



*FOURTEENTH REPORT OF
THE*
PUBLIC ACCOUNTS

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

THIRD SESSION OF THE 11TH PARLIAMENT

Examination of the Audited Accounts, Balance Sheets and other Financial Statements of the National Commission for Self Help (NCSHL) Limited for the financial years 2008 to 2015.



Public Accounts (Enterprises) Committee

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

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

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

Current membership

Mr. Wade Mark	Chairman
Dr. Tim Gopeesingh	Member
Mrs. Jennifer Baptiste-Primus	Member
Mr. Fitzgerald Hinds	Member
Mrs. Cherrie-Ann Crichlow-Cockburn	Member
Dr. Nyan Gadsby-Dolly	Member
Mr. Foster Cummings	Member
Ms. Amrita Deonarine	Member

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The current staff members serving the Committee are:

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Publication

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MEMBERS OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE



Mr. Wade Mark
Chairman



Dr. Tim Gopeesingh
Vice-Chairman



Dr. Nyan Gadsby-Dolly
Member



Mrs. Jennifer Baptiste -Primus
Member



Mr. Fitzgerald Hinds
Member



Ms. Amrita Deonarine
Member



Ms. Cherrie-Ann Crichlow-Cockburn
Member



Mr. Foster Cummings
Member

EXECUTIVE SUMMARY

The Public Accounts (Enterprises) Committee (PA(E)C) is the Parliamentary Financial Oversight Committee tasked with the responsibility of examining the audited accounts of all State Enterprises that are owned or controlled by the state. The Committee examined **the Audited Accounts, Balance Sheets and other Financial Statements of the National Commission for Self Help Limited (NCSHL) for the Financial Years 2008 to 2015** and produced this report to highlight its findings and recommendations.

This report details the issues, endorsements and recommendations made by the Committee to improve NCSHL's performance. The issues identified in this report were found during the period under examination (2008 to 2015).

During this inquiry, the following issues arose:

- The Creation of Jobs that were not on the Approved Organisational Structure;
- The Failure of the Commission to submit all Board Minutes to Line Ministry within its Stipulated Deadline;
- The Failure of the NCSHL to fulfill its mandate;
- The breach of policy in granting cellular phones and laptops without Cabinet approval;
- Internal Fraud allegations at the NCSHL;
- The Absence of an Effective Internal Audit Function;
- The Lack of Effective Oversight by the Investments Division in identifying the Commission's Weaknesses;
- The Status of NCSHL's Bank Accounts;
- Debt Management Mechanisms; and
- The Payment for Unapproved Labour Services.

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

- The Commission must reverse the creation of the twenty (20) unapproved positions by September 30, 2018 and seek approval from the Line Ministry before filling necessary vacancies.

- The Board and Management of NCSHL must familiarise themselves to the guidelines stated in the State Enterprises Performance Monitoring Manual before making any further decisions and seek guidance from the Line Ministry when in doubt.
- In accordance with Section 3.2.7 of the State Enterprises Performance Monitoring Manual, NCSHL should make every attempt to submit its Board Minutes to the Ministry of Community Development, Culture and the Arts within two (2) weeks of each meeting held going forward.
- The NCSHL must finalise all outstanding Minutes and submit to the Line Ministry no later than January 30, 2019.
- The Ministry of Community Development, Culture and the Arts should implement stringent actions to ensure the timely receipt of Board Minutes from all State Enterprises under its purview going forward.
- NCSHL should critically assess its performance in meeting its strategic goals and mandate and look at ways to fulfill its core mandate of granting aid to community development and poverty-relief initiatives.
- NCSHL should adhere to Appendix C of the State Enterprises Performance Monitoring Manual which states that cellular phones are to be issued to Senior Management and such employees deemed to require the use of cellular phones based on demonstrated need and job function.
- In attempt to reduce administrative costs, NCSHL should immediately re-assess the need for cell phone allowances granted to members of staff and also seek the approval of the Ministry of Community Development, Culture and the Arts for the issuance of cell phone allowances to Senior Management and any employee deemed to require the use of cellular phones.
- NCSHL should implement a stringent Internal Fraud policy no later than January 30, 2019 clearly outlining the consequences that may arise when fraudulent activities occur.
- The Internal Auditor should cease the practice of using second and third-party verifications for audit reports going forward, in an attempt to ensure reliable and accurate audit findings.
- NCSHL should immediately develop a new internal audit policy which would clearly outline targets, goals and standards in order to improve the efficiency of the Internal Audit function.
- NCSHL should urgently establish key performance indicators in order to measure the company's Internal Audit Performance.
- The Ministry of Finance- Investments Division must adhere to guideline 2.2.3 in the State Enterprises Performance Monitoring Manual which highlights the functions and roles of the Investments Division in monitoring State Enterprises.

- NCSHL should implement more stringent financial and debt management internal controls to ensure greater accountability and transparency in satisfying and meeting its financial obligations.
- NCSHL should adhere to Section 3.2.2 of the State Enterprises Performance Monitoring Manual which states that companies that require subventions from GORTT are required to 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. Annual Budgets should include such details as Operating Budget (items of revenue and expenditure) and Capital Budget (identification of capital projects) and all other supporting documents.
- NCSHL should seek the approval of the Line Ministry for any major withdrawals that must be made from the Commission's bank accounts going forward.
- NCSHL should establish an approved list of suppliers for the Commission to engage in trade with.
- In instances where additional assistance is sought from the applicant for labour, the Board should have an approval process to supply labour on a needs basis and inform the Line Ministry of the decision taken.

INTRODUCTION

Establishment

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

Mandate

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

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

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

Ministerial Response

The Standing Orders¹ provide for the Minister responsible for the Ministry or Body under review to submit within sixty (60) days a paper to the House responding to any recommendations or comments contained in the Report which are addressed to it.

State Enterprises Performance Standards

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

Election of the Chairman and Vice Chairman

In accordance with section 119(6) of the Constitution, the Chairman must be a member of the Opposition in the Senate. At the first meeting held on Wednesday December 2, 2015, Mr. Wade Mark was elected Chairman and Dr. Tim Gopeesingh was elected Vice Chairman of the Committee.

Establishment of Quorum

The Committee is required by the Standing Orders to have a quorum so that decisions can be made. A quorum of four (4) Members, inclusive of the Chair or Vice-Chairman), with representatives from both Houses was agreed to by the Committee at its First Meeting.

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

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

Change in Membership

On December 1, 2017 a decision was made at a sitting of the House of Representatives to replace Ms. Shamfa Cudjoe as a Member with Dr. Nyan Gadsby-Dolly.

METHODOLOGY

Determination of the Committee's Work Programme

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

(34) State Enterprises as follows:

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

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

30. Solid Waste Management Company Limited (SWMCOL)
31. Vehicle Management Corporation of Trinidad and Tobago (VMCOTT)
32. National Flour Mills Limited*
33. Community Improvement Services Limited
34. Government Human Resource Services Company Limited (GHRS)*

At a meeting held on November 15, 2017, the Committee identified the following entities for examination in the Third Session of the 11th Parliament:

- i. National Entrepreneurship Development Company Limited (NEDCO);
- ii. National Maintenance, Training and Security Company (MTS);
- iii. National Training Agency;
- iv. Union Estate Electricity Generation Company Limited;
- v. National Commission for Self Help;
- vi. Export Centres Company Limited;
- vii. National Helicopter Services Limited;
- viii. Youth Training & Employment Partnership Programme Limited;
- ix. Lake Asphalt of Trinidad and Tobago (1978) Limited;
- x. Trinidad and Tobago National Petroleum Marketing Company Limited (NP); and
- xi. Trinidad and Tobago Creative Industries Company Limited.

The Inquiry Process

The Inquiry Process outlines steps taken by the Committee to conduct the inquiry into the operations of NCSHL. The following steps outlines the Inquiry Process agreed to by the PA(E)C:

- I. Identification of issues in the Audited Accounts, Balance Sheets and other Financial Statements of NCSHL for the financial years 2008 to 2015;
- II. Preparation of Inquiry Proposal for NCSHL. The Inquiry Proposal outlines:
 - a. Background;
 - b. Objective of Inquiry; and
 - c. Proposed Questions.
- III. Questions were forwarded to NCSHL on March 8, 2018. Written responses were received from NCSHL on March 16, 2018;
- IV. Preparation of an Issues Paper, based on written responses received from the NCHSL. The Issues Paper identified and summarised any matters of concern from the responses provided by the NCSHL;
- V. Determination of the need for a Public Hearing based on the analysis of written submissions. In this instance, a public hearing was held on April 18, 2018.
- VI. Written request for additional information was sent to the NCSHL after the public hearing on April 19, 2018. The responses were subsequently received on April 23, 2018.
- VII. Due to the absence of critical witnesses from the Commission, the Committee agreed to continue the examination of NCSHL on April 25, 2018.
- VIII. Written request for further information was sent to the NCSHL after the public hearing on May 2, 2018. The responses were subsequently received on May 21, 2018
- IX. Report Committee's findings and recommendations to Parliament upon conclusion of the inquiry.

NCSHL's PROFILE

Background:

The National Commission for Self-Help Limited (NCSHL) operates under the purview of the Ministry of Community Development, Culture and the Arts. It was established by the Cabinet of the Government of the Republic of Trinidad and Tobago on April 07, 1987. It was registered as a state-owned company on 14th April 1997. The idea of “Self Help” was to encourage communities to rely on the resources available to them in addressing infrastructural needs through the use of available man power resources and financing (available at the community level), supplemented by technical services and materials from the Government.

The Company is a non- Profit and non-political organization engaged in keeping the spirit of self-help and self-reliance alive. The fullest participation of all members of a group are involved in the decision making process. It promotes the true essence of working with people rather than working for the people. Projects place maximum reliance on community resources of time and labour and even some financing, supplemented by technical services and materials from the Government.

The NCSHL was created to give priority assistance to senior citizens, victims of natural disasters, fire, low income single parent households, socially displaced families and persons living on public assistance or disability grants. However, the Commission is dedicated to serving all the citizens of Trinidad and Tobago. The Commission's projects throughout the years have been successful in ameliorating hardships, especially in rural communities and some urban settlements.

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

Minister – The Hon. Dr. Nyan Gadsby-Dolly

Permanent Secretary – Ms. Angela Edwards

Chairman- Mr. Edgar Zephyrine

Administrative Head – Ms. Janice Phillips

ISSUES, OBSERVATIONS AND RECOMMENDATIONS

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

I. The Creation of Positions that were not on the Approved Organisational Structure

Based on evidence provided to the Committee in the form of Board Minutes for a special meeting of the Board of Directors on May 18, 2017, the Committee was alarmed by a note which stated *"with the current concurrence of the other Directors that the Board has authority to create its own organisational structure and that Cabinet approval is not necessary as the State Enterprises Performance Monitoring Manual gives this power."*

Moreover, based on the Commission's Internal Audit Report, it was noted that twenty (20) positions were created without Cabinet approval. In addition, these positions lacked job descriptions, terms and conditions. The positions included an Administrative Head (to act in the absence of a Chief Executive Officer), Corporate Secretary/ Legal Advisor, Head of Finance and Grants Coordinator.

Though Section 3.1.12 of the State Enterprises Performance Monitoring Manual clearly states that, *"the monitoring of wage and salary negotiations, the establishment and/or revision of pay and other terms and conditions of employment of employees of State Enterprises, including managerial staff and persons employed on contract should fall under the purview of Ministerial Committee for monitoring remuneration arrangements, a sub-committee of Cabinet"*, the Commission disregarded this policy and acted without Cabinet approval for determining salaries and wages for the unapproved positions.

Recommendations:

- ***The Commission must immediately seek approval for the creation of the twenty (20) which were created without the proper authority in accordance with Section 3.1.12 of the State Enterprises Performance Monitoring Manual.***
- ***The Board and Management of NCSHL must familiarise themselves with the guidelines in the State Enterprises Performance Monitoring Manual before making any further decisions.***

- *The Board should seek guidance from the Line Ministry and the Investments Division of the Ministry of Finance if there is any uncertainty on its authority in any matter.*

II. The Failure of the Commission to submit all Board Minutes to Line Ministry within its Stipulated Deadline

According to Section 3.2.7 of the State Enterprises Performance Monitoring Manual, “*Board Minutes should be made available to the Investments Division and respective Line Ministries to ensure that the Board is proceeding within the framework of the Strategic Plan and GORTT policy decisions and are to be submitted within one (1) week of confirmation.*”

However, based on oral evidence, the Permanent Secretary of the Ministry of Community Development, Culture and the Arts, indicated that NCSHL had an issue with compliance regarding the submission of Board Minutes despite the numerous requests made by the Ministry.

The Commission advised that in instances where a confidential matter arose where officers were the subject of the discussion, a board member would have to adopt the responsibility of that particular section of the minutes. Thus, the Commission indicated that this practice often delayed the finalisation of the minutes to date.

Recommendations:

- *In accordance with Section 3.2.7 of the State Enterprises Performance Monitoring Manual, NCSHL should make every attempt to submit its Board Minutes to the Ministry of Community Development, Culture and the Arts within once (1) week of the confirmation.*
- *The NCSHL should immediately submit the Board Minutes of the July 2017 special meeting of Board Members to the Line Ministry no later than October 31, 2018.*
- *The NCSHL must finalise all outstanding Minutes and submit to the Line Ministry no later than January 30, 2019.*
- *The Ministry of Community Development, Culture and the Arts should remind all of the State Enterprises under its purview of the provisions of Section 3.2.7 of the State Enterprises Performance Monitoring Manual. The Ministry should also develop a mechanism to monitor compliance with this provision.*

III. **The Failure of the NCSHL to fulfill its mandate**

NCSHL was created to engage in Community Development projects and to give priority assistance to senior citizens, victims of natural disasters, fire, low-income single parent households, socially displaced families and persons on public assistance or disability grants. Development projects focused on rural communities that were underdeveloped and where there were high levels of poverty.

However, based on the statistics provided to the Committee, out of approximately 8,800 requests made by the citizens for the Minor Repair and Reconstruction Grant over the period 2015 to 2017, only thirty percent of these applications were fulfilled. Moreover, only twenty-five percent of the total development funding requested was fulfilled and completed.

The Commission informed the Committee that its failure to meet all the requests made by the public was due to the lack of finances, human resources, and accountability of materials.

In attempt to resolve this issue, NCSHL stated that proposals were made to restructure the company which included serious emphasis on monitoring arrangements for the way public funds were expended.

Recommendations:

- *NCSHL should critically assess its performance in meeting its strategic goals and mandate and look at ways to fulfill its core mandate of granting aid to community development and poverty-relief initiatives.*
- *The Commission should collaborate with Ministries (e.g. Ministry of Social Development and Family Services, Ministry of Works and Transport, Ministry of Rural Development and Local Government) and State Bodies (e.g. WASA, T&TEC, CEPEP, etc.) that can assist in offering services to the impoverished in society.*

IV. **The policy for the distribution of cellular phones and laptops without Cabinet approval**

According to Section 3.1.10 of the State Enterprises Performance Monitoring Manual, State Enterprises may wish to utilise wireless portable communication devices at the level of the Board of Directors to enhance the efficiency of their operations. State Enterprises may therefore adopt

the policy approved by GORTT on the use of Cellular Phones and Laptop Computers for the members as outlined in Appendix C of the manual.

This guideline states that Cellular phones are to be issued to Government Ministers, Permanent Secretaries, Deputy Permanent Secretaries, Heads of Departments, Deputy Heads of Departments, Heads of Divisions and such employees deemed by the Permanent Secretary/Head of Department/Statutory Authority to require the use of cellular phones based on demonstrated need and job function.

Similarly, laptops are to be provided to officials/employees based on requirement and job function as determined by the Permanent Secretary/Head of Department/Statutory Authority. This may include, but is not limited to, persons whose positions involve on-call duties, persons who during the normal course of their employment perform their duties away from their assigned work place and persons who have demonstrated a need to be in contact with their office via e-mail and communication interfaces. Laptops may also be made available temporarily to staff members for use when attending special meetings/assignments, conferences and other professional development activities and training programs (if a requirement of the course).

However, based on the written submission received from the NCSHL, of the seventy-seven (77) members of staff employed, forty (40) persons were given cell phone allowances, including five (5) administrative assistants. The NCSHL policy and procedures manual has a policy for the use of telephones (landlines), and not for the use of cellular phones. The Committee raised concern over the reasons for issuing cell phone allowances to these members of staff. In addition, the Commission informed the Committee that in an attempt to reduce costs incurred through the purchase of ink and paper, a decision was made to provide each Board Member with a laptop to transmit information. It was important to note that no approval was sought from the Line Ministry with regard to cell phone allowances and laptops.

Recommendations:

- ***NCSHL should adhere to Appendix C of the State Enterprises Performance Monitoring Manual which states that cellular phones are to be issued to Senior Management and such employees deemed to require the use of cellular phones based on demonstrated need and job function.***

- *In attempt to reduce administrative costs, NCSHL should immediately re-assess the need for cell phone allowances granted to members of staff and also seek the approval of the Ministry of Community Development, Culture and the Arts for the issuance of cell phone allowances to Senior Management and any employee deemed to require the use of cellular phones.*

V. Cases of Internal Fraud allegations

NCHSL's Internal Auditor stated that though cases of Internal Fraud were not frequent, there were cases that arose from time to time. However, based on the recommendations made by the Internal Audit unit to resolve fraudulent activity, approximately fifty (50) percent of the recommendations were adopted by the NCSHL's management.

Recommendations:

- *NCSHL should implement a stringent Internal Fraud policy no later than January 30, 2019 clearly outlining the consequences that may arise when fraudulent activities occur.*
- *The current Board should take urgent steps to resolve the outstanding issues identified in the Internal Audit Findings and report to the Committee on its progress no later than January 30, 2019.*

VI. The Absence of an Effective Internal Audit Function

An Internal Audit unit provides independent assurance that an organisation's risk management, governance and internal control processes operates effectively. The Commission stated that audit investigations (unplanned audits) were conducted based on written requests from C.E.O., Management, Board of Directors, Audit Committee, and from red flags identified upon Internal Audit's continuous monitoring work plan.

However, the audit investigations revealed various non-compliance of NCSHL policies and procedures which had financial implications, but prevented projects from incurring further costs when addressed by management. Issues identified were raised and forwarded to Management and the Audit Committee of the Board of Directors, which resulted in action being taken to ensure fairness and transparency of the process. For example, reviewing the grants process was initiated due to issues raised in audits conducted.

However, the internal audit function experienced several impediments, including the reliance of second and third-party information by the Auditor for several matters.

Clarification was subsequently sought as to what second and third-party verification meant. The Auditor informed the Committee that there were instances where the Projects Officer reported to the Auditor the quantity of material delivered to an off-site projects, instead of the Auditor conducting primary verification. Nonetheless, the Auditor confessed that the second or third-party verification process was often skewed as the actual quantity of materials delivered to a site reported by the Projects Officer differed when the Auditor conducted independent checks.

The Commission advised that a position was created for the Internal Audit section as only one (1) Auditor was employed to conduct the company's audits with little administrative support.

Recommendations:

- ***NCSHL should recruit additional qualified staff within its Internal Audit Unit, as reflected in the approved organisational structure, no later than January 30, 2019.***
- ***The Internal Auditor should cease the practice of using second and third-party verifications for audit reports going forward, in an attempt to ensure reliable and accurate audit findings.***
- ***The Audit Committee of the Board should immediately increase its monitoring capacity over the internal controls and Internal Audit functions of the Company.***
- ***NCSHL should immediately develop a new internal audit policy which would clearly outline targets, goals and standards in order to improve the efficiency of the Internal Audit function.***
- ***NCSHL should urgently establish key performance indicators in order to measure the company's Internal Audit Performance.***

VII. The Lack of Effective Oversight by the Investments Division

According to Section 2.2.4 of the State Enterprises Performance Monitoring Manual, whilst the Investments Division is responsible for Corporate Governance, Line Ministries determine the day to day operations on policy mandates of State Enterprises. The Line Ministries' roles include technical supervision of planning, monitoring and evaluating project, plan and programme implementation and ensuring that State Enterprises adhere to the Sectoral policy guidelines of GORTT. Accordingly, allocations for developmental purposes detailed in the National Budget are

assigned to respective Line Ministries. All public expenditure is approved ultimately by Parliament and the Ministry of Finance is responsible for all monies utilised by State Enterprises.

In addition, Section 2.2.3 states that the Investments Division is responsible for executing the investment policy as prescribed by Cabinet. Accordingly, the mandate of the Division includes oversight, monitoring and where necessary, the rationalisation of GORTT equity holdings in commercial enterprises. The Division acts on behalf of the Minister of Finance (Corporation Sole) and carries out the corporate function. This includes representation of the Minister at shareholders' meetings; establishment of new Enterprises and rationalisation of the investments portfolio of the Shareholder.

Due to the financial constraints experienced by the Commission, the Committee sought clarification from the Investments Division, in its oversight role and capacity, whether any weaknesses were identified at the Commission. The Investments Division indicated that they were unaware of these challenges and thus, no audit was undertaken to identify areas in which assistance could have been rendered to the company.

Recommendations:

- ***The Ministry of Finance- Investments Division must adhere to guideline 2.2.3 in the State Enterprises Performance Monitoring Manual which highlights the functions and roles of the Investments Division in monitoring State Enterprises.***
- ***The Ministry of Finance- Investments Division should urgently undertake an assessment of the areas in which assistance can be rendered to the Commission in attempt to achieve its strategic goals and fulfill its mandate.***

VIII. The Status of NCSHL's Bank Accounts

The Board informed the Committee that upon assumption of its duties in 2015, a First Citizens Bank Abercrombie Fund account in the sum of \$5 million was inherited. However, the amount recorded in the account as at December 1, 2015 was in fact in the sum of \$15 million. The Chairman indicated that he was not aware of the source of these funds, although there was evidence of three letters authorising the withdrawal of \$5 million on December 10, 2015, an additional \$5 million on January 22, 2016, and \$2.5 million on April 4, 2017, during his tenure.

