where the purchase of similar type equipment already in use is more cost effective.
- c) Where Articles, Works and Services are available through a sole source.

- d) Where works are to be carried out on a site where the employment of another contractor will hinder the progress of the works already being performed by an existing contractor, taking due account of the cost effectiveness if the approach is adopted.
- e) Where services are to be carried out by a Contractor who is already in possession of relevant information and data and it would be more cost effective for such Contractor to perform the required services.

To commence such jobs:

- i. An application must include a detailed description of the Articles, Works and Services and a certification that the Contractor is the only one possessing the necessary capabilities locally, or the particulars of the circumstances surrounding the recommendation for the Contractor.
- ii. The application must identify the cost effectiveness/savings and the rationale for adopting this approach

Where the value of the Articles, Works, or Services is in an amount in excess of \$50,000.00 a recommendation shall be made by the Chief Executive Officer to the Tenders Committee. Where the value of the Articles, Works or Services does not exceed \$50,000.00 the Chief Executive Officer may approve.

13. VARIATIONS

- (a) Subsequent to the commencement of work on a contract, circumstances may arise which result in a variation.

Some examples are:

- i. Change in the scope of work
- ii. Change in specification
- iii. Change in the method or manner of performance
- iv. Accelerating work performance
- v. Extensions to existing contracts

When such variations occur: -

- (I) Applications to undertake variations must be submitted to the Chief Executive Officer accompanied by a detailed Cost Quotation from the Contractor
- (II) Applications must indicate whether or not the terms/price appear to be

reasonable which would be determined by a Counter Estimate prepared by the Agency.

- (III) All applications for variations must be submitted to the Tenders Committee
- (III) Variations in respect of contracts awarded by the Chief Executive Officer shall be approved by the Chief Executive Officer upon the recommendation of the Tenders Committee
- (IV) Variations in respect of contracts awarded by the Tenders Committee or the Board shall be approved by the Tenders Committee or Board respectively

14. CONTRACT RETENTION

- (a) Where retentions of contract payment are applicable these must be specifically stated in the Invitation to Tender.
- (b) Retention shall be a percentage of the value of the work completed and for a stipulated period as determined by the executing relevant Division.

15. PERFORMANCE APPRAISAL

- a) Objective
To measure the efficiency and effective work on all contracts and to provide information and feedback to assist the Committees in their deliberations.
- b) Requirements and Focus
 - i. Appraising a Contractor's performance may involve several factors, depending upon the type of contract, e.g. agreed fixed price contracts will have little cost vulnerability, but quality risks may be higher. However, it will always include contract compliance, quality assurance and control, safety, housekeeping and general risk management.
 - ii. The user department's contract objectives may be related to costs, schedules, quality, safety, public relations and/or several other considerations. Understanding these and their relative priorities is essential to the organization and effective appraisal efforts. The level of detail in each contract (including procedural and technical specifications) and the degree(s) of freedom which the contractor has, will establish the magnitude of risks involved.

c) Appraisal

- i. A performance appraisal must form an integral part of the certification of works completed.
- ii. Such appraisals must be completed by the Executing Division in accordance with the format as decided by the Tenders Committee.

d) Suspension

A contractor may be suspended from any future bidding or delisted for poor performance. The period of suspension shall not be more than two(2) years

16. DISPOSAL OF ASSETS

- 16.1 The Agency shall report to the Committee any Article, or group of Articles being property of the Agency and which is unserviceable or is surplus to the requirement of the Agency, the original value of which exceeds \$5,000.00. The report shall contain a full description of the articles, the quality thereof and places where the articles are stored.
- 16.2 The Committee may sell and dispose of any unserviceable or surplus articles, the original value of which exceed \$5,000.00 by public auction or may adopt such other method of disposal as the Committee may consider proper and desirable.
- 16.3 The Board may sell and dispose of the unserviceable or surplus Article, the original value of which exceeds \$100,000, by public auction or may adopt such method of disposal as the Board may deem proper and desirable.
- 16.4 The Chief Executive Officer may dispose of unserviceable or surplus items, the original value, of which does not exceed \$5,000.00. In doing so, he may consider the following options:
 - (a) to be sold to a member of the public
 - (b) to be sold to a member of staff
 - (c) to be donated to Government Agencies, Youth Camps, Technical School etc, or a charitable institution supported by public funds;
 - (d) to be reserved for sale by public auction.
- 16.5 These rules shall apply, mutatis mutandis, to the disposal of assets.
- 16.6 A member of the Agency's staff or of the Tenders Committee may be nominated to attend every sale of unserviceable or surplus Articles and report to the Board the results thereof.