In a written submission to the Committee, the NCSHL stated that the account was established on or about May 28, 2001. However, there was a lack of documentation and supporting evidence on the details and reasons for the establishment of the account.

The Commission's Finance Department further explained that since releases from the Ministry were very slow and the NCSHL was experiencing cash flow difficulties, these funds were used to finance the following:

- the Minor Repair and Reconstruction Grant;
- the Emergency Repair and Reconstruction Assistance Grant;
- development programme projects such as roads, drains, retaining walls, steps and bridges;
- settlements of debt owed to the external auditors for the audit of the financial statements for the fiscal year 2015;
- payment of administrative expenses; and
- part payment to the Landlord for the rental of the Commission's head office.

Nevertheless, the Commission informed the Committee that they were not aware that approval for the withdrawal of funds was required from the Line Ministry and Investments Division.

Recommendations:

- ***NCSHL should strictly adhere to Section 3.2.2 of the State Enterprises Performance Monitoring Manual which states that companies that require subventions from GORTT are required to 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. Annual Budgets should include such details as Operating Budget (items of revenue and expenditure) and Capital Budget (identification of capital projects) and all other supporting documents.***
- ***NCSHL should seek the approval of the Line Ministry for any ad hoc expenditure on projects that may arise during the fiscal year going forward.***
- ***NCSHL should seek the approval of the Line Ministry for any major withdrawals that must be made from the Commission's bank accounts going forward.***

IX. Debt Management Mechanisms

The Board advised the Committee that upon assumptions of its duties, a debt of \$11 Million was inherited. This debt comprised of money primarily owed to suppliers of materials. Given the existing financial constraints and reduced and/or late funding from the relevant Ministries, the Commission drafted a debt policy and payables strategy that provided assistance in the management of the debt portfolio. Additionally, internal control measures were implemented to improve this account; such as, encouraging suppliers to submit invoices within fourteen (14) days, increasing communications with the line ministry with respect to the timely release of funds, monthly review of payables and on site verification of materials by Project Officers within five (5) working days.

Furthermore, the Commission adopted a strategic approach to reducing the number of suppliers that traded with the NCSHL such as, consideration of the geographic location, the competitive prices, willingness to work with the Commission and ability to offer credit limits without disruption. Consequently, many of the Commission's suppliers refused to accept purchase orders as a form of payment from the Commission due to the company's failure to honour its outstanding debts in a timely manner. This negatively impacted the NCSHL's services to Applicants as a result of the non-acceptance of purchase orders by some Suppliers.

Recommendations:

- ***In accordance to Section 3.1.5 of the State Enterprises Performance Monitoring Manual, NCSHL should submit to the Minister of Finance within fourteen (14) days following the end of each month, lists of all contracts which were awarded during the month, together with the value of each contract.***
- ***NCSHL should establish an approved list of suppliers for the Commission to engage in trade with.***
- ***NCSHL should submit a report to the Parliament on the initiatives taken to develop and implement a more effective debt management process and the savings anticipated by January 30, 2019.***
- ***NCSHL should implement more stringent financial and debt management internal controls to ensure greater accountability and transparency in satisfying and meeting its financial obligations.***

X. The Payment for Unapproved Labour Services

Based on evidence provided by NCSHL, when a request is made for developmental funding, the Commission, in accordance to its mandate, is responsible for providing construction materials whereas the Community/Applicant provides equity in the form of labour. However, based on the Internal Audit findings, there were cases where the Commission funded labour expenses without a written contract.

In addition, the report suggested that a director of the company was directly involved in directing the respective officers to proceed with providing labour services to the applicant without approval from the respective Committee.

Recommendations:

- ***NCSHL should act in accordance to its mandate by only providing construction materials to qualified applicant.***
- ***In instances where additional assistance is sought from the applicant for labour, the Board should have an approval process to supply labour on a needs basis and inform the Line Ministry of the decision taken.***

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

Sgd.
Mr. Wade Mark
Chairman

Sgd.
Dr. Tim Gopeesingh
Vice-Chairman

Sgd.
Mr. Fitzgerald Hinds
Member

Sgd.
Mrs. Cherrie-Ann Crichlow-Cockburn
Member

Sgd.
Mrs. Jennifer Baptiste-Primus
Member

Sgd.
Dr. Nyan Gadsby-Dolly
Member

Sgd.
Mr. Foster Cummings
Member

Sgd.
Ms. Amrita Deonarine
Member

Appendix 1

Minutes of Meetings

**THE PUBLIC ACCOUNTS ENTERPRISES COMMITTEE –
THIRD SESSION, ELEVENTH PARLIAMENT
MINUTES OF THE TWENTY- EIGHTH MEETING HELD ON
WEDNESDAY, APRIL 18, 2018 AT 9:33 A.M.
IN THE A.N.R ROBINSON (WEST) MEETING ROOM, LEVEL 9 AND
IN THE A.N.R ROBINSON (EAST) MEETING ROOM, LEVEL 9,
OFFICE OF THE PARLIAMENT, TOWER D, THE PORT OF SPAIN
INTERNATIONAL WATERFRONT CENTRE, 1A WRIGHTSON
ROAD, PORT-OF-SPAIN.**

Present were:

Mr. Wade Mark	-	Chairman
Dr. Tim Gopeesingh	-	Vice Chairman
Mr. Fitzgerald Hinds	-	Member
Mrs. Jennifer Baptiste-Primus	-	Member
Mr. David Small	-	Member
Dr. Nyan Gadsby-Dolly	-	Member
Ms. Candice Skerrette	-	Procedural Clerk
Ms. Hema Bhagaloo	-	Assistant Secretary
Ms. Melanie Chin	-	Graduate Research Assistant

Excused were:

Mr. Foster Cummings	-	Member
Mrs. Cherrie-Ann Crichlow-Cockburn	-	Member

COMMENCEMENT

- 1.1 At 9:33 a.m. the Chairman called the meeting to order and welcomed those present. Mr. Foster Cummings and Mrs. Cherrie-Ann Crichlow-Cockburn were excused from the meeting.

THE EXAMINATION OF THE MINUTES OF THE TWENTY-SEVENTH MEETING

- 2.1 The Committee examined the Minutes of the Twenty-Seventh (27th) Meeting held on Wednesday March 07, 2018.
- 2.2 There being no omissions or corrections, the Minutes were confirmed on a motion moved by Mrs. Jennifer Baptiste-Primus and seconded by Mr. David Small.

MATTERS ARISING FROM THE MINUTES OF THE TWENTY- SEVENTH MEETING

- 3.1 With reference to item 3.1, the Chairman informed the Members that the responses to further questions for additional information from the National Training Agency (NTA) were received by the Secretariat on March 09, 2018 and used to draft the Twelfth Report of the Committee.
- 3.2 With reference to item 4.2, the Chairman informed the Members that a letter was sent to the National Training Agency (NTA) requesting the actual distribution list, inclusive of the signatures of each recipients of the Kindle devices. The responses to the letter was received by the Secretariat on March 14, 2018 and used to draft the Twelfth Report of the Committee.
- 3.3 With reference to item 6.4, the Chairman informed the Members that a letter was sent to the Union Estate Electricity Generation Company Limited (UEEGCL) requesting additional information. The responses to the additional information was received by the Secretariat on March 26, 2018 and used to draft the Thirteenth Report of the Committee.

CONSIDERATION OF DRAFT REPORTS

- 4.1 The Chairman invited the Members to review/make any comments and/or suggestions to draft the Twelfth Report of the 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 to 2011.
- 4.2 The Committee agreed to the following:
- The Draft Twelfth Report be circulated to the Members to provide further feedback by Friday April 20, 2018;
 - The Report be finalised at the next meeting of the Committee and presented at the next Sitting of the House of Representatives and Senate; and
 - Dr. Tim Gopeesingh and Mr. Wade Mark will present the Reports in the House of Representative and Senate, respectively.

OTHER BUSINESS

- 5.1 The Chairman informed the Members that the Secretariat received an anonymous package via the Parliament mail which was circulated for the Committee's consideration.
- 5.2 Dr. Nyan Gadsby-Dolly, being the Line Minister of the NCSHL, recused herself from participating in discussions with the Commission. After some discussion, the Committee agreed that Dr. Gadsby-Dolly can participate.

PRE-HEARING DISCUSSION RE: THE NATIONAL COMMISSION FOR SELF HELP LIMITED (NCSHL)

- 6.1 The Chairman reminded Members that the purpose of the meeting was to examine the Audited Accounts, Balance Sheets and other Financial Statements of the National Commission for Self Help Limited (NCSHL) for the period 2008 to 2015.
- 6.2 Members discussed issues of concern and the general approach for the public hearing.
- 6.3 There being no further business for discussion *in camera*, the Chairman suspended the meeting at 10:12 a.m.

THE NATIONAL COMMISSION FOR SELF HELP LIMITED (NCSHL)

7.1 The Chairman called the public meeting to order at 10:17 a.m.

7.2 The following officials joined the meeting:

National Commission for Self-Help Limited

- Mr. Edgar Zephyrine - Chairman
- Ms. Janice Phillips - Administrative Head
- Mr. Vincent Graham - Director
- Mr. Gary Romain - Senior Project Officer
- Ms. Nicola Humphrey-Hamilton - Head of Finance
- Ms. Avanel Hendricks - Accounts Manager
- Ms. Lyris Alexander - Grants Coordinator
- Ms. Anyesha Khan- Hamid - Internal Auditor

Ministry of Community Development, Culture and the Arts

- Ms. Angela Edwards - Permanent Secretary
- Mr. Sookdeo Sankar - Planning Co-ordinator
- Ms. Desiree Modeste-Bascombe - Research Officer

Ministry of Finance – Investments Division

- Ms. Yvette Babb - Director, Social and Economic Transformation
- Ms. Kimberlene Pascall - Business Analyst (Ag.)
- Mr. Khemkaran Kissun - Senior Audit Analyst

7.3 Key Issues Discussed

1. The reasons for the absence of the Corporate Secretary/ Legal Advisor at the public hearing.
2. The failure of the NCSHL to seek approval from the Line Ministry, the Investments Division and the Public Management Consulting Division (PMCD) for the creation of several positions that were not included in the approved Organisational Structure.
3. Clarification was sought for the term “Administrative Leave”.
4. The reasons for the suspension of the Chief Executive Officer.
5. The failure of the Commission to submit Board Minutes to the Line Ministry within the stipulated deadline dates.
6. The process used to appoint the Administrative Head to perform the duties of the Chief Executive Officer.
7. The substantive position of the Administrative Head and the remuneration package paid to the Administrative Head, whilst performing the duties as Chief Executive Officer.
8. The role of the Chairman in the daily operations of NCSHL.
9. The payment of acting allowance to contract officers.
10. The frequency of Board meetings.
11. The role of the Corporate Secretary/ Legal Advisor.

12. The Commission's disregard for several policies outlined in the State Enterprises Performance Monitoring Manual.
13. The status of the Strategic Plan for the period 2018 to 2021.
14. The procurement process used for the selection of a consultant to formulate the strategic plan for the period 2018 to 2021.
15. The urgent need for Line Ministry and the Ministry of Finance- Investments Division to strengthen their oversight role of State Enterprises.
16. The inability of the Commission to fulfil the majority of requests for grants received from applicants.
17. The number of contracts issued by the NCSHL from 2015 to present.
18. The core activities of the Commission for the period 2015 to present.
19. The dysfunctional organisational structure existing at the NCSHL.
20. The status of debts owed to suppliers and the measures in place to manage debts.
21. The status of cash-in-hand and at Bank as at September 30, 2015.
22. The status of the working relationships between the Board of Directors and Management team of the Commission.
23. The policy for the distribution of cellular phones and laptops to all Board Members without Cabinet approval.
24. The number of Internal Fraud allegations at the NCSHL.
25. The status of the recommendations made in the Internal Audit reports.

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

- 7.4 The Committee agreed to continue the examination of the NCSHL at the next meeting to be held on Wednesday April 25, 2018 and also to send additional questions to the NCSHL and the Ministry of Community Development Culture and the Arts for written submission.
- 7.5 The Chairman thanked the representatives from the Ministry of Finance – Investments Division, the Ministry of Community Development, Culture and the Arts, NCSHL, members of the media and the Members for their attendance.
- 7.6 The adjournment was taken at 12:53 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

April 18, 2018

**THE PUBLIC ACCOUNTS ENTERPRISES COMMITTEE –
THIRD SESSION, ELEVENTH PARLIAMENT
MINUTES OF THE TWENTY- NINTH MEETING HELD ON
WEDNESDAY, APRIL 25, 2018 AT 9:42 A.M.
IN THE MEETING ROOM, LEVEL 2 AND IN THE J. HAMILTON
MAURICE ROOM, MEZZANINE FLOOR, OFFICE OF THE
PARLIAMENT, TOWER D, THE PORT OF SPAIN INTERNATIONAL
WATERFRONT CENTRE, 1A WRIGHTSON ROAD, PORT-OF-SPAIN.**

Present were:

Mr. Wade Mark	-	Chairman
Mr. Fitzgerald Hinds	-	Member
Mrs. Jennifer Baptiste-Primus	-	Member
Mrs. Cherrie-Ann Crichlow-Cockburn	-	Member
Mr. David Small	-	Member
Dr. Nyan Gadsby-Dolly	-	Member
Ms. Keiba Jacob	-	Secretary
Ms. Hema Bhagaloo	-	Assistant Secretary
Ms. Melanie Chin	-	Graduate Research Assistant

Excused were:

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

COMMENCEMENT

- 1.2 At 9:42 a.m. the Chairman called the meeting to order and welcomed those present. Dr. Tim Gopeesingh and Mr. Foster Cummings were excused from the meeting.

THE EXAMINATION OF THE MINUTES OF THE TWENTY-EIGHTH MEETING

- 2.1 The Committee examined the Minutes of the Twenty-Eighth (28th) Meeting held on Wednesday April 25, 2018.
- 2.2 There being no omissions or corrections, the Minutes were confirmed on a motion moved by Mr. David Small and seconded by Mrs. Jennifer Baptiste-Primus.

MATTERS ARISING FROM THE MINUTES OF THE TWENTY- EIGHTH MEETING

- 3.1 With reference to item 4.2, the Committee approved and agreed that the Twelfth Report of the Committee into the Examination of the National Training Agency (NTA) will be presented at the next Sitting of the House of Representatives and Senate.

- 3.2 Also, with reference to item 4.2 the Chairman thanked Mrs. Jennifer Baptiste-Primus, who provided feedback to the Twelfth Report of the Committee.
- 3.3 With reference to item 7.4, the Chairman informed the Members that a letter was sent to the National Commission for Self Help Limited (NCSHL) on April 19, 2018 requesting additional information. The responses to the additional information was received by the Secretariat on April 23, 2018.

OTHER BUSINESS

- 4.1 The Chairman reminded the Members that the purpose of the Committee is to continue its examination of the audited accounts, balance sheets and other financial statements of the NCSHL for the period 2008 to 2015 and to make recommendations to help the NCSHL improve its delivery of services in an efficient, effective and economic manner.

PRE-HEARING DISCUSSION RE: THE NATIONAL COMMISSION FOR SELF HELP LIMITED (NCSHL)

- 5.1 The Chairman reminded Members that the purpose of the meeting was to continue the examination of the Audited Accounts, Balance Sheets and other Financial Statements of the National Commission for Self Help Limited (NCSHL) for the period 2008 to 2015.
- 5.2 Members discussed issues of concern and the general approach for the public hearing.
- 5.3 There being no further business for discussion *in camera*, the Chairman suspended the meeting at 10:23 a.m.

THE NATIONAL COMMISSION FOR SELF HELP LIMITED (NCSHL)

- 6.1 The Chairman called the public meeting to order at 10:35 a.m.
- 6.2 The following officials joined the meeting:

National Commission for Self-Help Limited

- | | | | |
|-------------------------------------|---|------------------------|-------|
| • Mr. Edgar Zephyrine | - | Chairman | |
| • Ms. Janice Phillips | - | Administrative Head | |
| • Mr. Vincent Graham | - | Director | |
| • Ms. Kendra Thomas-Long
Advisor | - | Corporate Secretary/ | Legal |
| • Mr. Gary Romain | - | Senior Project Officer | |
| • Ms. Nicola Humphrey-Hamilton | - | Head of Finance | |
| • Ms. Aveland Hendricks | - | Accounts Manager | |
| • Ms. Lyriss Alexander | - | Grants Coordinator | |
| • Ms. Anyesha Khan- Hamid | - | Internal Auditor | |

Ministry of Community Development, Culture and the Arts

- | | | |
|----------------------|---|-----------------------|
| • Ms. Angela Edwards | - | Permanent Secretary |
| • Mr. Sookdeo Sankar | - | Planning Co-ordinator |

- Ms. Desiree Modeste-Bascombe - Research Officer

Ministry of Finance – Investments Division

- Ms. Yvette Babb - Director, Social and Economic Transformation
- Ms. Kimberlene Pascall - Business Analyst (Ag.)
- Mr. Khemkaran Kissun - Senior Audit Analyst

6.3 Key Issues Discussed

26. The major challenges faced by NCSHL over the period 2008 to 2015.
27. The purpose of the various bank accounts held by the Commission at the First Citizens Bank.
28. The correlation between the cash balances and the number of grants issued.
29. The capacity of the Internal Auditor to effectively perform the functions of internal auditing.
30. The status of the recommendations made in the Human Resources Department Audit Review in the year 2017.
31. The failure of the Management team to respond to the recommendations made in the Human Resources Department Audit Review in the year 2017.
32. The oversight role of the Ministry of Finance-Investments Division in assessing the human resources' capacity within the NCSHL.
33. The lack of approval from the Line Ministry with respect to the withdrawal of funds from the Abercrombie Account at First Citizens Bank.
34. The status of Bad Debts.
35. The process of implementing a policy to safeguard assets against theft.
36. The status of the \$11Mn debt inherited by the Board upon its appointment in the year 2015.
37. The reasons for the refusal of suppliers to acknowledge Purchase Orders made by NCSHL.
38. The clarification of the term 'Directors' Other Expenses'.
39. The reasons for the absence of the Corporate Secretary at the 28th Meeting of the Public Accounts (Enterprises) Committee held on April 18, 2015.
40. The reasons for the disbursement of funds to individuals.
41. The basis for seeking contractors to provide assistance to communities with infrastructural projects as opposed to utilising technical capacity within the NCSHL.
42. The payments made to contractors in relation to the mandate of the NCSHL.
43. The status of the actions taken to address the non-approval of the creation of several positions that were not included in the approved Organisational Structure.
44. The number of grants issued by the NCSHL over the period 2015 to present.
45. The deviation of the Commission from its original mandate.
46. The role of the Corporate Secretary in providing guidance to the Board of Directors.

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

- 6.4 The Committee agreed to send additional questions to the NCSHL for written submission.
- 6.5 The Chairman thanked the representatives from the Ministry of Finance – Investments Division, the Ministry of Community Development, Culture and the Arts, NCSHL, members of the media, the public and the Members of the Committee for their attendance.

6.6 The adjournment was taken at 1:18 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

April 25, 2018

Appendix 2

Attendees

Attendees of the Twenty-Eighth (28th) Meeting of the Public Accounts (Enterprises) Committee

National Commission for Self-Help Limited

- Mr. Edgar Zephyrine - Chairman
- Ms. Janice Phillips - Administrative Head
- Mr. Vincent Graham - Director
- Mr. Gary Romain - Senior Project Officer
- Ms. Nicola Humphrey-Hamilton - Head of Finance
- Ms. Avanel Hendricks - Accounts Manager
- Ms. Lyris Alexander - Grants Coordinator
- Ms. Anyesha Khan- Hamid - Internal Auditor

Ministry of Community Development, Culture and the Arts

- Ms. Angela Edwards - Permanent Secretary
- Mr. Sookdeo Sankar - Planning Co-ordinator
- Ms. Desiree Modeste-Bascombe - Research Officer

Ministry of Finance – Investments Division

- Ms. Yvette Babb - Director, Social and Economic Transformation
- Ms. Kimberlene Pascall - Business Analyst (Ag.)
- Mr. Khemkaran Kissun - Senior Audit Analyst

Attendees of the Twenty-Ninth (29th) Meeting of the Public Accounts (Enterprises) Committee

National Commission for Self-Help Limited

- Mr. Edgar Zephyrine - Chairman
- Ms. Janice Phillips - Administrative Head
- Mr. Vincent Graham - Director
- Ms. Kendra Thomas-Long - Corporate Secretary/ Legal Advisor
- Mr. Gary Romain - Senior Project Officer
- Ms. Nicola Humphrey-Hamilton - Head of Finance
- Ms. Avanel Hendricks - Accounts Manager
- Ms. Lyris Alexander - Grants Coordinator
- Ms. Anyesha Khan- Hamid - Internal Auditor

Ministry of Community Development, Culture and the Arts

- Ms. Angela Edwards - Permanent Secretary
- Mr. Sookdeo Sankar - Planning Co-ordinator
- Ms. Desiree Modeste-Bascombe - Research Officer

Ministry of Finance – Investments Division

- Ms. Yvette Babb - Director, Social and Economic Transformation
- Ms. Kimberlene Pascall - Business Analyst (Ag.)
- Mr. Khemkaran Kissun - Senior Audit Analyst

APPENDIX 3

List of entities falling under the purview of the PAEC:

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

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

APPENDIX 4

VERBATIM

VERBATIM NOTES OF THE TWENTY-EIGHTH MEETING OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE HELD IN THE A.N.R. ROBINSON (EAST) MEETING ROOM, LEVEL 9, (IN PUBLIC), OFFICE OF THE PARLIAMENT, TOWER D, INTERNATIONAL WATERFRONT CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON WEDNESDAY, APRIL 18, 2018 AT 10.17A.M.

PRESENT

Mr. Wade Mark	-	Chairman
Dr. Tim Gopeesingh	-	Vice Chairman
Mr. Fitzgerald Hinds	-	Member
Mrs. Jennifer Baptiste-Primus	-	Member
Mr. David Small	-	Member
Dr. Nyan Gadsby-Dolly	-	Member
Ms. Candice Skerrette	-	Procedural Clerk
Ms. Hema Bhagaloo	-	Assistant Secretary
Ms. Melanie Chin	-	Graduate Research Assistant
Excused were:		
Mr. Foster Cummings	-	Member
Mrs. Cherrie-Ann Crichlow-Cockburn	-	Member

National Commission for Self-Help Limited

Mr. Edgar Zephyrine	-	Chairman
Ms. Janice Phillips	-	Administrative Head
Mr. Vincent Graham	-	Director
Mr. Gary Romain	-	Senior Project Officer
Ms. Nicola Humphrey-Hamilton	-	Head of Finance
Ms. Avanel Hendricks	-	Accounts Manager
Ms. Lyriss Alexander	-	Grants Coordinator
Ms. Anyesha Khan- Hamid	-	Internal Auditor

Ministry of Community Development, Culture and the Arts

Ms. Angela Edwards	-	Permanent Secretary
Mr. Sookdeo Sankar	-	Planning Co-ordinator
Ms. Desiree Modeste-Bascombe	-	Research Officer

Ministry of Finance – Investments Division

Ms. Yvette Babb	-	Director, Social and Economic Transformation
Ms. Kimberlene Pascall	-	Business Analyst (Ag.)
Mr. Khemkaran Kissun	-	Senior Audit Analyst

Mr. Chairman: Good morning. May I behalf of the Public Accounts (Enterprises) Committee welcome all the officials here this morning. First of all from the Ministry of Finance –

Investments Divisions; the Ministry of Community Development, Culture and the Arts; the National Commission for Self-Help Limited (NCSHL); members of the media; and members of the public. My name is Wade Mark and I am Chairman of this Committee. May I advise that this meeting is being held in public and is being broadcast on the Parliament's Channel 11, and Radio 105.5 FM, and the Parliament's YouTube Channel *ParView*.

The purpose of this meeting of the Public Accounts (Enterprises) Committee is to examine the audited accounts, balance sheets, and other financial statements of the National Commission for Self-Help Limited for the period 2008—2015. Our Committee is desirous of hearing the challenges being faced by the key stakeholders at the National Commission for Self-Help Limited in an attempt to determine some of the possible solutions to address these challenges.

The role of the Committee is to help National Commission for Self-Help Limited improve its delivery of services in an efficient, effective, and economic manner. At this time I will invite my colleagues on the Public Accounts (Enterprises) Committee to introduce themselves. Starting on my immediate right, I will invite my colleague to introduce himself.

[Introductions made]

Mr. Chairman: Thank you very much. May I now proceed to invite the others who are here with us; that is, officials from the Ministry of Finance – Investments Division; the officials from the Ministry of Community Development, Culture and the Arts; and the National Commission for Self-Help Limited in that order to introduce themselves. So the Ministry of Finance, first.

[Introductions made]

Mr. Chairman: There is someone missing, could somebody advise me. I think that one of the persons who would have been invited, I should say, to this meeting is the Corporate Secretary, Legal Advisor to the National Commission for Self-Help. Is that person here?

Mr. Zephyrine: Mr. Chairman, I understood this morning that she is not able to attend, this was conveyed to me, and I have not spoken to her directly.

Mr. Chairman: Is there any reason why this Corporate Secretary is unable to attend?

Mr. Zephyrine: I am not sure, Chairman. Can I ask, through you, whether the Administrative Head is able to shed any light on that?

Mr. Chairman: Yes.

Ms. Phillips: She indicated yesterday via email that she did not get any formal invitation.

Mr. Chairman: She did not get any formal invitation from who?

Ms. Phillips: Chairman, all the members of staff, the management team, was informed of the meeting today.

Mr. Chairman: Would you want to advise us, who was supposed to—

[Chairman confers with the Secretary]

Mr. Chairman: My information is that we invited the company to advise us who they would like to attend this meeting. And we got a listing from the company, which is the National Commission for Self-Help and the name Ms. Kendra Thomas-Long, Corporate Secretary/Legal Advisor is on the list that was submitted by the National Self-Help Commission advising this Committee that this person would be part of the delegation on the team coming here this morning.

So that is the basis on which we know the person was invited, but based on what we have been told, apparently she did not get an invitation even though the name was submitted.

Mr. Hinds: Mr. Chairman, who submitted that list? Who is the signatory on that list? Who submitted that list to us?

Mr. Chairman: I understand there is no name here, but it is the Administrative Head of the National Self-Help Commission.

Mr. Hinds: So in which circumstance, the Administrative Head having submitted the name of the Corporate Secretary, is the Administrative Head saying this morning that the Corporate Secretary, in light of that, was not specifically invited?

Ms. Phillips: All members of staff were invited via email; the correspondence went out to all members of staff.

Mr. Small: Including the Corporate Secretary?

Ms. Phillips: Including the Corporate Secretary, all relevant members listed on—

Mr. Hinds: On that list?

Ms. Phillips: On that list.

Mr. Hinds: Were formally invited?

Ms. Phillips: Were formally invited.

Mr. Hinds: By you?

Ms. Phillips: Correct.

Mr. Hinds: And you submitted their names to us in those circumstances?

Ms. Phillips: I did so.

Mr. Hinds: And you are now reporting to us the Corporate Secretary told you that she did not receive that invitation? Have you been able to check that before coming here this morning?

Ms. Phillips: I have emails that can be submitted to you all, where the invitations went out. That can be submitted subsequent to—

Mr. Hinds: So it is not from your view, it is not a reasonable position, perhaps not a truthful position for the Corporate Secretary to be heard to say that she was not invited? That cannot be true?

Ms. Phillips: No, that cannot be true.

Mr. Hinds: All right, thank you.

Mr. Chairman: Could you advise us when was the letter or email issued as an invitation to the persons who are here this morning, and the person who is not here as well?

Ms. Phillips: Chairman, I do not have the exact date with me, but I can forward it to you, subsequent.

Mr. Chairman: But, could you remember when it was done?

Ms. Phillips: That invitation would have gone out—

Mr. Chairman: Was it yesterday you said earlier?

Ms. Phillips: No, that invitation would have gone out from the first invitation to attend this Committee meeting.

Mr. Chairman: And, there were no reminders after that?

Ms. Phillips: Reminders were sent out by myself this week.

Mr. Hinds: And those reminders included one to the Corporate Secretary?

Ms. Phillips: Correct.

Mr. Hinds: Thank you. Well, I trust you should just forward that as well to the Chairman.

Mrs. Baptiste-Primus: Chairman, if you will permit me?

Mr. Chairman: Yes.

Mrs. Baptiste-Primus: Thank you very much. Chairman, I think before we proceed this morning, clearly we have to establish who heads this organization. I am hearing responses, I know the Chairman is here—good morning Chairman—and the Administrative Head. Who is heading this organization? Because that is the person whose responsibility it is to ensure that the entire team is invited, they are aware and they are here.

I would not want us to perceive that a Corporate Secretary is refusing to come before this Committee. And I am getting that impression. But we need to clarify who is the head of this organization.

Mr. Chairman: Yes, may I invite the Chairman to clarify for us? Who is the effective head of the National Commission for Self-Help?

Mr. Zephyrine: At present currently, Chairman, the organization is headed by an Administrative Head. It is fair to say that the substantive position of CEO, the post holder is on administrative leave. And Mrs. Janice Phillips-Lynch, is currently the Administrative Head she is the effective head of the organization.

Mr. Chairman, may I add, in light of what has been said about the communication. I wrote to Mrs. Lynch on Monday night, as Chairman, saying that I would like to meet with all the senior staff who are involved in this process, yesterday. The email was copied to Mrs. Thomas-Long among other people.

Mr. Chairman: And did she attend?

Mr. Zephyrine: She did not attend, sorry, she did not attend.

Mrs. Baptiste-Primus: Thank you, Chair. Mr. Chairman, if the CEO is on administrative leave, the normal process is for someone to be appointed to act as CEO. Could you advise us as to why there is not an acting CEO in place at the organization?

Mr. Zephyrine: Chairman, through you. May I say that the decision of the board was that the position be—the acting—be entitled Administrative Head; there were lots of discussions at the board meeting and the board decided at the end of the day not to go with the appointment of an acting CEO—I think principally because the board had not envisaged over what period of time this acting might continue and therefore decided to have an Administrative Head who essentially takes responsibility for all the day-to-day functioning of the organization.

Mr. Chairman: May I just also follow up on what Mrs. Jennifer Baptiste-Primus asked a short while ago. I looked at your document, and members I would like you to look at this document. It is the strategic plan for Self-Help, appendix 2, 2014—2016, interim strategic plan 2017 and draft plan for 2018. On page 23 of this submission that we have before us, there is on the organizational chart the post of Chief Executive Officer. There is no post—you are talking about an Administrative Head, not so?

Mr. Zephyrine: Chairman, may I say that there is no post listed there. The board saw this an interim arrangement, a short-term arrangement.

Mr. Chairman: No, no. What I am saying is that the board has to be guided by policy. The board cannot whimsically, arbitrarily, or in any kind of whimsical way create posts; that is not your preview. You have to get approval for these things.

What I am saying is that the organizational structure that the board of the National Commission for Self-Help established and was approved has no position called “Administrative Head”. And

you are telling this Committee that the board thought it fit, given the fact that the CEO is on administrative leave, to create a post called Administrative Head. That is what you are saying.

Mr. Zephyrine: That will have to be the conclusion, Chairman.

Mr. Chairman: Did you get the approval of the line Ministry? Did you get the approval of the Permanent Secretary in the line Ministry? Or did you inform Corporation Sole of this development?

Mr. Zephyrine: The board acted in the belief that it could create that temporary arrangement.

Mr. Chairman: But how can the board operate in that manner? You cannot operate with the belief that you can do something. You have to do something on the basis of policy, and if there is an absence of policy then you seek approval from your line Ministry through the Permanent Secretary and you also communicate with the Ministry of Finance on that matter. Because you are creating a post that your board would not have the responsibility of so doing. So tell me, how did you get this authority?

Mr. Zephyrine: I think the board will say that it has acted within the ambit of the state enterprise manual.

Mr. Chairman: Well, well listen. We have the members of the Investments Division of the Ministry of Finance. You have all heard, Mrs. Yvette Babb and your colleagues, what has been told to this Committee. Can you tell us if the *State Enterprises Performance Monitoring Manual* gives to any board—it does not have to be Self-Help—but, does it give to any board and can you point out to us in that manual where the board has the authority to create a post on its own without the approval of the line Ministry, the Ministry of Finance and the Cabinet of the Republic of T&T and then ultimately the CPO, of course? Can you advise us if that is in the manual as the Chairman is advising us?

Ms. Babb: Chair, I would like to say the normal policy is that with respect to the creation of posts the line Ministry has to approve it. The *State Enterprises Performance Monitoring Manual* does not specifically state that, and deal with that. But that is the normal policy with respect to creation—for instance, the organization chart, if you want to change it, you are supposed to get the approval of your line Ministry.

Mrs. Baptiste-Primus: My experience in the public service spanned more than 30 years. In order to create positions, the PMCD plays a critical role. PMCD would look, examine the proposals from the organization or the line Ministry because it has to go from National Commission to the Ministry, the Permanent Secretary would then send it across to PMCD. PMCD will go through their processes and at the end of the day, PMCD would say “We agree to the creation of these positions”, and at the end of letter always states “You have to go to Cabinet and when you are going to Cabinet you must attach the PMCD’s proposals and approvals for the creation of those positions”.

I am sitting here, Mr. Chairman—my Chairman here and to Mr. Chairman of National Commission—and I am stunned at what I am hearing.

No board has the authority to change, create positions and—well the next question, the next natural question to me would be: Did the board assign salaries to these positions? I would like to know that.

Mr. Zephyrine: Chairman, one of the problems I think that state enterprise agencies face is that the manual itself is silent on so many of these issues. And I have not observed any formal way of

communicating these policies to a new board when it takes office. That has been an issue. So that you only find out after decision has been taken. The documentation given to boards, as far as I am aware, is a copy of the state enterprise manual. As the officer has admitted, it is silent on many things.

Mr. Chairman: Mr. Chairman, may I ask just to follow up on Mrs. Baptiste-Primus' statement. Was a salary and other conditions established when this new post was created so the administrative head of the organization would now be working for—so much in salary and other terms, and who would have established and approved those terms and conditions?

Mr. Zephyrine: Chairman, when we got into the Commission in 2015, we found a practice of allowances for acting appointments existing within the Commission. I think it is fair to say that the board followed that in respect of this post which we are talking about now and attributed an acting allowance to the holder of the Administrative Head position as we had said it. That was the procedure used.

Mr. Chairman: All right, I will now recognize Mr. David Small.

Mr. Small: Mr. Chairman, thank you very much for allowing me. Like my colleague here, I am incredulous at what I am hearing. What I am hearing here is unbelievable. What the Chairman is suggesting to this Committee is that the board acted in the belief that they were doing the right thing. We have heard from the Corporation Sole, from the members of the Investments Division that if you are creating a position, she was very clear, you need to get the approval. And I did not hear from the Chairman that he got that approval. So from where I sit any such appointment is null and void. Because if he did not get the approval it is acting out there in the nether world.

My other concern, Mr. Chairman, is that you have created a position, you have put an officer in it, you have created terms and conditions, and we cannot find the position in the structure. So, I have nothing against the officer sitting here personally. But something has gone terribly amiss. And we are trying to understand what is really going on at this company. You have the Administrative Head; it is wonderful. But who manages the day-to-day business of National Commission for Self-Help? Because as you have stated in your words, and I recall it very well, this person is managing the day-to-day business, the administrative responsibilities—accounts, admin, HR—good. But who is in charge of running the company? I would like to understand who is in charge of running the company. The business of the company set aside, because if you look at how the company is structured, you receive money for recurrent which is really to run the administrative part of the business and then you receive capital funding to do the work of the business. Who is running the company?

Mr. Zephyrine: Chairman, it is fair to say that the company is run on a day-to-day basis by the person that we designated, rightly or wrongly, as the Administrative Head. The board, of course—

Mr. Small: Mr. Chairman, I want to stop there, please. Mr. Chairman, I have a huge difficulty here, because if we go by the Chairman's statement earlier, the Administrative Head is running the administrative parts of the operation and now the Chairman is changing that to say that no, this person is also effectively performing the CEO's role. Then something is wrong, because by your own admission you have stated one thing before and now you are saying something else.

And I want to treat with one matter. I myself have served in the civil service, Madam Minister, and Mr. Chairman. It is not my understanding that people who are in contract positions can access acting allowances. That is absolutely not allowed. It is absolutely not allowed and if that is a practice

that is a practice that somebody in the organization needs to say, “you are on contract”; contract officers in any state entity are not entitled to receive acting allowances. So that is my understanding. I would like to get that clear from the team here at Investments Division, I want to make sure my understanding is correct. If I am incorrect, please advise me. Ms. Babb, please.

Ms. Babb: Chair, through you Chair. That has always been an issue. I think we will have to get better guidelines from the CPO.

Mr. Small: What is your understanding?

Ms. Babb: Well, what is normally said is that persons who are on contract do not get acting allowance. But that comes up from time to time in state enterprises where they would put someone in an acting position. But as I said before, even though these things are done you must inform your line Ministry and get guidance from them and approval from the line Ministry.

Mr. Small: In your information and the data you receive from National Commission for Self-Help, have they advised you that they are paying these acting allowances?

Ms. Babb: I cannot recall at this point in time. I have to check to see—

Mr. Small: Please, the Committee would like to understand in any communication from National—

Ms. Babb: I will have to check.

Mr. Small:—to the Ministry, please, through the Chair, please supply the Committee with that. Mr. Chairman, I will stop here for now.

Mr. Chairman: Before I ask Dr. Gopeesingh to come in, it is an appropriate time to ask Ms. Angela Edwards, who is the Permanent Secretary, Ministry of Community Development, Culture and the Arts, could you shed some light on this development? And could you advise this Committee if your Ministry and you as Permanent Secretary are aware of these developments: creation of a post, assignment of salaries to that post, without—well, the knowledge of even the Investments Division. So maybe you can help us on this?

Ms. Edwards: Thank you, Mr. Chairman. Yes, this information was brought to the Ministry in 2017. The Ministry subsequently wrote to the National Commission for Self-Help advising that the last approved organizational structure was in 2014 and that Cabinet approval had to be sought before any additional positions could be created. That was the response. There was no response to that from National Commission for Self-Help.

Mr. Chairman: I will call on Dr. Tim Gopeesingh and then Mr. Hinds.

Dr. Gopeesingh: Following up on that, Madam Permanent Secretary. Your letter to the National Self-Help Commission, when that was sent to them, was there any follow-up to have an understanding and appreciation of what was done, based on your communication to them?

Ms. Edwards: Yes, Member, this communication actually took place with the former CEO, who is currently on administrative leave. The follow-up was really through conversations and we were advised that he had brought the matter to the attention of the board. But no decision was taken, in terms of reversing the decision to create the positions.

Dr. Gopeesingh: And that occurred over what period of time?

Ms. Edwards: It would have been during 2017. The correspondence we would have sent would have been around May 2017.

Dr. Gopeesingh: So it is approximately a year and still no solution to the issue?

Ms. Edwards: No.

Dr. Gopeesingh: I heard you mention the CEO is on administrative leave. Would you give us an understanding—we are getting from the answers that the Administrative Head is now in a position of taking the responsibility as a CEO of the organization? Where is the CEO? And what do you mean by administrative leave? Where is the CEO?—probably the Chairman can give some help to this?

Ms. Edwards: Thank you, member. I think that the Chairman is the most appropriate to respond to what is administrative leave, because that is the information we have in the Ministry.

Mr. Zephyrine: Mr. Chairman, administrative leave is the terminology now used for suspension on disciplinary grounds. So the CEO is on suspension at the moment if I may use that language.

Dr. Gopeesingh: And, may I ask, Mr. Chair. If you would be kind enough to consider answering the issue of the reasons for the suspension and by whom? And when was that done?

Mr. Zephyrine: I can give you the headline answer, Chairman. But, the kind of details that the MEMBER asked, I would request your approval to submit those in writing. If I may use the broad terminology, the CEO was suspended on disciplinary grounds; a number of charges, I think, are involved in that suspension.

Dr. Gopeesingh: Was that a board decision?

Mr. Zephyrine: It was a board decision.

Dr. Gopeesingh: And you—okay. The other issue, is this a matter now that is sub judice that is, the CEO has put the board—has taken legal action against the board?

Mr. Zephyrine: The CEO has taken legal action against the board. He has sued us for breach of contract.

Dr. Gopeesingh: Okay thanks. Just one more Chair, before I hand over to other colleagues. The Chairman alluded to the appendix 2 that you all submitted to us, which is the National Commission of Self-Help's strategic plans and the interim strategic plan and on page 11 of that document, projection for fiscal years 2014, '15 and '16. Page 11 of 58. Are you with us now on that?

You will see the projected recurrent expenditure from 2014 to 2016. In 2014 it was about \$19.9 million for recurrent expenditure; 2015 – 18.5; 2016 – \$24.7 million; there is a jump of about \$6 million for recurrent expenditure in 2016. What would account for that, in terms of were there more personnel hired? What is the reason for the increase in projected expenditure for recurrent?

Mr. Zephyrine: I think, Chairman, I may seek the assistance of the accounts unit here, but there has not been a jump in expenditure on recurrent activities. As a matter of fact, we have consistently—

Dr. Gopeesingh: But I am seeing it here. 24.7.

Mr. Zephyrine: Unless it was a projection.

Dr. Gopeesingh: A projection?

Mr. Zephyrine: Yes.

Dr. Gopeesingh: So in reality it was—

Mr. Zephyrine: No, in reality we were—over consecutive years we have had one million deducted from our recurrent expenditure.

Dr. Gopeesingh: All right, thanks.

Dr. Gadsby-Dolly: Just a point of clarification on the board's decision to send the CEO on leave. Are there board minutes reflecting this decision by the board?

Mr. Zephyrine: There are board minutes.

Dr. Gopeesingh: Are these board minutes sent to the Minister?

Mr. Zephyrine: Chairman, we are supposed to send all board minutes to the Minister. I am not aware if we are up to date on all of them. I know that we had to be scolded by the Minister at one time that we were late in submitting minutes. I am not sure the particular aspect of those minutes were included in the ones sent out by the Corporate Secretary. But, I can affirm that there are board minutes and those can be submitted at short notice.

Dr. Gadsby-Dolly: On a point of clarity, do the board minutes of the meeting at which the decision was taken reflect a decision by the board to send the CEO on leave?

Mr. Zephyrine: Yes, it was a unanimous decision by the board.

Dr. Gadsby-Dolly: Then I am going to ask the question to the Permanent Secretary: Do you have in your possession the minutes of that board meeting at which the decision was taken?

Ms. Edwards: Member, at this point, no we do not have the minutes of that particular board meeting. They are minutes we have been searching for and requesting.