16.7 Separate reports shall be submitted on the completion of all such transactions and submitted to the Tenders Committee.

17. ETHICS

17.1 Conflict of Interest

A member, officer, employee or agent of the Agency who:

- (a) is a director of or a partner in a company, firm or body, which has submitted a Tender for the supply or purchase of Articles or for the undertaking of Works or Services for the Agency or which is the subject of consideration in relation to such supply or purchase herein called "a business entity";
- (b) is an employee of a business entity;
- (c) has financial interest in a business entity;
- (d) has a relative within paragraphs (a), (b) or (c) above,

shall disclose the fact and shall not be present at nor take part in any consideration or discussion of the Tender and shall not vote on any question relating thereto.

17.2 Contracts with the Agency's Personnel

A member of the Board or an employee of the Agency or the relative of any such persons shall not enter into any contract for the supply of Articles to or the undertaking of any Works or Services for the Agency.

17.3 Confidentiality

Every person having an official duty or being employed in the work of the Committee shall treat all documents and information relating thereto as confidential.

17.4 Improper Inducements

Any person, firm, company or corporation or any employee, agent or licensee thereof, whether he or it has tendered or not, who with the intention of gaining any advantage, benefit or concession for himself or any other person, firm, company or corporation, offers any members of a Committee or Officer of the Agency or any employee, agent, licensee or relative of any such member, officer

or Agent, a gift or money or other thing or benefit whatsoever or approaches in any form or manner, such person, with respect to any matter whatsoever concerning any Tender or Contract, shall be disqualified from being awarded such tender or contract and the person, firm, company or corporation which was intended to gain such advantage, benefit or concession shall also be disqualified from being awarded such tender or contract.

18. EMERGENCIES

In cases of emergency where the safety of people, property, plant and equipment is in jeopardy the most senior official responsible for that operation, if unable to contact the Chief Executive Officer, the Chairman of the Board or the Chairman of the Tenders Committee, may award contracts for Articles, Works or Services necessary to avert the danger or to bring the situation under control. Nevertheless, the following process shall be observed: -

- (a) Before commencement or within forty eight (48) hours therefrom, the Chief Executive Officer, the Chairman of the Board or the Chairman of the Tenders Committee must be advised of the action to be taken/taken.
- (b) Within forty-eight (48) hours, a written report of the action must be submitted to the Board. Such report must include:-
 - i) A statement of the emergency circumstances that prevailed
 - ii) the Agency's estimate
 - iii) the actual cost, and
 - iv) the reasons why the particular Contractor was chosen.

19. These rules may be rescinded or amended only by resolution of the Board.

APPROVED BY THE BOARD - 4/3/2004



NATIONAL
TRAINING
AGENCY

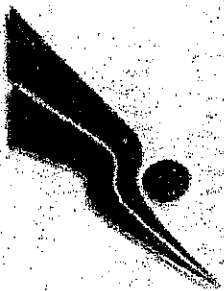
INTERNAL AUDIT
DEPARTMENT

Recommendation Tracking Report

January 2017 to June
2018

- Distribution:-
1. Chairman of the Audit Sub Committee – Mr Carl Seymour
 2. Chief Executive Officer (Ag.) – Ms Pauline Whiteman
 3. File

Internal Audit Department



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June 21st, 2018

Mr Carl Seymour
Chairman,
Audit Committee
National Training Agency

It is my pleasure to submit to you
Internal Audit's analysis of Audit
recommendations from January 2017
to June 2018.

As always, I am available to discuss
any aspect of this review.

Respectfully submitted,

Martha T. Prince
Ms. Martha Prince, FCCA, CIA
Senior Internal Audit Officer

The Internal Audit Department is an independent audit function reporting to the Audit Committee of the Board of Directors of NTATT.

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Introduction

This report is being submitted to the Audit Committee to provide the results of Internal Audit's follow up of outstanding recommendations for the period January 2017 to June 2018. Additionally, the report addresses the recommendations of the Public Accounts Enterprise Committee (PAEC) arising out of the meetings held on January 24th and February 21st, 2018¹.

Recommendation Tracking is included in the Internal Audit Work Plan and prior to 2018, was conducted on an annual basis. Due to the high number of outstanding recommendations in 2017, instructions were received from the Audit Committee to conduct quarterly tracking exercises. As such, recommendation tracking exercises were completed during January, March and June 2018.