Mr. Chairman: May I intervene, Dr. Dolly. When was that decision taken, Mr. Chairman?

Mr. Zephyrine: I think that decision would have been taken in July of 2017, Chairman, subject to a month here or there. Could have been June, but I believe it was July.

Mr. Chairman: We are therefore requesting that you submit those minutes of the board meeting that took that unanimous decision to send your CEO on leave. You are, under our Standing Orders, invited to submit.

Mr. Zephyrine: Chairman, may I through you, Sir, please, change my language somewhat—I did use the term “unanimous”. But the term should have been “majority”.

Mr. Chairman: All right, whether it is unanimous, majority, make those minutes of the National Commission for Self-Help available to this Committee through the Secretariat and we will ask you to do that before the end of this week, Friday, submit those minutes. I think before you go on, Mr. Hinds? Okay, go ahead.

Dr. Gopeesingh: Just to complete that, Mr. Chair, Mr. Zephyrine. Could you make those copies, which you ought to have been doing, available to the Permanent Secretary, all your minutes and to the hon. Minister? Why were they not done? And that is the normal under the operating guidelines for state enterprises; this is a routine issue and as Chair, you must understand that you have to take some degree of responsibility for it and why were they not—why was this not done?

Mr. Zephyrine: Yes, Chairman through you. The position is that if the board was discussing a below-the-line, confidential matter, the officers would have been the subject of that discussion, it would have then relied on a member of the board to take the minutes of that particular section of the meeting. I think this is where the problem has arisen where sometimes they are not written up on time. But there are minutes and I give the undertaking that they will be submitted.

Mr. Chairman: So, what are you saying to this Committee—that your minutes, when you took that decision, took how many months to be written? How many months? Because this decision was taken according to you in 2017; was it around June or July? Is it July you told us a short while ago?

Mr. Zephyrine: I think it was in July.

Mr. Chairman: It was in July?

Mr. Zephyrine: Yes.

Mr. Chairman: So how long does it take for minutes to be established, to be written up and to be circulated to the line Minister, to the Ministry of Finance, as example?

Dr. Gopeesingh: Eight months.

Mr. Zephyrine: Chairman, I can understand why you say it may have taken months to write the minutes. I just wish to assure you that it did not take months, they are there and I will take the responsibility as you have instructed to ensure that they are circulated.

Mr. Chairman: I am further instructing that those minutes that you failed, as Chairman to submit to the Permanent Secretary of the line Ministry, and the Ministry of Finance, and the Minister of Community Development, Culture and the Arts be submitted forthwith. When you leave this meeting, please submit those minutes of July 17th where you took the decision, by majority, to send your CEO on what you call administrative leave. So, this is an instruction coming from this Committee. Okay, I now ask Minister Hinds to intervene.

11.00 a.m.

Mr. Hinds: Thank you very kindly, Mr. Chairman. Quite apart from the specificity of the July 2017 Board Minutes, the performance manual dictates that minutes must be routinely forwarded to the Permanent Secretary and to the Ministry of Finance and, of course, to the line Minister, very routinely. So apart from the specificity of the July Minutes, all subsequent board meetings ought to be, and if that is not being done, there is a very gaping and embarrassing hole here. But I wanted to ask, reverting to an earlier matter, since Ms. Janice Phillips, Administrative Head is effectively—according to you, Mr. Chairman—performing the role of the CEO, and since you told this Committee that you had created a position, created a salary for it, without consultation with—well, let me ask. In terms of creating the position that we discussed earlier and the remuneration for same, did you do so in any consultation with the Permanent Secretary and/or the Minister of Community Development, Culture and the Arts?

Mr. Zephyrine: It is not my recollection, Chairman, that there was pre-consultation on this matter, so the answer would be no. But, I think I made a statement earlier, which I want to return to and, that is, that it would be good for incoming boards, if all policies which are not included in the manual can be advised to members of the board, because the board was acting in a manner where it felt it acted within the state enterprise manual and, therefore, it had in the exigency that existed, where we had no CEO, we had to find a CEO, and that is the position that the board took.

Mr. Hinds: So in effect, you were operating on the principle that silence is consent?

Mr. Zephyrine: No.

Mr. Hinds: Now—well yes, because if according to you, if the manual was silent on the matter, you then decided on the basis of that silence, that you would, as a board, unilaterally make—and I do not think it is silent but, in any event, based on your thinking, you thought since it was silent, that you would act as a board unilaterally, without any consultation with the accounting officer, without any consultation with the line Minister and to arrive at a decision affecting money—you know even in the Parliament here—if I may just say so quickly—the Senate does not vote on the budget. “No taxation without representation they say.” These are money matters and the Permanent Secretary and the Minister ought to have had an opportunity. So you decided that that was not the case. Let me ask one other question here now. Well, is it that the board decided that Janice Phillips would act as the CEO?

Mr. Zephyrine: Yes, Chairman.

Mr. Hinds: Yes. Was that communicated with the Permanent Secretary and/or the Minister?

Mr. Zephyrine: I would have to say what happened next Chairman. I cannot recollect exactly what happened. There would have been communication to the agencies by Ms. Phillips. I am not sure how—I am trying to be as correct as I can—they were advised of the decision that was taken. I need to do some research on that.

Mr. Hinds: And that, Mr. Chairman, makes the point of the necessity for Minutes and the regular, routine conformity with the rules to send those to the Permanent Secretary and the Minister and the Ministry of Finance. But one more thing. Did the board on this—is Janice Phillips remunerated in accordance with the function that you just said the board acceded to her?

Mr. Zephyrine: Yes. The board took an approach Chairman—and it was a decision of the board—which was that Ms. Phillips would assume responsibility for administrative matters. It sought to divide it in a certain kind of way. It said that with regard to the finance head, that that person was to report to the Chairman. That was the decision of the board. It then talked about matters to do with the grants, making decisions would be taken—that it must be referred back to the board through the Chairman and so on. So, I will have to refresh my memory on exactly how things went.

Mr. Hinds: So the function of the CEO is, effectively—based on your most recent submission—split between the Administrative Head and the Chairman of the National Self-Help Commission. Would that be correct to say?

Mr. Zephyrine: Well, given what they had decided with regard to the finance head, what transpired is that the Administrative Head is the person who reports to the Chairman for the day-to-day running of the organization. Some members of the board had felt that they did not want the finance person under that temporary arrangement to report to the Administrative Head, and that is how they arrived at a decision, as quaint as it might be, but that was their decision. They arrived at a decision to have the finance person report to the Chairman.

Mr. Hinds: So again, I ask, effectively, at the base, the role and function of the CEO has been split by the board, effectively, between the Administrative Head and the Chairman of the National Commission for Self-Help. Would that be a correct assertion?

Mr. Zephyrine: It would not be unfair to say that, Chairman.

Mr. Hinds: It would be a correct assertion. So that, in that sense, the Chairman of the board is performing the role of an Executive Chairman of the Commission? Am I correct to say so?

Mr. Zephyrine: Not in terms of his involvement, certainly. Essentially, what happens with finance, is that we have a Finance and Investment Committee—we have a chairperson of that Committee—and if we need to discuss anything, we will have the two of us and the Finance Manager in the discussion.

Mr. Hinds: Mr. Chairman, I just comment, all that I have just heard, I am sure, I must say, this Committee finds particularly troubling. I give way, Mr. Chairman.

Mr. Small: Thank you, Mr. Chairman. Again, I have a quick question for the representative of the Investments Division, Ms. Babb. Is it your understanding that the Directors of National Commission for Self-Help are non-executive directors?

Ms. Babb: Through you, Chair, basically yes, but there are instances where the by-laws, some by-laws of the companies provide for executive and non-executive independent directors.

Mr. Small: But in terms of this particular entity, what is your understanding of the appointment of the directors?

Ms. Babb: Normally it is supposed to be non-executive.

Mr. Small: That is what I wanted to be clear, because that is my understanding. I always like to make sure that my understanding is correct, it is not based on a fallacy. So, my understand, Mr. Chairman, is that directors of the National Commission for Self-Help are non-executive, and on that basis, that means you have zero ability to have any of the staff report to you. Your role is oversight.

Now, this is my understanding and, perhaps, because I have spent a lot of time in oversight, because what I have heard today again from the Chairman is troubling. I think the only thing the Chairman has not said that would strike me is that, in order to hire the best you have to pay the best, because things are running away in the state enterprise sector, and we as a Committee need to start to bring things back. So, Mr. Chairman, I fail to understand what does your phrase, “report to you” mean. If you are a non-executive director—even the Chairman is non-executive from my understanding—what actually happens when Ms. Phillips reports to you? As you indicated, she would report to you and the person in charge of finance would report to you. Could you help the Committee understand what happens when they report to you? We do not understand because, firstly, they should be reporting to the CEO. Okay. But seeing that by your own admission on the record here that these persons report to you, help us with what happens when they report to you.

Mr. Zephyrine: Sorry. We have already established that the Administrative Head is performing the duties in the main of the CEO. The arrangements on the approved organizational chart include—the reporting arrangement is that the CEO reports to the Chairman who I confirm is a non-executive chairman. That is the formal approved arrangements.

Mr. Small: I am just going, Mr. Chairman, on the oral evidence you have presented today. So that I want to make sure that what I got—and I wrote it down. You indicated that the person in charge of finance reports to you. You indicated that the Administrative Head reports to you. So I am sure the *Hansard* would bear me out. So I am just trying to understand, based on your words, what you have told this Committee, what occurs when the person in charge of finance reports to you? Because I do not understand, so I am asking you to help us with the actual things that happen, so that when someone comes to report to you, what is the basis of that? What happens? That is all we are trying to understand, information.

Mr. Zephyrine: Chairman, I am doing my best to give the information. In the case of the Administrative Head, we will discuss normal matters that she wishes to bring to my attention. We will discuss how programmes are running. All the issues that affect the commission. With regard to the finance head, again, we have had particular problems with debt management. We inherited a lot of debts and we have been trying to cope with that. We will meet. We will talk about how we are doing, how we are servicing the debt, what problems there are, what decisions there are to be taken at this level.

I have to say, Chairman, you know, we admit that we did take away the reporting arrangements from the CEO, in this instance. That was the desire—and I am not trying to back out of it. It is a collective decision, I was involved in it, and I was chairing the board. But the board decided that they did not want the Head of Finance to report under the arrangement that we had created—

given that we had already created that arrangement—and the board said that that person should report to me.

I am not an Executive Chairman. I receive nothing commensurate with any measure which can define me as an Executive Chairman. I devote time to the organization. I expect all chairpersons do that because no chairperson can just come to a meeting and go home. It is a lot more than that. But I hear what is being said here this morning, and they are not—Chairman, through you, to Sen. Small—falling on deaf ears. I hear what is being said.

Mr. Chairman: Mr. Chairman, how often does your board meet? Could you advise us? Could you guide us.

Mr. Zephyrine: Yes, Chairman. The board meets once a month.

Mr. Chairman: Once a month. How often are you in or on the compound of the National Commission for Self-Help?

Mr. Zephyrine: I could say, certainly, one day a week but, if requested, I would be there more often.

Mr. Chairman: If requested by whom?

Mr. Zephyrine: Well, if there are matters that the head of the organization wants to discuss with me, I will be there. If there are things for me to respond to, I will be there. This week we were talking about preparing to arrive to come to this, and we had meetings on Monday which I was involved in and yesterday.

Mr. Chairman: You said that you have been in the organization since 2015, that is, as the head, Chairman that is. Have you studied—first of all, have you received a copy of the guidelines on the *State Enterprises Performance Monitoring Manual*?

Mr. Zephyrine: Yes Chairman, I have.

Mr. Chairman: Have you studied it? Have you read it?

Mr. Zephyrine: I have read it.

Mr. Chairman: And even upon your consumption of the material within these pages, you still have not been able to fulfil a simple function or guideline and, that is, making Board Minutes available to the Investments Division and the respective line Ministries which is on page 31, item 3.2 and, specifically, item 3.2.7 which states, and may I read:

“BOARD MINUTES

Board Minutes should be made available to the Investments Division and respective Line Ministries”—and I mean here, Ministers as well and Permanent Secretaries—“to ensure that the Board is proceeding within the framework of the Strategic Plan and GORTT policy decisions.”

Now, this is a manual that has been established, I would say, for close to 15 years and you are in the system as it relates to 2015, to the present time, so you ought to be familiar with the State manual. And why, if you are familiar, would you have flouted the State manual, meaning, you have refused to supply the line Minister with minutes? You would have refused to supply the Ministry of Finance, Investments Division, with minutes, and you ought to have known that that is a responsibility of your good self. It is not silent. This monitoring manual is not silent on minutes of board meetings. So could you explain to this Committee, why have you done what you have done over the last two years on this matter, particularly, when crucial decisions are being taken, the removal of a CEO of a company?

Mr. Zephyrine: Chairman, lest it be thought that this was a wilful refusal to submit minutes, far from that. We had administrative issues with the minutes in the first instance. We were scolded by the Ministry on one or two occasions about that. We have tried to adjust our behaviour, and things have gotten a bit better, I think, far be it for me to say, but I think we have been trying to deliver on a more timely basis. I must say that some difficulty has arisen where we have had to incorporate closed-session minutes into the main minutes, because those were taken by board members, as I said earlier on.

Mr. Chairman: You are saying that Minutes are taken by board members?

Mr. Zephyrine: I said when we have a closed session, Chairman, for example—

Mr. Chairman: What is a closed session? Could you explain to this Committee what you mean by that?

Mr. Zephyrine: If we have a board meeting and then we want to discuss a sensitive matter which involves the staff, then we ask that they leave the meeting. At that time, the minutes are taken by a volunteer who is normally a director.

Mr. Chairman: But what is the role of your Corporate Secretary? You have a Corporate Secretary. Not so?

Mr. Zephyrine: Yes.

Mr. Chairman: And your Corporate Secretary is supposed to be recording minutes and that is not an ordinary member of staff. Are you telling this Committee that the Corporate Secretary is also asked to leave the meeting?

Mr. Zephyrine: At times the matters involved the board's discretion—again, it is a collective position—that they would want to discuss certain matters to the exclusion of staff.

Mr. Chairman: No, no. I am asking you, would you share with this Committee that at times the meetings, closed meetings, could be so sensitive that you may request that the Corporate Secretary retire from that board meeting?

Mr. Zephyrine: That has been known to happen.

Mr. Chairman: How many times?

Mr. Zephyrine: I would have to come back to you on that, Chairman.

Mr. Chairman: More than once?

Mr. Zephyrine: I will have to come back to you on that.

Mr. Chairman: You will put that in writing for our Committee?

Mr. Zephyrine: Yes.

Mr. Chairman: I just want to ask another question, Sir. The strategic plan—no, I have another question I want to ask. The head, the Administrative Head of the National Commission for Self-Help, what is the effective office occupied by the current Acting Administrative Head? What is the substantive office of the acting head?

Mr. Zephyrine: Senior Projects Officer.

Mr. Chairman: Senior Projects Officer.

Mr. Zephyrine: Yes, Sir.

Mr. Chairman: Could you tell this Committee what allowances, if any—Mr. Chairman—would have been provided to the Acting Administrative Head in order to carry out those functions of CEO or part CEO as you would say?

Mr. Zephyrine: Chairman, can I give you the breakdown at some stage? I can tell you that the total salary paid to the person in that position now is \$26,000 a month. The normal salary of the CEO is \$41,000 a month. Sorry, I have been reminded it is \$25,000 a month currently paid to the person acting in that position.

Mr. Chairman: Are there any allowances added to that?

Mr. Zephyrine: Not on top of the 25, but within that.

Mr. Chairman: You have allowances. Could you give us a breakdown in writing?

Mr. Zephyrine: Yes.

Mr. Chairman: I also wanted to ask—

Mr. Hinds: Mr. Chairman?

Mr. Chairman: Yes, no problem.

Mr. Hinds: Just for my own clarification, are you saying, Mr. Chairman—and this is what I want to get very clear—that as a consequence of the Administrative Head, acting as she is, functioning as CEO, the company is paying her some additional remuneration for that?

Mr. Zephyrine: Chairman, the company is paying additional remuneration to her basic salary as an SPO to perform the additional functions.

Mr. Hinds: No, no. She is a Projects Officer.

Mr. Zephyrine: Yes.

Mr. Hinds: Substantively.

Mr. Zephyrine: Yes, Senior Projects Officer.

Mr. Hinds: She is Senior Projects Officer. She is acting as your Administrative Head and, in addition to that she is partly performing the role of CEO. You told us so earlier.

Mr. Zephyrine: Yes.

Mr. Hinds: Good. The question is: Is Ms. Phillips being paid any additional remuneration for her acting partly as CEO?

Mr. Zephyrine: Chairman, I think, for the purpose of the discussion, we have to accept that the Administrative Head is the CEO, barring a few functions.

Mrs. Baptiste-Primus: We cannot do that. No.

Mr. Zephyrine: I know you cannot do that.

Mrs. Baptiste-Primus: Mr. Chairman, we cannot accept that.

Mr. Zephyrine: I am just saying to answer the question, Chairman.

Mr. Hinds: Well, then answer it. Now you have said that, answer it. We do not accept it, but you have said it, answer us, please.

Mr. Zephyrine: And the allowance is factored in, again, on top of the standard salary paid to the Senior Projects Officer.

Mr. Hinds: So, essentially, the Administrative Head, Acting as she is, performing part of the function of CEO is being paid an additional sum for that purpose?

Mr. Zephyrine: The answer has to be yes, Chairman.

Mr. Hinds: Good. In which case, the decision to make that additional payment was also a decision of the board.

Mr. Zephyrine: Yes, Chairman.

Mr. Hinds: Without consultation with the Permanent Secretary?

Mr. Zephyrine: Yes, Chairman.

Mr. Hinds: And without reference to the line Minister as a board?

Mr. Zephyrine: Yes, without prior reference to either the Permanent Secretary or the line Minister. Well, the board considers this an interim arrangement that it had to make in order to function.

Mr. Hinds: And how long has this interim arrangement been in effect?

Mr. Zephyrine: Chairman, the interim arrangement has been in effect for some six months now. We had hoped that the matter of the administrative leave would have been concluded some time ago. However, the matter was then taken to court.

Mr. Hinds: And the court can take—well, you do not have control over the time and the processes of the court, so this interim arrangement can go on well into the foreseeable future?

Mr. Zephyrine: The court has given a date on which it is going to hear the matter.

Mr. Hinds: Thank you, Mr. Chairman.

Mr. Chairman: I just want to bring to your attention, again, page 20, members, of the *State Enterprises Performance Monitoring Manual* and it states as a policy:

“GORTT has agreed”—this is the Government:

- “the monitoring of wage and salary negotiations, the establishment and/or revision of pay and other terms and conditions of employment of employees of State Enterprises, including managerial staff and persons employed on contract should fall under the purview of Ministerial Committee for monitoring remuneration arrangements, a sub-committee of Cabinet.”

Now, it means to say that there is a specific committee established by the Cabinet that deals with the monitoring of remuneration of any acting arrangement, any improvement in terms and conditions, including managerial staff and persons employed on contract. Are you aware of this policy?

Mr. Zephyrine: Chairman, when we assumed office, we sought to meet with the CPO to discuss how we operated with regard to these matters. We made several attempts. The CPO—and I need to check this with the office—we were advised that—

Mr. Chairman: I did not ask you all that. All I simply ask is whether you are aware as the Chairman of this policy guideline as issued in the *State Enterprises Performance Monitoring Manual*? Are you aware of it?

Mr. Zephyrine: I am certainly hearing it. Chairman, I have been through the manual. I have read it, and one of the issues was that—

Mr. Chairman: So you have read it, you understand it, but yet still you are in breach of it.

Mr. Zephyrine: As I said, we have not attempted to commit any wilful breach of any policy regulation.

Mr. Chairman: Well, you may not have attempted, but this is what effectively has happened. Because every policy of the manual that guides your operations that I have brought to your attention, you are in breach of every one of them and I have only outlined three. I have another one about the Corporate Secretary.

There is the Corporate Secretary in the manual that makes it very clear—page 15—and may I read, because we need to put this on the record. This is on page 15, item 2.2.6.7:

“The Corporate Secretary

The Corporate Secretary is an officer of the Company...”

Not an ordinary employee:

“and, in addition, he or she is responsible, specifically, for:

1. Maintaining statutory and other records including:

(i) Minutes of Board of Directors Meetings and Shareholders Meetings”

So this Corporate Secretary is supposed to maintain and record all Minutes of the Board of Directors and also:

“(v) Register of Board decisions”

So you cannot arrogate onto yourself an authority that this manual does not give you, meaning you have committed yourself by telling us a short while ago that at times—and you could not remember, how many occasions—you have asked the Secretary, which is the Corporate Secretary, to excuse herself, and you have gotten a member of the Board of Directors to take minutes when the manual says, the only person that is mandated to take minutes and to record minutes and have a register of all decisions of the board is the Corporate Secretary. So this is another egregious breach by your good self, as the Chairman, having read this manual of this document.

Mr. Chairman, something is wrong with that organization; something is definitively wrong. Here it is the Ministry of Finance does not know anything about what you are doing, because you have failed to brief and update and provide the Ministry of Finance, Investments Division, with minutes and decisions.

Your line Ministry and the Permanent Secretary is in the dark on decisions that your board has taken. The Minister who is responsible to the Cabinet for this Ministry, and any entity like yours which is a state enterprise entity has to account to the Cabinet, does not know decisions that you have taken, particularly, serious decisions, removing a CEO. So it appears to where we sit that this organization has gone rogue. This is a rogue organization and you are doing your own thing as the Chairman, if I may come to that conclusion. And I am very, very disappointed with what we have heard so far and we have now started. We have now begun this journey.

I want to just ask another question, before I invite Mrs. Baptiste-Primus.

Mr. Chairman, could you tell this Committee—no, Dr. Tim Gopeesingh and then after Mrs. Baptiste-Primus—please tell us whether you are aware of a process—well, first of all, I should rephrase. The strategic plan for 2018 to 2021, could you inform this Committee what is the status of that strategic plan at this material time?

Mr. Zephyrine: Thank you, Chairman. The strategic plan, as far as I am aware, is not yet completed. We expect to have it within the next couple of weeks. There was a lot of difficulties in getting the drafting of the plan started. When we inherited office, there was a plan which took us until 2016. We then had a one-year plan which the Ministry of Finance agreed to accept, and we undertook to do a four-year plan to take us forward.

The procurement process for consultants to undertake the plan threw up a lot of challenges and, therefore, we started much later than we wanted to, hence we are at the stage now where the plan is being finalized.

Mr. Chairman: Would you care to share with us, what was the procurement process? How was that conducted and who ended up being the successful bidder and consultant to draft and finalize that particular strategic plan?

Mr. Zephyrine: Through you, Chairman, could I either ask the Administrative Head or the Audit Manager to respond to the process and where that was undertaken.

Ms. Phillips: Chair, the first draft of the strategic plan was submitted yesterday. The procurement process was a three-quote tendering process and the award went to Ms. Grace Thelma Company limited.

Mr. Chairman: I think, Dr Tim Gopeesingh, Mrs. Baptiste-Primus and then Mr. David Small. Dr. Tim Gopeesingh.

Dr. Gopeesingh: Thank you Chair. Chair, when were you appointed as Chair of the National Commission for Self-Help?

Mr. Zephyrine: I think, Chairman, it is December 2015.

Dr. Gopeesingh: December 2015?

Mr. Zephyrine: Yes.

Dr. Gopeesingh: So now it is approximately 27 months that you are on the job as Chair?

Mr. Zephyrine: Yes.

Dr. Gopeesingh: And you said that you meet probably once per month, your board?

Mr. Zephyrine: Yes, Chairman, but it is also fair to say that we have had special meetings.

Dr. Gopeesingh: Well, therefore, there should be approximately—if once, per month—about 27 board minutes, if that is, you record your board minutes every month.

Mr. Zephyrine: Yes.

Dr. Gopeesingh: Madam Permanent Secretary, could you give us some elucidation as to how many board minutes you would have had in your possession and if you were not receiving these board minutes, what steps did you or—I do not know if you have been there for the 27 months as Permanent Secretary—but while you have been there, what steps did you take to ensure that board minutes were sent to you? How many have you had?

Ms. Edwards: Through you, Chairman, I cannot give you the exact number we have at this time, but we have had an issue with compliance regarding the submission of board Minutes from the National Commission for Self-Help. We have written to the Administrative Head, former CEOs on several occasions requesting that board minutes be supplied. There are still a number of outstanding periods. We have a database, a spreadsheet, where we monitor the submission of minutes and there are gaps in that monitoring system. So, at this point, I cannot give you the exact number, but I know that we have not received minutes for every meeting held at the National Commission for Self-Help.

Dr. Gopeesingh: I heard you mention that you wrote to the Administrative Head and the CEO. Is it not the responsibility of the Permanent Secretary to liaise directly with the Chairman of the Board and communicate with the Chairman of the Board for such minutes if they are not forthcoming?

Ms. Edwards: As I understand it, member, the Permanent Secretary liaises with the operational head of the organization. The Minister with responsibility for the state enterprise will liaise with the Chairman.

Dr. Gopeesingh: Okay. So how many do you think you have received out of the 27?

Ms. Edwards: Probably about 50 per cent.

Dr. Gopeesingh: So, something is amiss. And the Investments Division, how much have you been able to gather as a monitoring system in the Ministry of Finance on all state enterprises?

Ms. Babb: Through you, Chair. Member, I cannot say offhand. I know we have received some minutes from the National Commission for Self-Help, but I cannot say exactly the amount.

Dr. Gopeesingh: There is something amiss. There is something missing in terms of the governance process, for example, this state enterprise. I am sure we probably will have many, many more that have not come before these Committees. As far as I can recall, there are about 80-plus state enterprises. So it leaves us to wonder, the governance process, in terms of understanding what each state enterprise is doing when the minutes are not forthcoming to the Permanent Secretary, and then when the Legal Department of the Ministry of Finance—well, the Investments Division, obviously, not receiving the minutes of these meetings to have an understanding, an appreciation of what is going on with each state enterprise, hence the reason I may want to assume or the listening public may want to assume, that is one of the reasons that we fall down in terms of governance at a national level.

So, therefore, there is the role for increased surveillance by Permanent Secretaries on state enterprises and increased surveillance by the Investments Division of the Ministry of Finance as well, as we have brought up in previous state enterprises that have come before us. So I just wanted to clarify that issue. There is a great deal of weakness in that area and that is something that from a national perspective on governance, that has to be strengthened.

Now, I just want to go to one or two operational aspects, Mr. Chairman. Well, of course, we know that this National Commission for Self-Help started in 1987 and in 1999 you had approval by Cabinet for Minor Repair and Reconstruction Grant, and that is to provide senior citizens, destitute families, single parents and physically-challenged persons with an income of less than \$3,000 with building material to effect minor repairs.

Then in 2011 you had an Emergency Relief and Reconstruction Assistance Grant, and that was to provide relief to families affected by fire, storm damage and land slippage, any other natural disaster and with material to reinstate and reconstruct their dwelling houses.

Then it was also increased to Community Infrastructural Development Programme and then the Low-Cost Housing Grant was established as well. And, in fact, the objectives were to provide assistance to destitute families and so on.

I notice from your report, on page 5 of the report that responds to questions by this Committee that in one particular year you had the request for north Trinidad of—that is for the MRRG, the Minor Repair and Reconstruction Grant, of 4,058 and for south 3,663 and for Tobago 617. That is approximately 8,000-plus requests. And if I am looking at it carefully, DP means, what?

Ms. Phillips: Development Programme.

Dr. Gopeesingh: Development Programme, 240. Could you give us an understanding and appreciation of these 8,000 requests, how many you were able to fulfil during that period of time? At an average, what percentage?

Mr. Zephyrine: I was going to ask your permission, Sir, to ask Ms. Alexander to reply.

Ms. Alexander: Good morning. Of the 8,000-plus applications that we would have received, we would have possibly entertained, I would say 30 per cent of these applications.

Dr. Gopeesingh: You entertained, but how much have you been able to complete?

Ms. Alexander: To complete, we would have completed—in the appendices, we did attach how many applications from those were completed throughout the different avenues, both MRRG, DP and ERRAG. That is included in the appendix.

Dr. Gopeesingh: What appendix you are speaking about? Could you direct us to the appendix?

Ms. Alexander: Appendix 14.

Dr. Gopeesingh: Of which?

Ms. Alexander: NCSHL list of projects and statuses.

Dr. Gopeesingh: So you approved applications for a number of these. From what I am seeing it is less than 25 per cent that you were able to fulfil and complete?

Ms. Alexander: Yes, Chair.

Dr. Gopeesingh: Yes?

Ms. Alexander: Yes, Sir.

11.45 a.m.

Dr. Gopeesingh: Could you give us an understanding of why you are finding it difficult to be able to fulfil the requests from people who are really seeking the help of the National Commission for Self-Help when out of four applications you complete possibly one out of the four?

Ms. Alexander: Our main issue for not completing would be finances, Sir.

Dr. Gopeesingh: The finances. Now, your organization looks at water, electricity, construction, roads, and so on, a number of things—has the board, Chairman, taken any initiative to liaise with these other organizations to see what sort of assistance that they can give you when you have these requests? And do you bring these to the attention of, let us say WASA, T&TEC, the Ministry of Local Government, the Ministry of Works and Transport when these requests are coming forward and people are waiting, and they are really poor and requiring emergency help, and you could only help one of the four, and you have major Ministries which can also help? It is the thought process at all for the board or for the administration to begin to work and bring to the attention of the various Ministries the requirements of these poor people and see how you can get help for them as quickly when you have not been able to do it?

Mr. Zephyrine: Chairman, can I just say that I think the character of the Commission for Self-Help has changed somewhat over the years. Dr. Gopeesingh is right in saying that initially there was a lot of emphasis on taking water to rural communities, paving roads, building bridges, retaining walls, although that still remains a need. But over the years it seems to me, and I have observed Self-Help for a long period of time that the emphasis has now moved to—whether it is because we are now more developed than we were then—the emphasis has moved from the community-type activity that you have outlined in terms of water, and so on, but we took water to a certain point, took the mains there, and then individuals would be responsible for taking it to their homes.

And it is now more about individual grants under the EHRG; that is the emergency grants under the repair grants. But I also want to say in respect to the overall question that you are asking, Sir, that when we assumed office we also inherited a very large debt to suppliers and that has played a great role in our ability to function and to work effectively with the suppliers out there, because if these people were owed moneys then it was difficult to approach them to ask them to dispense materials. So that affected us.

Mr. Chairman: You want to clear—what was the size of the debt?

Mr. Zephyrine: I believe it was \$11 million or thereabout, Sir. The other thing I want to say, yes, to the question asked by MP hon. Tim Gopeesingh, that we do liaise with other agencies. At the moment with regard to the individual grants we work very closely with the Ministry of Social Development and Family Services. We have had long relationships with WASA, with T&TEC and the corporations, with agencies like CEPEP, and so on. So there have been these relationships

built up and they have functioned well. But I have to say from my observation the emphasis seems to have moved—I am not sure it is from a policy standpoint, but it just has moved from the community-type activity, developing communities to supporting individuals.

Dr. Gopeesingh: So what would be your core activity that you see it as a board at present for over the last 27 months from your perspective?

Mr. Zephyrine: Yes. Our core activity would have been dictated by demand, and therefore we respond as a result. And it was under the emergency relief grants or the repair grants; the minor grants where we assist people with the maintenance of their homes, their roofs, and so on. Those would have been the core things. Although the board places very highly the issue of community development, because I think it is a fallacy for anyone of us to think that we have reached the stage in our country where we do not still have to build bridges for children to cross, leave home and go to school, and things like that. There are still a few projects like that being undertaken, but in my own view, and that is my personal view, not sufficiently, but I have to say that the overriding issue is that the Commission has had a resourcing problem. We are now tackling how we make that better, how we manage our debts, and how we create relationships with suppliers which can be more effective.

Dr. Gopeesingh: You receive applications of approximately 8,000 per year—I will just be finished in two minutes—how do you satisfy the people who are seeking your help? What is the feedback you give to them? And is there any mechanism that you provide a feedback to them, because citizens say they went to Self-Help and they got no relief and they do not know what is happening? Then the Members of Parliament seek some support, they do not get it, sometimes from local government or from Self-Help, or whatever. So these citizens remain unaware of what is really happening to their requests.

Now, the question is, why do you not take a greater responsibility? You said you liaise with the other organizations—liaising, we could liaise and get nothing in return, but what is your depth of success and who do you have in the organization, or what department do you have looking after responding to the needs of the people, particularly when you said you have weaknesses here, beside inadequate funding, timespan for approval process? Does the board meet regularly to approve these things that ought to be—loss of materials, lack of readiness of the board itself, lack of readiness of the organization, lack of technology for increased operational efficiency, and lack of appropriate skill sets of staff in some areas.

Knowing these weaknesses, why is it that you are not taking the required steps to strengthen these areas so the citizens, the poor citizens, can get the relief that they really want, rather than they know that there is a Commission for Self-Help, they apply to them and nothing is being given to them?

Mr. Chairman: Yes, Mr. Chairman.

Mr. Zephyrine: Chairman, I want to say that it is a very frustrating phenomenon to the applicant, the client out there, when they have applied in the hope and then their hopes are dashed, either because we have not responded in a timely manner, or because we are unable to respond for whatever reason. So I accept that, but the difficulty is how do we bridge the gap. But, I would ask the Administrative Head to say something about how we deal with clients in terms of letting them know what is happening, because you asked that also.

But, you know, we have a problem here, we meet with sufficient frequency to approve applications, but what happens is that there is a build-up between the approval and the implementation, because we come up against the real problem. The real problem is this, that there are not the resources to implement the decisions taken. Now, we have had meetings, the Minister has given us some very helpful suggestions on how we proceed, and we want to address the whole issue of matching resources to approvals in a more business-like manner so that we do not build up unmanageable debts and have all these problems coming up, but we are tackling them.

You have said—well, if you are aware of these problems, why are you not doing something about them; we are doing something. We are trying to address them but we come up against resource issues. There are other issues, but I just want to say to you that the Commission is mindful of the points that you have made. The Commission is not “unregarding” of the need to move forward. And I will just ask—

Mr. Chairman: Maybe you can put it in writing for us, Head, and in doing so, just to add to Dr. Tim Gopeesingh’s concern, could you give us a detailed breakdown of the distribution for 2016 and 2017 as well? Okay? Mrs. Jennifer Baptiste-Primus.

Mrs. Baptiste-Primus: Thank you kindly, Mr. Chairman. Mr. Chairman, I want to say that I am sitting here and I am extremely—I cannot emphasize enough, I am extremely disappointed at what I have heard flowed from the Chairman of this Commission to this Committee. Two things: one, Mr. Chairman, you keep changing your statements to this Committee. I want to go back to our earlier discussion when you told this Committee that the board decided not to fill the position of CEO but instead to take out some of the functions and create a position of Administrative Head. Subsequently, you came back and you told this Committee that the board agreed for Ms. Phillips to carry out the functions of CEO. Now, the functions of a CEO would have been addressed in a job description. We do not know whether or not Ms. Phillips or any other person in the organization possesses the skills matched for that position. Everything I have heard here this morning points to the direction, Mr. Chairman, that you are acting as an Executive Chairman, because if there is no clearly identifiable head of the organization, if the board created a position of Administrative Head, that Administrative Head is reporting to whom, not yourself?

Mr. Zephyrine: Yes, Ma’am.

Mrs. Baptiste-Primus: Good. Now, I see Head of Finance; is the Head of Finance reporting to you?

Mr. Zephyrine: Yes, Ma’am.

Mrs. Baptiste-Primus: Good. In a healthy organization the chairman on the board, their responsibilities are really setting policy, not getting down into the nitty-gritty of the organizational functions in a healthy organization. So that you would have your Head of Finance reporting to your CEO, it is the CEO that is accountable to the board of directors for the strategic direction of the organization. Everything I have heard here this morning points to the fact that the Commission is a dysfunctional organization, everything.

As the Minister of Labour and Small Enterprise Development, there are three boards reporting to me as line Minister and not one of those boards operate based on what I have heard here this morning. Board Minutes are sent to the Permanent Secretary and to the line Minister. Any major decisions, the chairman of those boards meet with me as line Minister and engage in a discussion.

The line Minister's responsibility is to give guidance to the chair, and, clearly, Mr. Chairman, this organization is dysfunctional.

I also want to point out, Mr. Chairman, if you would permit me—you see, you have to look at structure, because if your structure is not correct and well defined you will achieve very little. The second factor is the people functioning in the structure: Are there synergies, is there a commonality, is there a common goal that we are all working towards as board members? I see Ms. Nicola Humphrey-Hamilton, Head of Finance—is that a position on the structure of the Commission?

Mr. Zephyrine: Chairman, this goes back to what I was saying—

Mrs. Baptiste-Primus: Now, I asked a question. With all due respect, Mr. Zephyrine, I would have sat here very patiently, I would have listened to all the responses, I just want to clarify—

Mr. Zephyrine: The answer is no. 43 Public Accounts (Enterprises) Committee 2018.04.18

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Mrs. Baptiste-Primus:—because, you see, you have a team of persons here with you that appears to me not to be the persons who should be facing this Committee. So I am asking again, is the position of Head of Finance a position on the establishment or a position created by the board?

Mr. Zephyrine: Created by the board, Chairman.

Mrs. Baptiste-Primus: And then I am seeing, is it Accounts Manager? Yes, thank you very much, Ms. Avel Hendricks. The Accounts Manager, is that a position on the establishment?

Mr. Zephyrine: Yes, Chairman.

Mrs. Baptiste-Primus: To whom does the Accounts Manager report?

Mr. Zephyrine: To the Head of Finance.

Mrs. Baptiste-Primus: But that is not a position on the establishment.

Mr. Zephyrine: Chairman, if I may, the Commission operated two strands as an organization previous to this board taking responsibility. You had what was called a project unit which was responsible for building communities, which built community centres and did other construction activities. Although that project unit was a part of the Commission it was, to some extent, separate from the Commission. So we inherited the Commission where its character would be defined as having a Commission for Self-Help, as we know it, and a project unit, but that project unit was coming to the end of its life. Now, it has operated separately. To some extent it was paid separately. It was paid under separate arrangements, but they were all under the same umbrella of Self-Help. So when that project came to the end of its life the staff was subsumed into the main—well, they were always thought to be Self-Help staff in that way, but in terms of how they were paid, I think they raised their own revenue or they were paid by the Ministry directly for the project unit, I am not quite sure. But the point I am making is that there had to be subsumption of the staff there into the Commission staff. So that job title of Accounts Manager was brought into the main Self-Help, for want of a better word.

Mr. Chairman: I just want to ask, Mrs. Baptiste-Primus, I just want to interrupt for two seconds. Mr. Chairman, could you be very honest and open with this Committee and tell this Committee how many positions under your watch you have created and established without the authorization of the line Ministry, the PMCD, the line Ministry? How many have been created since you arrived on the compound of the National Commission for Self-Help that is contrary and in contradiction

to the organizational chart or the organizational structure which was approved in 2014? Would you be kind enough to tell us? Mrs. Baptiste-Primus has identified two, and we have a third one in terms of the head or the Administrative Head. We have two additions, three, could you tell us how many you have created?

Mr. Zephyrine: Okay. To respond to your question, I do not want to be accused of being dishonest because everything I say here is factual and everything I say here is intended to convey the truth. The positions, as I understand it—and the background to this was when we—

Mr. Chairman: No, no, I do not want any background, Sir, I am asking a direct question on behalf of the Committee. How many new positions you have created—when I say you, the board—have created that are contrary to the organization structure which was approved in 2014? Is it five, is it seven, is it 10, is it 15, let us know how many.

Mr. Zephyrine: I would outline them, Chairman. We talked about the Head of Administration, we created a position of—there was a position on the chart for Corporate Secretary, we amended that position and we created Corporate Secretary/Legal Advisor, because when we got to the Commission it was engulfed in a sea of legal issues; that was one. The second one, we also created the position of Head of Finance when we merged the two organizations, and we created one other position that of Grants Coordinator, because the small grants of the organization, that is the ERRAG and the MRRG, were not being properly managed, so we thought we want to pull all of this under one umbrella. Those were the ones. I do not know, have I missed out anything?

Mr. Chairman: Did you create something called a Human Resource Manager?

Mr. Zephyrine: No, Sir.

Mr. Chairman: That was never created?

Mr. Zephyrine: No, that was always there. Yeah, that was always there, was it not?

Ms. Phillips: Yes.

Mr. Zephyrine: Yes.

Mr. Chairman: You have something called an Internal Auditor within the organization?

Mr. Zephyrine: Yes. What is the appropriate title?

Ms. Phillips: Internal Auditor.

Mr. Zephyrine: Internal Auditor.

Mr. Chairman: But apart from to whom that person reports, could you tell us also is that on the org chart?

Mr. Zephyrine: Yes, Chairman.

Mr. Chairman: You have a senior auditor on the org chart as well?

Mr. Zephyrine: No. We would think—we did not want any background, but we were concerned about restructuring the organization, but that restructuring never happened in its entirety, okay? But to answer your question, the auditor reports to the Board Audit Committee, that is the arrangement as defined, I think, in the manual. The auditor reports to the Board Audit Committee.

Mr. Chairman: Yes, I ask the question, to whom this Internal Auditor reports to?

Mr. Zephyrine: The internal auditor reports, as I said earlier, Chairman, to the Board Audit Committee. That is the policy that was inherited.

Mr. Chairman: Sorry about that, Mrs. Baptiste-Primus, I just wanted to just—you can continue, please.

Mrs. Baptiste-Primus: Thank you very much, Mr. Chairman. So, clearly, Mr. Chairman, my fears have been borne out. I would want to suggest therefore, Mr. Chairman, in terms of our earlier discussion that the Corporate Secretary, because Ms. Phillips would have said the Corporate Secretary would have received an invitation to be here today, and a reminder. Am I correct? And a reminder, so therefore, Mr. Chairman, I am recommending that this session be adjourned, when you so decide, and when we resume, the Corporate Secretary be summoned to attend the next meeting that undoubtedly is required; so that is one. Two, Mr. Chairman, I heard Mr. Chairman said that upon assumption to the office the then new board inherited a large debt of \$11 million. Am I correct, Mr. Chairman? All right. What I would want to enquire, when the new board assumed office you found an \$11 million debt, was there any account of the organization? Did you meet an account?

Mr. Zephyrine: Chairman, [*Inaudible*] by that I mean a breakdown of the debts.

Mrs. Baptiste-Primus: Were there any accounts with moneys in those accounts in those bank accounts? Was there one account, two accounts, three accounts?

Mr. Zephyrine: Can I just ask in answering what accounts we have, please, Chairman?

Mrs. Baptiste-Primus: No, no, no, Mr. Chairman, I have directed the Chairman. I wrote down what the Chairman said—upon assumption when he and the board assumed, they inherited a large debt of \$11 million. If the Chairman is in possession of that information, and he shared that information willingly with this Committee he must be in a position to state what else the board found when it assumed office.