In January 2018, the CEO was advised by the Audit Committee to meet with managers to discuss a plan for implementation and to provide respective deadlines for same. Subsequent to this, the Audit Committee met with the Senior Manager Finance & Corporate Services and the Senior Manager Human Resources as these departments had the highest number of outstanding/high risk items.

Objectives

The objective of this exercise is to ensure that the results of engagements and associated corrective actions are effectively monitored by evaluating the adequacy, effectiveness and timeliness of actions taken by management. This Recommendation Tracking report shows updates as at January 2017, January 2018, March 2018 and June 18th, 2018.

¹ Part VI – Lack of Governance and Internal Controls of the Issues, Observations and Recommendations section of the PAEC report.

Methodology

Below is a description of the methodology used for this exercise:

- Meetings were held with individual managers to discuss the necessity for timely responses due to deadlines issued by the Minister of Education and the PAEC.
- The recommendation tracking worksheets (completed in March 2018), were forwarded to all managers with outstanding recommendations, and a request was made for updates as at June 18th, 2018; including any revised deadlines for implementation.
- Where applicable, conducted verification checks to confirm managements' assertions where responses were adequate.
- Updated the tracking documents with additional information received and new status where necessary.
- Calculated and compiled statistics for each department to illustrate: the total number of findings to date, percentage of closed and outstanding recommendations, the percentage of outstanding recommendations that were rated as high risk and current findings that are overdue.

Internal Audit Department

Summary

The table below outlines the statistics for each department as at January 2017, January 2018, March 2018 and June 18th, 2018.

STATISTICS FROM JAN 2017 / TO JUN 2018					
	Jan-17	Jan-18	Mar-18	Jun-18	#
Finance	#	#	#	#	#
Number of Findings	79	79	82	82	82
Number of Closed/Implemented	34	70	74	74	74
Number of Outstanding	45	9	8	8	8
Number of High Risk Outstanding	24	4	4	4	4
Number of Repeated findings that are outstanding	8	1	2	1	1
Current (Outstanding) Findings that are Overdue	NA	9	8	8	8
Human Resources	Jan-17	Jan-18	Mar-18	Jun-18	#
Number of Findings	#	#	#	#	#
Number of Closed/Implemented	60	60	57	57	57
Number of Outstanding	13	28	33	44	44
Number of High Risk Outstanding	47	32	24	12	12
Number of Repeated	36	23	18	12	12
Current (Outstanding) Findings that are Overdue	4	4	4	1	1
NA	NA	32	24	13	13
Programme Development & Management	Jan-17	Jan-18	Mar-18	Jun-18	#
Number of Findings	#	#	#	#	#
Number of Closed/Implemented	12	21	21	21	21
Number of Outstanding	8	17	17	17	17
Number of High Risk Outstanding	4	4	4	4	4
Number of Repeated	2	0	0	0	0
Current (Outstanding) Finding that are Overdue	0	0	0	0	0
NA	NA	4	4	4	4
Quality Assurance and Accreditation	Jan-17	Jan-18	Mar-18	Jun-18	#
Total number of Findings	#	#	#	#	#
Number of Closed/Implemented	11	15	15	15	15
Number of Outstanding	9	12	12	12	12
Number of High Risk Outstanding	2	3	3	3	3
Number of Repeated	0	1	1	1	1
Current (Outstanding) Finding that are Overdue	0	0	0	0	0
NA	NA	3	1	3	3
Occupational Standards & Sector Support	Jan-17	Jan-18	Mar-18	Jun-18	#
Number of Findings	#	#	#	#	#
Number of Closed/Implemented	5	5	5	5	5
Number of Outstanding	0	0	0	0	0
Number of High Risk Outstanding	0	0	0	0	0
Number of Repeated	0	0	0	0	0
Current (Outstanding) Finding that are Overdue	NA	0	0	0	0