Mr. Zephyrine: That is a slightly different question, Chairman, from what was asked initially.

Mrs. Baptiste-Primus: Now, all I asked—it is not different, Mr. Zephyrine, what I asked is, did the board find any accounts with moneys in it in the organization? You found \$11 million in debt, were there any accounts? Was there an account or accounts in which there was liquid cash?

Mr. Zephyrine: Now that I can recollect, Chairman, there was an Abercrombie Fund, yes, with, I believe, some \$5 million worth of money in that. There is a history to this fund—

Mrs. Baptiste-Primus: So you would have found \$5 million, is that—

Mr. Zephyrine: I am not sure if that is the exact figure, Ma'am, but perhaps that can be verified.

Mrs. Baptiste-Primus: All right, so—

Mrs. Gadsby-Dolly: Chair, I just want to, on a point of clarity, the 2015 accounts identify cash in hand at a bank on account of \$24 million. So I am just bringing that to the fore, which identifies a First Citizens Bank with \$23.9 million in that. That is the accounts submitted for 2015. So I just want to make that clear on the *Hansard*.

Mr. Zephyrine: Chairman, can I say that that may well be so, and I would want to provide you with a statement if that is the case of what has happened to that money?

Mr. Chairman: Yes, could you give us a breakdown in writing, or give us, Mr. Chairman, a statement of all the accounts and the amounts that you met when you arrived as Chairman of the National Commission for Self-Help. We want a detailed breakdown of the amounts where, in which institution, and what is the current status of those accounts.

Mrs. Baptiste-Primus: Chairman, if you will permit me, what I would want to add is that, in terms of the status, as the Minister clarified, a little over \$24 million, how much of those funds have been spent to date, what were the funds used for specifically, and what was the authority for

withdrawal of whatever sums that have been withdrawn to date to be included in that comprehensive response?

Mr. Chairman: I think David Small and then Mr. Hinds.

Mr. Small: Mr. Chairman, thank you very much for allowing me to—and, Mr. Chairman, through you, I have a cascade of three questions, one question is a governance question, one is a policy question and one is a compliance question, because I want to be very methodical about how I am going to approach this because I am troubled. Mr. Chairman, I want to make a short comment also. I want to join with you in saying that what we are seeing here today is that we have a chairman and a board presiding over a completely rogue entity, okay? And while I was sitting here I went to the Institute of Directors of the United Kingdom and I did a search: What are the signs of a rogue board of directors? What are some of the signs?—the majority votes of the board occur. So the board, rather than have a unanimous decision they have majority votes. You have:

Rogue directors can disrupt the proper functioning of the staff and the board. Rogue directors divert the company from pursuing its mission. Having rogue directors can also expose the company to legal liability, and rogue directors end up sometimes having uncivil behaviour at board and committee meetings.

So this is not an activity that when we say “rogue”, I want to always demonstrate that when we say things here at this Committee there is a solid backing for what we say. We do not just dream it up and come up with it.

So thank you, Chairman, for putting that on the record. There is a clear body of evidence about what happens to a company or an entity when you have directors flouting the rules and policies, and that is what we are witnessing here. Whether admittedly by doing it deliberately or otherwise, the facts on the record today demonstrate that we have an entity that has consistently failed to adhere the rules and policy and they have gone completely on the—I think the attorneys call it, being on a frolic of their own.

So, Mr. Chairman, my first question is a governance question. The Chairman of the company here, the entity here this morning indicated that on more than—on at least one occasion there has been non-unanimous decisions of the board. And then he has also indicated that probably at least on one occasion the Corporate Secretary has been asked to leave the meeting, the legally responsible party to keep notes of the meeting has been asked to leave the meeting. I would like to find out from the Chairman, and share with this Committee and the members of the viewing and listening public, could you tell us what is your assessment of the status of the working relationship amongst the directors of the company?

Mr. Zephyrine: Normal. I hear this about boards, all boards taking unanimous decisions. I am yet to be convinced of that. We have a situation where in the main the board agrees generally on all decisions that—

Mr. Small: Thank you, Mr. Chairman. And how would you describe the relationship between the members of the board of directors and the Corporate Sec and other members of management?

Mr. Zephyrine: There have been troubling issues.

Mr. Small: And has there been discord amongst the members, Mr. Chairman?

Mr. Zephyrine: What do you mean by discord?

Mr. Small: Disagreements on issues that have elevated to the point where people had taken adverse positions.

Mr. Zephyrine: Well, Chairman, if there is something that the member wishes me to respond to, if it can be put more directly I can respond to it.

Mr. Small: When you say troubling issues, I am not sure what trouble. So, okay, let me ask a different question, Mr. Chairman. You said troubling issues, could you share with this Committee one troubling issue?

Mr. Zephyrine: We are on air, Chairman, so I take it what I am saying now is being exposed to the national audience.

Mr. Chairman: It is a public hearing.

Mr. Zephyrine: Right. There have been issues to do with how the board sees staff performing.

Mr. Chairman: Try to avoid any name calling.

Mr. Zephyrine: Yes, I certainly would not call their names, Chairman, that is why I am trying to be as deliberate as I can. There are issues where the board feels that it is not happy with the relationship that certain members of staff have, how they treat certain board members, how they address certain board members, and other more material issues to do with their work performance, but since you alluded to relationship issues, I am trying to answer it in that context, and yes, there have been some tensions. There have been some tensions.

Mr. Small: Mr. Chairman, I am going to stop there, I think that I just wanted to get a sense from the Chairman as to whether or not there is a good working relationship, and I am getting the sense that while they are working through some issues, and there are many issues that seem to be, according to the Chairman, troubling. I will like to posit that where you have a situation where you have a board, there is troubling—quote-unquote, “troubling” issues between a board and a management, that leads to dysfunctions in the running of the business. There is no question about that, so I will move from that for now.

Mr. Chairman, through you, I have a policy question. I am aware that the Chairman put on the record this morning that he has looked at the wonderful performance monitoring manual, and on page 98 there is a policy about the issue and use of cell phones and cell phones allowances, and I am now touching my first operational issue in terms of the operation of the business, or the entity, and that one of the things that this policy states is that in terms of—the heads of the entities have the authority to require the use of cellular phones based on demonstrated need and job function. Let us accept that everyone has read that. I rush now to your document, and according to your document in your submission on page 39—of the 77 staff, 40 are receiving phone allowance, including five administrative assistants. So that I am sitting here as someone who is on this Public Accounts (Enterprises) Committee, I can see where the Administrative Head, Corporate Secretary, Head of Finance can have a phone allowance, but out of a total staff complement of 77, that has been provided here, 40 receive phone allowances, including five administrative assistants.

So I struggle to—perhaps the way you describe an administrative assistant might be different from my understanding, so I am seeking clarity on what possesses a state enterprise to provide a phone allowance to an administrative assistant. Could you share with the members of this Committee, Mr. Chairman?

Mr. Zephyrine: Chairman, I agree fully with what Sen. Small is saying. We met that problem there. We have curbed it to some extent. We have wanted to remove a greater numbers from that provision, but there have been challenges in terms of what has been on offer to the people traditionally. But the position now is a bit amended, if I can say that, because what has happened

is that we moved into a new arrangement with TSTI, and because that arrangement provides for a global figure of telephones it was easier for us to allow more access to the use of phones, but without meandering too much, if I can say, that we do agree as a board with the point that you have made and it is something that we have been trying to address, and given that it has been made again here at this Committee, it is something I expect the board in the future will be looking at.

Mr. Chairman: May I can ask, just to add to what my colleague has asked, what about the members of the board, Mr. Chairman, do they have cell phones as well as laptops, as the case may be? What is the situation with the members of the board?

Mr. Zephyrine: In the first question, the members of the board have no cell phone, the chairman has a cell phone; that I think is traditional. When I got into office I was told that you are entitled to a phone. We took a decision because we found that we were spending a lot of money on ink, on paper. We wanted to move the organization forward, and we wanted to have a situation where we could rely more on the use of the computer to transmit information, and we took a decision at board level to provide each director with a laptop so that we can then move towards that conversion. So, in respect of the—so that was taken—

Mr. Chairman: Continue.

Mr. Zephyrine: Yeah, that decision was taken, Chairman, and we are using that to send information to directors, we sent Minutes, we sent documents and other things, and that was the purpose—

Mr. Chairman: May I ask, when you are taking these very critical decisions where moneys are involved in a very difficult environment, would you not agree with me that you ought to communicate that matter in terms of a proposed decision to the Permanent Secretary of the Ministry, as well as the line Minister? So at least if you are going to expend public funds to provide each member of the board with a laptop, do you not think—because I do not think, from what I recall, that is part of the terms and conditions of board members in the manual that we have. So would you not agree with me, Mr. Chairman, that such a decision would require some consultation with your line Ministry, first of all, the Minister and, of course, the Permanent Secretary, and then the Investments Division, seeing that it is not part of the terms and conditions of a member of a board?

Mr. Zephyrine: In that context, yes. Chairman, with regard to—we had communicated that decision in our Minutes, but it is fair to say that it was not something that we discussed beforehand with the Ministry or the Minister. We may have—it was not something that was hidden, you know, and may have even in discussion with the Minister mentioned that as part of the way moving forward in terms of to create greater efficiency at the board level. But it certainly was not something that was hidden, and I think, if I may say that, that the organization has benefited from that, because we certainly could not afford the voluminous amount of paper and ink.

Mr. Chairman: Yeah, I understand. You see, I keep hearing you saying over and over, we could not afford this, we could not afford that, we could not afford the other. This is not a personal arrangement, this is taxpayers' money that we are dealing with here. Now, may I draw to your attention page 20 of the *State Enterprises Performance Monitoring Manual*. Members I am drawing your attention to page 20 of the *State Enterprises Performance Monitoring Manual*. There is an item 3.1.10, use of cellular phones and laptop computers. Let me read for the record:

“State Enterprises may wish to utilise wireless portable communication devices at the level of the Board of Directors to enhance the efficiency”—as you have said—“of their operations. State Enterprises may therefore adopt the policy approved by GORTT on the use of Cellular Phones and Laptop Computers for the members...”

Can you tell me whether you are aware of a government policy as it relates to the use of cellular phones and laptop computers for members of boards of directors?

Mr. Zephyrine: Chairman, I was not explicitly aware before we took the decision to provide members with laptops.

Mr. Chairman: You are not aware, and you did not seek clarification?

Mr. Zephyrine: Well, I will have to check where the recommendation came from, but it is fair to say that the board considered the matter and would have ignored that, if indeed that policy decision was something that we should have taken—

Mr. Chairman: Now, I want to make it very clear that these things can be provided for job purposes. In other words, if you are a full-time board member or you are an executive chairman, you can go to your line Minister and the line Minister can then take the matter to the Cabinet, and the Cabinet can then adopt a policy, but it is not within your authority and the board’s authority to take such decisions, Mr. Chairman. I think this is another egregious breach of the *State Enterprises Performance Monitoring Manual* where you—you have indicated, Sir, that you have read it, but yet still, even in reading this manual, you have sought to maybe sidestep, maybe ignore, maybe an oversight on your part, and you have given to all your board members without the authorization of the line Minister and the Permanent Secretary, laptops.

12.30 p.m.

Now, that is a matter of grave concern, and we would want to indicate to you that having regard to the fact that we are not aware of any policy, as it relates to the Government of Trinidad and Tobago saying that each member of a board of a state enterprise ought to be given a laptop and even a cell phone, this is in breach. So I think you have a duty to discontinue this policy because it is not a government-approved policy.

Mr. Zephyrine: I just want to clarify, Chairman, that I will take what you have said, but the laptop was not given as a gift of ownership to board members alone. It is the property of the Commission.

Mr. Chairman: Yes, but you do not have the authority to do so.

Mr. Zephyrine: I know that.

Mr. Chairman: So we know it will be the property, but at the end of the exercise you can only exercise that power if there is a policy that gives you that authority, and there is no policy. So again, you have arrogated on to yourself governmental authority by formulating policy that the Government of Trinidad and Tobago has not established. So this is the point I am making; so you need to discontinue this exercise.

Mr. Small: I have not finished, Mr. Chairman.

Mr. Chairman: Yes, sorry about that.

Mr. Small: Mr. Chairman, thank you very much. You asked one of the questions I am going to ask. Remember I stated I had three last questions. One was a governance issue; we are into what I call the policy issue in terms of policies. And I listened to the Chairman in his response to the Chairman of the Committee, I would like to suggest to the Chairman that his response, because

of the cost of paper and ink, if you assume a decent laptop costs \$5,000—and how many directors on the board are there, Mr. Chairman?

Mr. Zephyrine: 10.

Mr. Small: So let us say \$50,000 to purchase laptops for the directors, and a ream of paper is \$25, and you go through 10 reams a year per director. I mean, if you do the economics, the economics does not support the argument put forward by the Chairman. And that is just back-of-the-envelope calculation here that does not require any mathematical skills on my part. This is where I am going, that the lack of rigour—there is no rigour in terms of the decisions that are being taken by this board. They have not demonstrated any so far. Decisions are being taken on the basis of I do not know what, and I am always concerned about people spending taxpayers' money without due regard for the fact that they have to be accountable and they have to be prudent in the use of taxpayers' money—prudence.

Mr. Chairman, I want to ask one last question. It is an easy question, and these now go to my other theme, compliance. I have two questions in this area, Mr. Chairman, if you permit me. The Internal Auditor is here. I believe I have the Internal Auditor, Ms. Khan-Hamid. Could you advise this Committee Ms. Khan-Hamid of whether or not—how long have you been the Internal Auditor?

Ms. Khan-Hamid: June 2014.

Mr. Small: June 2014, so you have some tenure. During your time, have you uncovered any instances of fraud or improper practices at the entity?

Ms. Khan-Hamid: Yes, there have been some allegations of fraud.

Mr. Small: Would you say it is something that is infrequent, or is it something that starts to become now a challenge for the company?

Ms. Khan-Hamid: It is not frequent, but it comes up from time to time.

Mr. Small: It comes up from time to time. And the recommended actions that are supposed to have been taken, you are the Internal Auditor you would have made recommendations to treat with these matters.

Ms. Khan-Hamid: Yes.

Mr. Small: Would you say that your recommendations have been adopted by the management?

Ms. Khan-Hamid: In some instances, the reports would have been forwarded to the CEO and the board or the committee, and it would have been addressed at some point.

Mr. Small: No, no, I do not accept that. You are the Internal Auditor, so I would like to get from you—you have investigated a matter, you have made a recommendation, the uptake should be the status of the implementation. The ability of management is to ask, this is the recommendation and let us discuss with you how best we can implement your recommendation. You are the Internal Auditor, you have the power here. You report directly to the Chairman of the Audit Committee I understand?

Ms. Khan-Hamid: Correct.

Mr. Small: That is how it is supposed to be. So that I would like to get from you—let me rephrase—if you put forward 10 recommendations, what would you say is the percentage of adoption and action by the management on your recommendations?

Ms. Khan-Hamid: About 50 per cent.

Mr. Small: Okay. So that the auditor is on record as saying essentially she is doing her work and perhaps in terms of half the recommendations the management has not acted. If you look at the

management letters that we have been provided with, you see the same issues repeating every year. So Mr. Chairman, I am not even going to touch that today, we will not get time to touch that today. So the auditor has borne out what I have seen in the management letters. Just for the record, we read the documentation you were supposed to provide and the data is here.

I have one last question, Mr. Chairman. Forgive me, I tend to be succinct.

I would like to understand whether or not in the operations of the company, I am not sure if—is the head of legal here? Is there any head of legal? Who is in charge of—

Mr. Chairman: Legal is the Corporate Secretary.

Mr. Small: Well, okay. I would leave that question then for the Corporate Secretary, because the question I have is on legal.

Mr. Hinds: Following on the comments and the questions of Sen. Small, I would like to ask the Internal Auditor, in response to his question whether you have found incidents of fraud or improper practices, I noted that you carefully said “allegations of”. I would like to know whether in the course of your analysis and examination of those, you were satisfied that there were some incidents of fraud?

Ms. Khan-Hamid: Yes, Sir, there were.

Mr. Hinds: And you would have reported them to the officers? Are you aware as to whether any of those matters were reported to the Trinidad and Tobago Police Service?

Ms. Khan-Hamid: Yes. Some matters we reported to the Fraud Squad.

Mr. Hinds: Thank you very kindly, because that is critical, you know. We have to treat with these matters in this country. So the 50 per cent ratio you spoke about there— Again, I think it was the Chairman who spoke about Cabinet approval. I have noted, Mr. Chairman, that the Minor Repair and Reconstruction Grant was approved by the Cabinet in June of 1999. The Emergency Relief and Reconstruction Assistant Grant was approved by the Cabinet in July of 2011. But I have noticed that the Community Infrastructural Development Programme, which funds community projects, I see no note as to it being approved by the Cabinet. Can you say whether that aspect of your work was ever approved by the Cabinet?

Mr. Zephyrine: Chairman, can I request that we provide a written response?

Mr. Hinds: Most certainly, we look forward to that. I have noticed as well that the Low Cost Housing Grant was established in March of 2013 prior to your coming into office. The main objective of that programme was to provide assistance to destitute families, victims of major, natural and other disasters with the following: a grant of a maximum of \$75,000 worth of building materials only, and labour cost is to be met by the applicant or the beneficiary provided by a community-based organization, or a grant to a maximum value of \$75,000 worth of building materials for the construction of a starter house, and an additional maximum amount of \$45,000, where the cost of labour cannot be met by the applicant beneficiary or CBO. I have noticed as well that there is no suggestion that that was approved by the Cabinet of the country, that was March of 2013. Are you in a position to say whether that was approved by the Cabinet or otherwise?

Mr. Zephyrine: Chairman, the information I have been given was that grant was approved by the Cabinet, but we have to find the documentation to support that.

Mr. Hinds: Can you equally then make that available for the benefit of this Committee, just for ease and simplicity.

Let me ask, is that low-cost housing grant still in existence today? Is it practised today?

Mr. Zephyrine: It is on the books, Chairman. I think we may have tried to use it in one very desperate case some time ago. The most material response I can give you is it is still on the books.

Mr. Hinds: Not very effective in practice?

Mr. Zephyrine: No, because one, we have not had funding specifically devoted to that objective and two, I think we were seeking to redefine the programme a bit, and we still have not come up with a new programme, if you want to put it that way.

Mr. Hinds: I am very concerned about this, because of course the Government through the HDC has a housing policy, where it makes houses available to citizens at significantly subsidized rates, and there is a programme for emergency housing and what have you. So I see another HDC coming up inside of here, to me outside of the mandate of self-help to some extent, given that we have a housing policy and a housing Ministry, but that is another matter that will have to be addressed at another place and another time.

Let me say though, I would like to ask, Mr. Chairman, I see in the responses to some of the requests we made for information, that you have been awarding contracts—"you" meaning the Self-Help Commission. From all the programmes I see you operate, it is largely about providing materials and the beneficiary provides the labour, or some CBO in the community or so. That was the whole core idea here. In what circumstances does self-help find itself issuing contracts? I am talking about in those kinds of programmes if it exists.

Mr. Zephyrine: Chairman, it is very fair to say that the original concept of self-help included a provision for these kinds of assistance, that we provided materials, but that the labour was either from the community. The sweat equity as it is called is a decline in a kind of resource. Sometimes something is needed in a community, but you can find no one to do it. You may find particular individuals who were challenged either physically or otherwise, who have applied for a grant but then they can find no one to assist them.

So Minister Hinds is right. The rule is that it is material only. The exception is in certain justifiable instances, we provide the full grant. Community projects tend to be one of those, because one of the things that is happening today as you would realize, and I am sure you would share this, is that there is less and less of a desire for people to contribute in a communal sense. So for example if you are building a bridge in a particular area, you may well have to because the older people might be the ones benefiting from it in the main and the other people are not prepared to put in the labour. So yes, I agree that the whole notion of how these projects are funded and how they have financed has shifted somewhat.

Mr. Hinds: So in effect, and for the benefit of the viewers who might find the language we use here a little bit above easy understanding, you are saying that persons apply to the National Self-Help Commission, the National Self-Help Commission is prepared to put the materials for the job in, but the persons who have made that application for self-help are now telling the Self-Help Commission we really do not have anybody to do the work, and therefore the Self-Help Commission comes in now and issues a contract to somebody in the community to do the work. That effectively is what you are saying?

Mr. Zephyrine: To some extent, Chairman, what would happen is that an appraisal would be undertaken of the application, and the appraisal will include the ability to complete the project or

to implement the project. So that would be so. There are some of the special projects where it is felt that professional involvement is required.

Mr. Hinds: Pause, but does not the Self-Help, as part of the establishment, have technical supporting officers? Officers who would go out there and can provide technical support to the community in the process of the community development, if I may use that term loosely?

Mr. Zephyrine: The position is theoretically yes.

Mr. Chairman: I want to wind down.

Mr. Hinds: Before we go, I would simply like to know, and we can take this one in writing, an indication as to how many such contracts would have been issued in the last, say, from the establishment—well, let me say from 2011 to the present date. Can we look forward to that, Mr. Chairman?

Mr. Zephyrine: No problem.

Mr. Hinds: Yes, I would like to see how many contracts have been issued and the extent of those contracts, the contract prices. That would help me as a member of this Committee in no small measure.

Mr. Chairman: All right. Mr. Chairman, we are about to conclude our meeting, but in doing so I have one or two areas that I would like to have clarified. This Committee requested a copy of the internal audit findings that you conducted, that is the National Self-Help Commission, for the period May to September 2017. We are yet to receive that internal audit report. Can you provide that report to us forthwith, Sir, by this evening? If you could send that to this Committee.

And at the same time, if you could provide this Committee with an account of how many investigations or special audits have the Self-Help Commission conducted, either internally or externally. Could you give us a detailed account of those? And could you put in writing for us how many litigation cases are outstanding, and the total sum of legal liabilities existing within this organization between the period January 2017 to the present time? And could you, finally, put in writing under what circumstances was the investigation or special audit conducted into what is called the MRRG. I think that is Minor Repair and Reconstruction Grants, No. 8147, involving one Nazir Ali.

Now, Mr. Chairman, in closing, I just have a few remarks to make because I would ask you to close or to make any closing remarks because we are going to have you here next week, and the Committee. What we would like to suggest is the following: we are going to summon the Corporate Secretary at the next meeting. We are going to summon the former CEO who is now on administrative leave, at the next meeting. And we wish to serve notice that this Committee will be inviting the entire team, including yourself, for a second part because we have so many outstanding matters and we have a timeline that we have to satisfy. And, therefore, we will be convening with the support of our Committee members next week Wednesday at the same time. So we will be writing you accordingly to come in so that we can try to conclude that exercise next week Wednesday.

So what I would like to do, Mr. Chairman, at this time, if you would like, in closing you may want to make a few closing remarks because we will be continuing, as I said, next at week at the same time. Would you like to make a few closing remarks?

Mr. Zephyrine: Chairman, I just want to thank you for the opportunity to clarify some of the issues that we have been handling over the last 27 months or thereabouts. I want to say that we

have taken note where it is quite clear the provisions of the state enterprise manual have not been strictly adhered to, and that we will address those issues with some urgency. We take a very positive—notwithstanding the fact that we were grilled, which we expected to be, but we do not take a negative view of what has happened here this morning. It is quite instructive in a lot of stuff that has been said, and where we can, as far as we can, we will act immediately. Thank you.

Mr. Chairman: Let me just say in closing that our responsibility, Mr. Chairman of the National Commission for Self-Help, is simply to assist the organization to become more efficient, more effective, more economical, more accountable and we want value for the public's money. That is what we are about, and we hope that when we conclude our next meeting we will be able to have some further clarification on areas of concern that we will put to you and to others, so at the end of the day we can produce recommendations to the Parliament and through the Parliament to the line Minister for improving the operations, overall efficiency and efficacy of the National Commission for Self-Help.

So on behalf of our Committee let me thank—*[Interruption]* I recognize my colleague.

Mr. Hinds: I know it is unusual and I am most thankful. I would like to express my own personal, through you, Mr. Chairman, gratification at the very humble and respectful response of the Chairman to your suggestions on our behalf. I would like to record his graciousness in these circumstances. Quite obliged, thank you.

Mr. Chairman: Thank you very much.

So we look forward to resuming our discussion next week at the same time. We will be writing to you formally and the team. So I want to thank the team from the Ministry of Finance Investments Division. I would like to thank the Permanent Secretary in the Ministry of Community Development, Culture and the Arts, as well the entire team from the National Self-Help Commission for being here. I would like to thank members of the public, members of the media for being here, and at this particular point in time these proceedings are adjourned. Thank you very much.

12.54 p.m.: *Meeting adjourned.*

VERBATIM NOTES OF THE TWENTY-NINTH MEETING OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE HELD IN LEVEL 2 MEETING ROOM, (IN CAMERA), AND THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR, (in PUBLIC), TOWER D, INTERNATIONAL WATERFRONT CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON WEDNESDAY, APRIL 25, 2018 AT 10.35 A.M.

PRESENT

Mr. Wade Mark	Chairman
Mrs. Jennifer Baptiste-Primus	Member
Dr. Nyan Gadsby-Dolly	Member
Mr. Fitzgerald Hinds	Member
Mrs. Cherrie-Ann Crichlow-Cockburn	Member
Mr. David Small	Member
Ms. Keiba Jacob	Secretary
Ms. Hema Bhagaloo	Assistant Secretary
Ms. Melanie Chin	Research Assistant

ABSENT

Dr. Tim Gopeesingh	Member
Mr. Foster Cummings	Member

MINISTRY OF FINANCE - INVESTMENTS DIVISION

Ms. Yvette Babb	Director, Social and Economic Transformation (Ag.)
Ms. Kimberlene Pascall	Business Analyst (Ag.)
Mr. Khemkaran Kissun	Senior Audit Analyst

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

Ms. Angela Edwards	Permanent Secretary
Mr. Sookdeo Sankar	Planning Co-ordinator
Ms. Desiree Modest-Bascombe	Research Officer

NATIONAL COMMISSION FOR SELF-HELP LIMITED (NCSHL)

Mr. Edgar Zephyrine	Chairman
Ms. Janice Phillips	Administrative Head
Mr. Vincent Graham	Director
Mr. Gary Romain	Senior Project Officer
Ms. Kendra Thomas-Long	Corporate Secretary/Legal Advisor
Mr. Nicola Humphrey-Hamilton	Head of Finance
Ms. Aveland Hendricks	Accounts Manager
Ms. Lyris Alexander	Grants Coordinator
Ms. Anyesha Khan-Hamid	Internal Auditor

Mr. Chairman: Good morning and welcome to—I should say, welcome back—to the officials from the Ministry of Finance, Investments Divisions; the Ministry of Community Development, Culture and the Arts; the National Commission for Self-Help Limited; members of the media; and members of the public. My name is Wade Mark, Chairman of the Public Accounts (Enterprises) Committee. May I advise from the outset that the meeting is being held in public and is being broadcast live on the Parliament’s Channel 11, and Radio 105.5 FM, and the Parliament’s YouTube Channel *ParView*. Viewers and listeners can send their comments related to today’s topic, and our email is parl101@ttparliament.org, [facebook.com/ttparliament](https://www.facebook.com/ttparliament) and [twitter@ttparliament](https://twitter.com/ttparliament).

May I also advise that the purpose of this meeting of the Public Accounts (Enterprises) Committee is to continue the examination of the audited accounts, balance sheets and other financial statements of the National Commission for Self-Help for the period 2008—2015. Our Committee is desirous of hearing the challenges being faced by the key stakeholders at the National Commission for Self-Help in an attempt to determine some of the possible solutions to these challenges. The role of our Committee is to help the National Commission for Self-Help improve its delivery of services in an efficient, effective and economic manner.

May I, at this time, ask officials from the Ministry of Finance, Investments Division, to be followed by the Ministry of Community Development, Culture and the Arts and the National Commission for Self-Help Limited to introduce? So, the Ministry of Finance, Investments Division.

[Introductions made]

Mr. Chairman: Thank you very much. May I invite the Chairman of the National Commission for Self-Help Limited to make a brief opening statement? Mr. Chairman?

Mr. Zephyrine: Thank you very much Chairman, and good morning again to everyone. I would like, Chairman, if you may, if you would permit me to introduce two Directors who are here additional to the team that came last week: Director Terrence Beepath and Director Sueanne Hickson. They are sitting in the public gallery.

I just want to take a few minutes to say, thank you very much for inviting us again, because we are very hopeful about the purpose of this exercise, and that is why we have taken such a very forthright view of how we should conduct ourselves. We were disappointed last time that the Committee seemed not to have stayed within the agenda item and instead we were asked a number

of questions on matters that we were not asked to submit on, and we tried to answer as you know but, of course, that is discomfoting.

I want to say, Chairman, that the National Commission for Self-Help is, in my view, a very important organization. It is a 31-year-old Government social investment agency, whose primary responsibilities are seeking to respond to poverty, with regard to individuals who are disadvantaged and who need support, and also to contribute towards the development of both urban and rural communities where there is evidence of lack of infrastructure and evidence of the need for development.

The Commission has a very enviable history of developing projects within communities and these projects include very laudable projects: bringing water and electricity to communities; building retaining walls particularly where there are problems with the stability of land; and paving roads. And if you went to some very rural communities where there were problems with bridges or water, we helped to build bridges in some communities to facilitate particularly children having to cross very dangerous areas.

The Commission also does—well on the individual basis, that is, with regard to the grants made to individuals and there are two categories of grants which we make. The first category, it is a home maintenance type grant which is called the Minor Repairs and Reconstruction Grant (MRRG). And persons apply on an individual basis and they are granted assistance to a level that is determined previously, and then there are the emergency grants which arise after—particularly with regard to disasters or unforeseen circumstances; fire, for example, being one of them.

We operate on the basis of a client partnership, that is, the applicant who is successful, we provide the material and the client provides the labour. The input with regard to community projects, the input is the same if you are doing local infrastructure projects. At times there is need for greater funding from the Commission, in terms of—particularly where there are technical issues involved and where it is deemed necessary to have a level of expertise to ensure that the project is properly implemented.

We are here today to answer your questions in the most sincere and honest manner. We trust that a level of objectivity will prevail in terms of the questions, because I believe it is designed to getting information which can be used to assist the operations of the Commission, and we welcome that and the objective of developing communities and bringing relief to deserving citizens.

We have examined, with regard to the matter at hand, all the management letters arising from the financial audits for the period under consideration and have addressed, in detail, all the questions referred to us for attention. Later on if you so wish, Chairman, the heads of the different sections will then give further details as to exactly what we have done in respect of the observations in the management letters.

Where we have not fully applied the remedies required, we have begun to work towards those objectives. With regard to our core functions and responsibilities, we sought to reduce the barriers to the timely delivery of service; seeking to make grants more accessible. We sought to ensure the timely delivery; we sought to establish meaningful relationships with key operational partners and stakeholders and we have placed impact assessment and monitoring as key drivers towards accountability and the delivery of quality services.

We have placed great emphasis on the audit function, and I expect that our audit manager will respond to your enquires in this area. Our audit plan which we are very proud of has been

implemented with great vigour and is evidence of this. We have sought to put in place meaningful management arrangements that facilitate our policy objectives. I have made some mention earlier, Chairman, that we would appreciate concentration on the measures summarized, as we regard those measures as the most relevant in the development of this worthy organization.

We note that some documents might have been submitted directly to the Committee by officers. I wish to state that the Head of the administrative side of the Commission neither the head nor the Chairman has had sight of those documents. If questions arise as a result of those documents, it is more than likely that I will not be able to assist.

We are here, as I said, to give assistance to the Committee. We remain disposed to answering you honestly and to maintain the integrity that we sought to conduct ourselves with over the last period when we met last week. We thank you for this opportunity and we await any questions which you may have.

Mr. Chairman: Thank you very much, Mr. Chairman. Would the Permanent Secretary in the Ministry of Community Development, Culture and the Arts like to make a few brief opening remarks as well?

Ms. Edwards: Thank you, Chairman. Good morning again everyone. The role of the Ministry of Community Development, Culture and the Arts primarily is an oversight role. Our responsibility as the line Ministry is to monitor the funds being disbursed from the Ministry of Finance through our Ministry to the Commission, and to ensure compliance with the requirements under the *State Enterprises Performance Monitoring Manual*. To that end, we have a monitoring system in place to track the submission of the documents and to ensure that as far as possible the documents are submitted and the Commission is compliant with the requirements under the performance monitoring manual. Thank you.

Mr. Chairman: Thank you very much. All right. Well, may I put on record on behalf of the Committee that we were quite pleased and happy with your submission and the rapid response that you placed on submitting those responses to our concerns, Mr. Chairman. And we put you on notice, just in case we have additional questions at the end of these proceedings, we shall also commit them to writing and submit them to the National Commission for Self Help, and the same alacrity in which you responded to the earlier submission, we would like you to maintain. So we want to record our appreciation.

Mr. Chairman, you made mention, if I may start, of the financials between 2008 to 2015. We know that the mandate of this Commission, as you said, is a very critical social mandate, that is, to help those people who are in need—the poor, the vulnerable and the indigent—in the various areas that we are well acquainted with. Given what I have seen between 2008 to 2015, the amount of income or revenues that you would have been in receipt of—and we even go up to 2018, meaning even though we do not have the financial accounts, but we do have the estimates that have been given to the National Commission for Self-Help—it would amount to close to half a billion dollars during that period.

Would you want to share with us, what over that period of time, you would consider to be some of the main areas of challenges or the main challenges that you may have had to address, given your mandate and given the half a billion dollars received between 2008 and 2018, that the Commission would have faced and what are some of the areas of solutions that you would want to advance that you all have taken to address those challenges?

Mr. Zephyrine: Thank you, Chairman. I never want to be totally defensive, but I must remind you that we have taken over as the board of this Commission, we took over in December 2015, notwithstanding, we do have the records, and I trust that I will be able to assist together with my colleagues in providing a satisfactory response to your question.

First of all, I want to make it absolutely clear that when we took control of the organization in 2015, we inherited a debt situation. We were in debt by some \$11 million. Now, I am saying, that because the question you asked is related to some extent to what are the challenges which an agency like the Commission faces—and perhaps we start there—managing its debt. And if you look at the history of expenditure by the Commission and the relationship between itself and its suppliers on whom it relies a lot, it is challenging.

Recently, we have had discussions involving the Minister at times, where we have decided that we want to put in place a supplier relationship strategy—and we have started working on that—which defines both the breadth and the width of this relationship that we are going to have with suppliers, which certainly takes a look at what we expect of them, what they expect from us, the timely deliveries, so that we do not allow debts to grow. So debt is one of the challenges.

The other challenge which I think and, you know, I have to say a bit pessimistically, that if we looked and we said what have we had for this half a billion dollars, I am not too sure that many of us will be satisfied, and that is the point I am making, because there has been a lot of wastage in the way the Commission operates. You would have applied for a grant from the Commission—it involves delivery of materials—and we would want to think that we have assessed your readiness, but somewhere along the line that readiness is punctuated. So that we deliver the material, and it sits outside of your house for two weeks, three weeks, months. People pass and they take some sand, the cement gets hard and then materials are stolen too by the way they are placed there. So I would say, if I can use the categorization “wastage” as another important area that we face a challenge in.

The organization needs to be in a position to monitor, both the supply and use of materials and the outcome of the objectives that it is seeking to fulfil. I have to say that it is not my view either during the period that I was not involved in the Commission or during my period that monitoring is sufficiently high profile. So that is another challenge. I would see those as the main challenges, but if you would allow me, Chairman, I would ask either of the two officers near to me, if they can, in line with the question you have asked, particularly the finance officer, if she could identify issues which address the matter that you have raised.

Ms. Humphrey-Hamilton: Good morning again. Over these seven or eight years, as it relates to the funds we have received, we have been able to implement quite a few projects. One of the issues we have been having over time is that we may ask for a project, say 100 metres of road, and our funding did not allow us to give you the full 100 metres of road. So, in some cases, we have not been able to implement as fully as we would like to, and as a result also, we have had some backlog applications that we have not been able to implement because there is a funding limitation. Also, well the suppliers. Our relationship right now is not as we would want it to. As the Chairman said, we are working on that and managing our debts as we try to implement more projects with the little funding we have.

Mr. Chairman: All right, thank you. Mr. Chairman, in terms of another area I would like to have clarified, you did supply us with a list of all accounts held by the National Commission for Self-Help and the balance as at December 01, 2015. Correct?

Mr. Zephyrine: Yes.

Mr. Chairman: Could you share with us or clarify for us the purposes of the following accounts and, that is, Current Account No.1, 746290; Current Account No. 2, 1568162 and Current Account No. 3, 1334063. Have I identified all the accounts to you? Let me just go it over? Current Account No. 1, 746290; Current Account No. 2, 1568162; and Current Account No. 3, 1334063. Share with us what are the purposes these accounts are put to.

Mr. Zephyrine: Chairman, through you, could I ask the Head of Finance to answer the question please? Thank you.

Ms. Humphrey-Hamilton: The first account, 746290 is our DP funding account. So that is what we use to fund the grants and the projects. The second account is our recurrent expenditure account, which is what we use to pay for administrative expenses and the third account is what we call NSIP/Project Unit. This is where we had a section of the Commission that was responsible for the management of the construction and refurbishment of the community centres.

Mr. Chairman: How does the Commission treat with excess cash balances at the end of each fiscal year?

Mr. Zephyrine: Chairman, it has not been my experience that we have had excess cash balances since I have been there. The way the Commission operates is that we implement projects and then we make a claim on the Ministry of Finance through the Ministry of Community Development Culture and the Arts. It is fair to say that when we came in there were balances—and I am not sure about the accounts—in at least one account, something called the Abercrombie Account. There was a balance there. It is fair to say that and Mrs. Hamilton spoke about the arrangement with the Projects Unit. I believe there were some balances in that unit but, perhaps, either Mrs. Hamilton or Mrs. Hendricks can help us to clarify that please, Sir.

Ms. Humphrey-Hamilton: Okay. On the Abercrombie Account, there was some balances there which we—having received limited funding over the next fiscal year—resorted to using that funding to pay our suppliers, and the Projects Unit, we had minor payments to make which we did subsequently.

Mr. Chairman: Is there a correlation between the cash balances and the number of grants distributed? Mr. Chairman?

Mr. Zephyrine: Chairman, there should be, but I do not think there is because of the way the system works. What happens is that the Government makes an allocation to us. We would take that allocation in good faith. We know that we are supposed to get on a quarterly basis X amount of money. We then go ahead and approve projects on the basis, we then submit the claims for the projects that we have approved. So we go to the suppliers and we credit and we then put the claim in and when it comes back we pay them.

Now, we have had discussions within the Commission and with the hon. Minister, too, on this way of operating because it does have significant challenges. Ideally, we should have the money there and we should have a system whereby every time we make a grant, we discount that money from the grant so that we are sure that we can pay for it. Now, we are trying to do that now, but I suspect—and my knowledge might be limited—that there would need to be some discussions with

the Ministry of Finance on the way that the funding is provided, because we do not get advance funding in terms of the projects. If I am wrong, please, somebody correct me. But we do not get advance funding. We get the funding in credit. We have done the project and we submit the information, and we request the funding to cover it. And I do agree with those who think that that is not a satisfactory way to operate.

Mr. Chairman: Member Small?

Mr. Small: Thank you, Mr. Chairman, for allowing me to come in and make my first round of questions. Good morning and welcome to everyone again. I want to refer to the Chairman in his opening remarks. He indicated that the National Commission for Self-Help Limited has been operating for 31 years. I and all was surprised to hear it has been operating for such a long time. My concern, Mr. Chairman, is within the submissions here, we had asked a question about a measurement. After all of these years, I would have liked to think that an entity spending money and going out into the community to do various types of community projects would be able to demonstrate, not only the success stories, but provide a measure for how the money of taxpayers has been spent.

So when I refer to your response here on page 6, your first response—and, again, thank you for all of the responses—it says the company is in the process of developing a system. So that I suspect that now that you are the Chairman, you recognize that that is a gap. Could you help the Committee to understand what is the status of this? And in terms of what is your vision for the data that is going to be used to be able to come at some future time to say, I am the Chairman of the National Commission for Self-Help, we received X amount of allocation over past three years and these are the measures by which we determine we have been successful or not—could you help us with that, Mr. Chairman?

11.05 a.m.

Mr. Zephyrine: Thank you very much, Chairman, and I do agree with the point made by Sen. Small. I cannot say as a citizen, and now as a member of the board of Self-Help, that I am satisfied that the monitoring and accountability arrangements had been the best, far from that, and this is why we undertook—and very early on—and we may have had to have some more discussions—we came forward with proposals for a restructuring of the company, and that included serious emphasis on monitoring arrangements for the way we spend Government's resources, and also an enhancement of the quality function in terms of the auditing and supervisory arrangements for the resources that we were getting.

But what we are doing now, and one of the difficulties that we have is that we do not often have the in-house resources—in terms of the human resource expertise—to assist us in some of the development of some policies that we would like to undertake, and this comes at a time when there is challenge with funding, serious challenge with funding. But, having said that, we are working perhaps, you know, not to the satisfaction in terms of its pace of some people, but we are working on development of strategies and policies that would address the issues you raised.

But, quite honestly, Sen. Small, I do not believe that the structure of Self-Help was a very accountable one. It gave rise to a number of issues which really could have condemned the organization. There may well have been charges of looseness in the way materials were collected, delivered and monitored, and we are seeking to address those issues, but we have not gotten there

yet. And, perhaps, I suspect the board should not take longer than the next two months to formulate solid policies to respond to the kind of concerns that you have expressed.

Mr. Small: Mr. Chairman, I thank you for your frankness in your response. The Committee, through the Chair, would like to be able to receive—when you have crafted it—what your view of the template is in terms of, this is the money that is allocated to us, this is our mandate and the metrics that you are going to measure yourself against. I think that is important.

I am a firm believer that if—now there is saying in business about what gets measured gets done. I think that when you look at the amount of money that has come through the entity, I would have loved to have seen a scorecard that we received this money, this is the mandate of company, these are the measures that we set for ourselves and then how did we actually match up against our own targets. So we would look forward to that.

Mr. Chairman, again, I listened intently to your opening statement. I noted in your statement you mentioned your focus on accountability—and if I have it correct in my notes here—great emphasis on the auditing function. And given my particular area of expertise in that, I want to marry that last comment with the submission, the first submission, because in the submission here, the Committee asked: Is the auditing unit adequately staffed? Your response is, no it is not, and this issue was discussed and because of essentially, funding challenges, you could not deal with it. And then, I think, more concerning for me, later on in the submission: what impediments has the internal audit function experienced? And there is a long list of items here, but one that sticks out to me is that the Auditor is saying that she is having to rely on second or third-party verification for some matters. That is impossible. There is no way an Auditor should be able to say that. So I want to believe what is a typo. If an Auditor is relying on second or third party verification for an item, then the Auditor cannot certify that. An Auditor cannot work with second-hand or third-hand information. So that again, this is an area that I have a lot of experience in so that when I see these things they jump off with the page at me.