Internal Audit Department

RP&D	Jan-17	Jan-18	Mar-18	Jun-18
	#	#	#	#
Number of Findings	4	4	4	4
Number of Closed/Implemented	4	4	4	4
Number of Outstanding	0	0	0	0
Number of High Risk Outstanding	0	0	0	0
Number of Repeated findings that are outstanding	0	0	0	0
Current (Outstanding) Finding that are Overdue	NA	0	0	0
IGT				
	Jan-17	Jan-18	Mar-18	Jun-18
	#	#	#	#
Number of Findings	10	10	10	10
Number of Closed/Implemented	10	10	10	10
Number of Outstanding	0	0	0	0
Number of High Risk Outstanding	0	0	0	0
Number of Repeated findings that are outstanding	0	0	0	0
Current (Outstanding) Finding that are Overdue	NA	0	0	0
Facilities				
	Jan-17	Jan-18	Mar-18	Jun-18
	#	#	#	#
Number of Findings	11	11	11	11
Number of Closed/Implemented	11	10	11	11
Number of Outstanding	0	1	0	0
Number of High Risk Outstanding	0	1	0	0
Number of Repeated findings that are outstanding	0	0	0	0
Current (Outstanding) Finding that are Overdue	NA	1	0	0
BD&C				
	Jan-17	Jan-18	Mar-18	Jun-18
	#	#	#	#
Number of Findings	8	8	8	11
Number of Closed/Implemented	4	4	4	4
Number of Outstanding	4	4	4	7
Number of High Risk Outstanding	2	2	2	4
Number of Repeated	0	0	0	0
Current (Outstanding) Finding that are Overdue	NA	4	4	4
NTA Tobago				
	Jan-17	Jan-18	Mar-18	Jun-18
	#	#	#	#
Number of Findings	0	6	6	6
Number of Closed/Implemented	0	2	2	2
Number of Outstanding	0	4	4	4
Number of High Risk Outstanding	0	3	3	3
Number of Repeated	0	0	0	0
Current (Outstanding) Finding that are Overdue	NA	4	4	4
Life Skills Unit				
	Jan-17	Jan-18	Mar-18	Jun-18
	#	#	#	#
Number of Findings	6	6	6	6
Number of Closed/Implemented	6	6	6	6
Number of Outstanding	0	0	0	0
Number of High Risk Outstanding	0	0	0	0
Number of Repeated findings that are outstanding	0	0	0	0
Current (Outstanding) Finding that are Overdue	NA	0	0	0

List of acronyms included in the statistical tables:

HR - Human Resources	RP&D - Research Planning & Development
ICT - Information Communications & Technology	QA&A - Quality Assurance & Accreditation
BD&C - Business Development & Communications	PDM - Programme Development & Management
OS&SS - Occupational Standards & Sector Support	LSU - Life Skills Unit

Observations

From the statistics above, the following were observed:

1. There are no outstanding recommendations for the following departments: OS&SS, RP&D, ICT, LSU and Facilities.
2. Finance Department: Three (3) HR audit findings from Ernst & Young (EY) were transferred to the Finance department as these are related to reconciliations. Since January 2017, Finance has implemented a further forty (40) of the outstanding recommendations. Three (3) of the (8) outstanding items are outside the control of the Finance manager.
3. Human Resources Department (HR): The reduction in the total number of findings is due to the transfer of three (3) EY audit findings, to the Finance department. There has been a significant improvement of HR's implementation of recommendations with thirty-one (31) items closed. However, 50% of the outstanding recommendations are related to roll out of the new strategic plan and pending Board decisions.
4. Programme Development and Management Department (PDM): The increase of nine (9) findings is due to the completion of a second audit of the PDM department in August 2017. It should be noted that the delays in implementation of two (2) out of four (4) outstanding findings are due to actions external to the department's control.

5. Quality Assurance and Accreditation Department (QA&A): There was an increase of 4 findings due to the completion of an audit of the QA&A department in November 2017.
Two (2) of the three (3) outstanding recommendations are outside the control of the QA&A manager. It is expected that these recommendations will be implemented once issues are resolved with the external parties.
6. Business Development and Communications Department (BD&C): There was an increase of three (3) outstanding recommendations due to the completion of a second audit of the BD&C department in April 2018.
Four (4) of the outstanding seven (7) recommendations are related to individual marketing projects and since there were no budgetary allocations for new projects, implementation of these recommendations remain outstanding. These will be followed up in Internal Audit's quarterly tracking exercise.
7. NIA Tobago Operations: An audit on the Tobago Operations was conducted in May 2017. The outstanding recommendations will be addressed upon roll out of the new strategic plan.

Conclusion

With the intervention of the Audit Committee, there has been a significant decrease in the number of outstanding recommendations, with five (5) departments achieving full implementation. The Internal Audit department will continue to track its recommendations and report to the Audit Committee on a quarterly basis. However, it is the responsibility of the Chief Executive Officer to ensure that recommendations made by Internal Audit department are implemented in a timely manner.

Respectfully submitted,



Ms. Reena Gangarain, ACCA
Internal Audit Officer

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Memorandum

To : Dr. Ruby S Alleyne, Chairman, Board of Directors
From : Ms. Pauline Whiteman
Date : 28th June 2018
Subject : *Schedule for External Audits for Fiscal 2012-2018*

Further to the Board's approval of KPMG to conduct the external audit for Financial Years 2012-2018 on the 30th April 2018, KPMG has advised the NTA of the following schedule for completion:

1. Financial Years 2012-2014 to be completed by September 30th 2018
2. Financial Years 2015-2016 to be completed by December 31st 2018
3. Financial Years 2017-2018 to be completed no later than June 30th 2019

We will continue to monitor the progress of the external audits to ensure compliance with the projected completion dates.

Pauline Whiteman
CEO Ag



28th June, 2018

The Honourable Anthony Garcia
Minister of Education
Ministry of Education
15th Floor
Education Towers, Building A
5 St. Vincent Street
PORT OF SPAIN

Dear Honourable Minister,

Re: **Twelfth (12th) Report of the Public Accounts (Enterprises) Committee on the Examination of the Audited Accounts, Balance Sheets and other Financial Statements of the National Training Agency (NTA) for the Financial Years 2008-2011**

Reference is made to your letter dated 7th June, 2018, on the above-captioned subject, and my subsequent response via letter dated 21st June, 2018.

With respect to the request that the current Board of Directors should take urgent steps to resolve outstanding issues identified in the Analysis of Internal Audit findings, please find attached a report from the Board's Audit Committee, detailing the actions taken with a view to resolving the outstanding issues and a projected schedule for the completion of the External Audits for fiscal 2012-2018.

With respect to the request that the current Board of Directors should critically assess the performance of the Chief Executive Officer and Management team, it must be noted that since its installation by the Ministry of Education in August 2017, this Board has been undertaking a thorough review of the operations and practices of the National Training Agency (NTA). Based on investigations conducted and reports submitted to the Board, several issues were identified, some of which were ventilated at the examination of the Public Accounts (Enterprises) Committee. These include:

- Poor leave management and other human resource management practices;
- Poor management and a lack of accountability in the areas of Finance and Human Resources, including the purchase of Kindles and other devices, misuse of the company credit card and inappropriate use of personal credit cards for company business;
- Absence of a policy for Salary Advances and other pertinent policies;
- Security issues relating to physical and IT infrastructure and asset management;
- The UTC-URF Superannuation Plan (which was presented as a Pension Plan) and weaknesses in the management of the plan;

.../2

28th June, 2018

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The Honourable Anthony Garcia

- Failure of the Agency to meet critical stakeholder requests;
- Reported absenteeism and poor corporate practices by the Chief Executive Officer and members of the Management team;
- Failure to implement the Agency's performance appraisal policy consistently.

In light of the myriad of issues identified, it is imperative that this Board conduct a comprehensive review of these and other matters related to the performance of the Chief Executive Officer and Management team of the Agency. At the same time, it is our responsibility to ensure that the necessary corrective actions are taken to mitigate against the risks identified, with a view to ensuring maximum efficiency of the Agency's operations, while making optimal use of taxpayers' funds in a transparent and accountable manner.

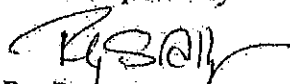
The Board is cognizant of the need to ensure that the matters are thoroughly investigated before arriving at its conclusions. However, apart from the fact that the absence of recent data with regard to the appraisal of the Chief Executive Officer and members of the Management Team makes this Board's task more challenging, the absence of performance appraisal records is of itself evidence of a serious failing on the part of the leadership of the Agency over the years.

Given the extensive work that is required to be undertaken in order to present a holistic report and valid performance appraisal to the Ministry of Education and the Public Accounts (Enterprises) Committee, the Board of Directors hereby submits for the kind consideration of the Honourable Minister, a request for a one (1) month extension of the deadline.

Should the Honourable Minister approve this request, a representative of your good office may communicate with Mr. Anees Rahman, Corporate Legal Secretary – NTA, at 672-7107/8 ext. 1329/1134 (W), 499-4319 (C), or via e-mail at anees-rahman@ntaff.org.

Thanking you in advance for your kind consideration of this request, we hope to receive a favourable response.

Yours respectfully



Dr. Ruby S. Alleyne
Chairman of the Board of Directors