So that I would like to get your thinking, Mr. Chairman, given that your statement is, you are placing great emphasis on your auditing function. I want to marry it to the fact that you have looked at the organization and you have done several things in terms of salaries and allowances. Could there not have been a way to create a position for an Auditor, given the fact that your response is, no it is not adequately staffed, and then we have a half page here of challenges with the auditing function. And by your own admission in your last comment there, there are a lot of issues within the company in the way in which the company is run that you are struggling to treat with them. Mr. Chairman?

Mr. Zephyrine: Thank you, Chairman, the question is—

Mr. Small: I am not the Chair. The Chair is Sen. Mark. I am a lowly member of the Committee.
[Laughter]

Mr. Zephyrine: I was referring to Sen. Mark, thanking you, through him. Chairman, and the question is put, could there not have been a way? Yes, there might have been a way, but there was no slack. We actually named a position that we would like to go into that section to assist the Auditor, because the Auditor, I cannot emphasize too heavily, that she is on her own. She has a little administrative support, but that person does not have any technical expertise to support her work. I refer to the statement that you make, the dogmatic statement about not being able to certify.

I think the verification process that was being referred to was, where she was relying on authentic staff within the commission say, for example, a Project Officer, to give her honest reports, and then she used that as the basis. I agree with you, you have to take responsibility for our own actions. So I do agree with you fully that that is not the best way but that, perhaps, is what was happening. I do not know if Mrs. Khan-Hamid, if she wants to make—Chairman, if you would allow her—any additional comments.

Mr. Small: Certainly, I would like to hear from the Internal Auditor please, through you, Chairman.

Ms. Khan-Hamid: Yes. Good morning everyone again. As the Chairman said, the third-party or second-party verification I am talking about was verification from the Project Officers when they go out to verify work that materials were delivered and so forth, instead of me actually going out and verifying it physically, they would submit their reports and I would rely on that when I am doing my auditing of the particular project.

Mr. Small: And would you not do a sample even a sample survey yourself?

Ms. Khan-Hamid: Yes. Yes. I do samples as well and that would be within the internal audit plan for the particular area under audit.

Mr. Small: And in our experience—I am glad you are on the floor. I would like to ask you in your experience in that sampling that you have had, is there any difference between what the second-hand reports that you are getting from the officers as opposed to when you go out to do your own sample, is there any significant difference?

Ms. Khan-Hamid: Yes, there have been in the past that the Project Officer may have indicated on the project progress report that all materials were delivered, and then when I do my own checks that is not the case. Part of the material may have been delivered.

Mr. Small: I will not question the Auditor further, Mr. Chairman. Chairman, I have one other question if you permit me in this round. I have a few things I would like to enquire about. I want to go back to a point that was raised by the Chairman regarding the Abercrombie Fund. The Head of Finance, Mrs. Humphrey-Hamilton—forgive me if I pronounce your name incorrectly. How long have you been in this function, Head of Finance?

Ms. Humphrey-Hamilton: August 2016.

Mr. Small: August 2016. All right. Well then that presents a challenge, because my question, Mr. Chairman, through you—and the current Chairman may not be able to respond—is we have a submission here which suggests that the company invested \$20 million in 2014 in the Abercrombie Fund. How does an entity that is running on a very tight operational budget have \$20 million to invest in the Abercrombie Fund? Does anybody have any history or understanding how that came to be?

Mr. Zephyrine: Chairman, may I say, for my own sake, I believe the Abercrombie Fund has been a bit of a mystery and I would like, with your permission, to undertake to respond in writing for us to do something investigation because something was said here last week that there was a balance of \$24 million when we came into office. I have never seen it. I would also like to investigate that so I can provide a response to this Committee that is satisfactory to it, because you know money, people throw around figures. The Abercrombie Fund has been a bit of a mystery. We met it there. I think we met \$5 million when we came or thereabout. It could be a bit more. We have used some of it and we can account for what we have used, but it is a bit of a mystery

and I would like to respond in writing after some diligent searches to see exactly what the source of this fund is, what it was at its peak and how the money has been used.

Mr. Small: Mr. Chairman, if you permit me, just one short follow up. Mr. Chairman, I found your last statement interesting, because in your submission here, you submitted a document called “Transaction Detail DP Account”—you guys would know what is the “DP account”—and the beginning balance on the 1st of October, 2015 was \$24,946-something thousand. I found it interesting that on the 9th of October, a movement of \$15 million occurred from that account, and given that I understand the tenure of board—this would have predated the tenure of the board. So this is the genesis of the Committee saying that we have a document and you have submitted it to us that shows \$24.9 million in the account, and then on the 10th of October, 2015, \$15 million was withdrawn from that account. So that somebody needs to help this Committee understand. So I take note of your response, Mr. Chairman, that you are going to do some investigation, because if you are not sure what happened to it, this happened in the interregnum that awkward little period between transition, and what I am seeing here is \$15 million was withdrawn and the Chairman is saying he is not sure what happened to it. So, Mr. Chairman, I would stop there. I would allow other members.

Dr. Gadsby-Dolly: I just wanted to make a point of clarification, and Sen. Small did as well, the number \$24 million came actually from the audited accounts of the Self-Help Commission. It was not pulled out of the air. It came from there, and that is on the record as of the 30th of September, 2015. So that figure is on record being submitted by the Self-Help Commission on the audited accounts.

And just to further state, in the further submission supplied on the 1.12.2015, which would have been the 1st of December, 2015, the balance on that Abercrombie account is stated as \$15 million. This is in the submission. So, therefore, it would be incorrect to state it was five or six. This is the record of what it was. So, I am just putting that clearly on, and we would look forward, of course, to the further elucidation of what happened at that time.

Mr. Chairman: May I ask the Internal Auditor when last was an internal audit review conducted at the National Commission for Self-Help?

Ms. Khan-Hamid: In October 2017, I completed the HR audit of the Commission and since then I have been doing continuous monitoring.

Mr. Chairman: Right. Could you share with us some of the recommendations of that review and how many of those recommendations would have been implemented?

Ms. Khan-Hamid: Sure. Okay. Some of the issues that were identified from this audit was the performance management process. There was a need for updating of the performance management process.

Mr. Chairman: Could you speak up? Go ahead. Performance management—

Ms. Khan-Hamid: Right. Performance management process.

Mr. Chairman: Yes.

Ms. Khan-Hamid: Also, the staffing of the HR department is not adequate; the filing system needs to be updated and managed better. In terms of the hiring process, the background checks not adequately done or no documentation was seen on file with regard to background checks. In terms of investigation files and so forth, they were not on the files of the individuals, so there was no documentation of that seen. What else? Employee orientation, no formal programme has been

implemented at the Commission. Probationary period for an individual, no performance appraisals have been done for some individuals at the end of the probationary period which was standard. So that was another area identified. The policies and procedures with regard to discrimination, harassment, safety and security and workers compensation needed to be updated. Those were some of the main areas identified in that audit. In addition, attendance records as well. Review of the attendance records for staff, there was a notably high occurrence of lateness within the Commission.

Mr. Chairman: I want you to share with us, what would have been the management's response to those recommendations that you would have advanced based on the review?

Ms. Khan-Hamid: I got a verbal management response. I have not received anything in writing as yet, and we are awaiting the timeline for implementation, because it was agreed that all the recommendations that were included in the report were agreed upon, and the effective date for implementation is still to be decided upon.

Mr. Chairman: Well, may I ask the Administrative Head of the organization, what is the reason for a mere verbal response and two, what steps or measures are being taken to have these recommendations implemented?

Ms. Phillips: Good morning again to all. Based on the findings of the internal audit, well we held meetings—the Internal Auditor, myself and the Human Resource Manager. We went through each finding and the recommended solutions. In terms of attendance records and so forth, managers have sat down with their staff from the various departments. They were verbally warned. We also issued some warning letters as it relates to the punctuality of these employees. The appraisal system, we are basically about 80 per cent completed with the appraisals of staff. We have a few management staff that are still left to be appraised and, basically, we are now looking at the timelines in order to have these findings completed—the solutions to these findings completed.

Mr. Chairman: Could you tell us how you keep track of these things if you do not have this thing written anywhere? Because we have not received any written responses from you, as management, that is.

Ms. Phillips: Normally meetings would be held with the HR Manager to basically get some update in terms of how these implementations are being made, and the timeliness of it.

Mr. Chairman: Could you tell us if it is the practice to respond to audit reports verbally?

Ms. Phillips: No, it is not. The HR Manager has basically completed 60 per cent in writing. We held meetings this week and she has to complete by Friday of this week, in terms of the written response.

Mr. Chairman: Well, could you kindly submit to this Committee in writing the responses by management to the recommendations? And in a very itemized way, the recommendations and management's response to each recommendation and the timeline for implementation.

Ms. Phillips: Will do, Chairman.

Mrs. Crichlow-Cockburn: Thank you very much, Mr. Chairman. Mr. Chairman, I noted in your opening remarks you would have indicated that the company's focus is on auditing, and I have looked at your written submissions and it is noted that the internal audit function may be at a little bit of a disadvantage because one, you have one person operating there, and I have also noted that there is limit experience operating at the level of Auditor. Do you believe that the organization has the capacity to properly perform the audit function?

Mr. Zephyrine: Chairman, if I may? I think that the Auditor in the organization now is working tirelessly, but having said that, in terms of the total capacity necessary, I will have to say no to the Minister's question. You know, we just do not have the required capacity to take on board an audit function which will not only look at accountability issues, but also look at quality issues—increasing the services rise have to be concerned about, not just about whether we spend \$10 here as the case might be, but how we spent it and, you know, that is not happening because we do not have that capacity.

And, as I said, earlier to you Chairman, when we do come forward with the policy issues, that would respond essentially to some of the things raised here today, that will be one of them. But we are mindful that we need to do something about the audit function and we will explore whether we can do something even on a temporary basis while we await the permanent solutions to the problem.

Mrs. Crichlow-Cockburn: In terms of the Ministry of Finance, given your oversight role, have you looked at the National Self-Help and looked at its structure and its capacity—the competencies that reside there—and did you identify the need to probably provide them with some assistance in building that capacity? Because I am wondering, given an oversight role—and the issue of the audit function is critical to any organization, I think more so, given the National Commission for Self-Help and its mandate—did the Ministry of Finance or the Investments Division see the need to identify the weakness that may have existed and see in which areas they could have assisted the company?

Ms. Babb: Through you, Chair, currently we have not carried out that type of audit of the National Commission for Self-Help.

Mr. Chairman: Well, may I follow up on this question. Has the Ministry of Finance, Investments Division, conducted any audit into the operations of the National Commission for Self-Help over the last two and a half years?

Ms. Babb: Chair, currently there is an audit being carried out with respect to some issues pertaining to the National Commission for Self-Help, but it is not completed as yet. The report is currently being completed.

Mr. Chairman: Do you have any idea when this internal—or this audit report rather would be completed by the Ministry of Finance?

Mr. Kissun: Chairman, the fieldwork was completed on December the 6th but because of other audits being assigned, the delay in the completion of the report had happened. So by next week, by the end of next week, I expect to finish the first draft, which will have to go through the reviews by the senior officers before it is sent to the National Commission for Self-Help for a response.

Mr. Chairman: And you will say that given your experience, what timeline you are anticipating for its completion, taking into account the various steps that you have outlined?

Mr. Kissun: The entire step should take like about a month to a month and a half.

Mr. Chairman: So within that period we ought to have the final report?

Mr. Kissun: Yes.

Mr. Chairman: Okay. Now, we would be interested in receiving a copy of that audit report from the Ministry of Finance. Can you give us any undertaking that once the various steps are taken, the various stages are covered, that report would be made available to this Committee?

Mr. Kissun: Sure. Once the Minister of Finance has approved the final report, I think that can be arranged.

Mrs. Baptiste-Primus: Thank you kindly, Mr. Chairman. Good morning everyone. Mr. Chairman, you indicated that—and I am focusing on the Abercrombie Fund at First Citizens Bank, account 1184704. You indicated, on the last occasion, and a short while ago that when the board assumed its functions that \$5 million was met in that account, but the document that I have in my hand, I assume, came from the Commission and it states: balance as at December 1st, 2015, \$15 million. Could you clarify that statement that was made that you all met \$5 million, but the statement that you all sent to us stated \$15 million?

Mr. Zephyrine: Thank you. Chairman, through you again, I am not disputing any of what the Minister said with regard to the figures on the book. We came into office, effectively, that is more January than December. I think we had our first meeting in December but, of course, we had not had an opportunity to look at anything in-depth during that period, and given that it was the Christmas month that would have posed an additional challenge. All I can say to you, Minister, through the Chairman, is that I am not disputing what you have said, but I do need to look at that period of transition—what moneys were actually found there, how we used it, and I am prepared to give an undertaking that I can provide you with a comprehensive written report, and I hope we can do that within the next two weeks. Yes?

Mrs. Baptiste-Primus: This document, Mr. Chairman, came from the Commission. This document was sent from the Commission to this Committee. When did we get this document? We got this document on Friday from the Commission to this Committee, and the documents states, it is headed: Account balance at December 1st 2015, and it gives a figure of \$15 million. This is what came from the commission on Friday. But we are told that it is \$5 million. I just find it strange that a document coming on Friday gives us one figure when another figure is being placed before the Committee, and it is in that context that I was seeking clarification.

Mr. Zephyrine: Chairman, I may have to ask you to take the mention of \$5 million as a rounded figure with caution. When we, the new board, actually looked at the Abercrombie Fund for the first time, that was around the figure in it, so I may have gotten carried away with that and used the term \$5 million. I am saying, again, we need to do some tracing now to see how we got to that \$5 million from the \$15 million that was in the report. So I am not disputing anything that has been said with regard to what is in the document. I think the notion in my head is that when this board assumed office, this is what was there, but the question is a relevant one, but I do not have the answer. I have to look at the facts to provide the answer.

Mrs. Baptiste-Primus: I give way temporarily, Mr. Chairman.

Mr. Small: Thank you. This is just a quick follow up. Chairman, in your review that you are going to conduct, I want for you to be very clear in your review. In your submission here we have three letters—several letters showing transfers from the Abercrombie Fund: one for \$5 million dated the 10th of December 2015; one for \$5 million dated the 22nd of January, 2016 and one for \$2.5 million on the 4th of April, 2017. This one was signed by you. So that in the space of a couple of months, \$12 million was withdrawn from the Abercrombie Fund on documents from the National Commission for Self-Help to the bank. So that, in your review—the Minister has just pointed out that based on the information she has there were \$15 million. We have documentation from you showing that the entity withdrew \$12.5 million from December 10th to the 22nd of January, \$10

million in total and then sometime in April, \$2.5 million. So that there seems to be a pattern of significant withdrawals from the fund.

And I would have thought at the time you came into office relatively new, these would have resonated. You would have been able to easily recall, listen, as I came into office on the 22nd of January, \$5 million was withdrawn from the Abercrombie Fund. So we look forward to the explanation. When you are capturing your research and your report you are going to do, we want to make sure that the rationale for these withdrawals is clearly explained. Forgive me for interrupting, Madam Minister. I just wanted to make sure we get all of that covered, so it saves me from asking that later on.

11.35 a.m.

Mrs. Baptiste-Primus: Thank you kindly, Mr. Chairman. I listened to Ms. Hamilton, the Head of Finance, who just advised this Committee that because of the situation at the Commission, that the moneys in this account were used to fund, to pay suppliers from the Abercrombie account. What I would like to ask, is in utilizing the funds from this account, to fund suppliers, did the Commission receive approval from the Ministry or the line Minister?

Mr. Zephyrine: Chairman, this was a board decision based, I suspect, on the fact that this money was being held in the account that the board had control over. As I said earlier, and this is not an excuse, the Abercrombie Fund to us has been a bit of a mystery how it came about, and I can only say that the board acted—and something you may say I have heard that before—in its belief that this was a fund under its control. We had exigencies at the time. We had a serious situation and we took the decision. I can provide a fuller written response to the question asked by the Minister after I have had a period to look at the details of how things transpired.

Mrs. Baptiste-Primus: Mr. Chairman, I would like to ask Ms. Hamilton, as the Manager, Head of Finance, you said you assumed in 2016—you assumed the position in 2016 so you would not have any institutional knowledge of what transpired in the Commission prior to your time. But are you aware as the Head of Finance that withdrawal of funds from these accounts required the approval of the line Ministry?

Mrs. Humphrey-Hamilton: Through you, Chair, I am not aware that the Ministry had to give us approval for withdrawal.

Mrs. Baptiste-Primus: Mr. Chairman, are there any other—the current account that is used to fund grants and projects, the three current accounts, I have noted here that Ms. Hamilton stated, to what extent this account 746290 has been used to fund grants and projects? Because that is what I noted that was said to this Committee in response to the Chairman's question, that funds from this account was used to fund grants and projects. What funds, what grants and what projects were used to fund from this account?

Mrs. Humphrey-Hamilton: The grants referred to would be the MRRG and ERRAG and the projects would be—

Mrs. Baptiste-Primus: NRRG?

Mrs. Humphrey-Hamilton: MRRG, Minor Repair and Reconstruction Grant and the ERRAG which is the Emergency Repair Reconstruction Assistance Grant and also DP projects which include roads, drains, retaining walls, steps, bridges.

Mrs. Baptiste-Primus: With regard to the bad debts, what is the status of bad debt within the Commission at this point in time?

Mrs. Humphrey-Hamilton: Currently, we have no bad debtors. We have, however, an amount outstanding from the Ministry of Community Development representing management fees dated 2015. In our first submission, Appendix 12 shows the amount of \$750,000 from the line Ministry for management fees earned on the construction of community centres in 2015.

Mrs. Baptiste-Primus: What controls were in place to reduce the risk of loss of assets through theft?

Ms. Phillips: We are basically, right now, in terms of the internal auditor, reviewing in terms of putting a policy in place as it relates to theft and fraud. We have conducted in-house training to members of staff but we are now in the process of developing a policy.

Mrs. Baptiste-Primus: So is the policy in draft or is it at the stage of discussion?

Ms. Phillips: It is currently at the stage of discussion.

Mrs. Baptiste-Primus: So there is no draft document that is—

Ms. Phillips: No, no draft document just yet.

Mr. Zephyrine: Chairman, through you, I just want to ask, if I may, when Minister Primus alluded to theft, we are talking about assets and properties or we are talking about theft of materials? Because if it is materials, I just want to say that one of the things that we have done is that we have now decided to have phased delivery of materials to projects. In the past, all the materials would have been delivered at one time and then, God alone knows what happens to that material. So I am responding in respect of project funding now, project support, that we have decided we are going to phase the delivery and the next stage must depend on the success of the previous stage. So I do not know if whether that was what the Minister was alluding to also.

Mrs. Baptiste-Primus: Well, I have taken on board the response of Ms. Phillips who indicated that the discussions, really, my interpretation is the discussions are in the embryonic stage. It has not really advanced to the development of a draft document.

Ms. Phillips: Correct.

Mrs. Baptiste-Primus: Mr. Chairman, I just want to come back to a statement you made earlier that upon assumption, you inherited a large debt of \$11 million. What was that debt comprised of? What were the essentials of that debt?

Mr. Zephyrine: If I may give a global response, Chairman, essentially, we are talking about project funding, the operations of the Commission and those debts would mainly have resided with the suppliers that we trade with. There would be some others, of course, services and so on, but mainly, it is for materials that we had taken from hardwares and other suppliers.

Mrs. Baptiste-Primus: How has the board proceeded to address this \$11 million debt?

Mr. Zephyrine: The board has gone on, Chairman, to begin to identify, first of all, what had happened with the Commission in my view, is that instead of owing some suppliers, we were owing all suppliers. The Commission was very liberal, it seemed, in engaging the services of suppliers, so that if there were millions of hardwares throughout the country, we would trade with a million. We have realized that that has its own challenges, because particularly at a time like this, we were not able to go to anyone because we had owed everyone.

So we are now taking a strategic approach to reducing the number of suppliers that we trade with and we have taken into consideration their location, what they have to offer, the competitiveness of our arrangements with them, the benefits it bring to us. Most of all, how they can meet the needs of clients and potential clients. So what we have done, we have paid off all the small debts

that were owing—\$25,000 and below, we have paid that off. I think we have moved to another stage to paying off some of the other debts that we have.

But essentially, and what I want to say is that we are now constraining our relationships to a smaller number of suppliers, a manageable number, and we are developing, as I said earlier, the supplier relationship strategy where we agree what are the components of this relationship, how do you deliver materials, the supervision, how we ensure that you send back your invoices within a limited period. Because one of the problems we have had in the accumulation of debts is that suppliers send their invoices two years afterwards, a year afterwards, and that is creating a problem for us. So, I do not know whether you want to say some more about how we have systemically, how we are seeking to reduce that debt, but we have been trying to strategize, in terms of saying, “Listen, south, we are going to have so many suppliers, north we are going to have so many”, we are going to ensure that the people are well served.

Mrs. Baptiste-Primus: So that out of the \$11 million, how much of that debt has been liquidated over the period 2015 to now?

Mrs. Humphrey-Hamilton: Globally, I would say approximately \$8 million.

Mrs. Baptiste-Primus: Mr. Chairman, is it true that, at the present time, purchase orders are not being accepted by suppliers?

Mr. Zephyrine: Chairman, we have had that issue. I do not think that a blanket statement can be made in that regard. One of the reasons—

Mrs. Baptiste-Primus: Well, I asked a question. Is it true?

Mr. Zephyrine: Yes, I am giving the answer. Well, I cannot be forced to say yea or nay, I can give the response, you know and I will give the response. That we have people who are accepting our invoices and we have been working, as I said, with that strategy towards ensuring that every time we issue an invoice now, it is honoured. We are doing that.

Mrs. Baptiste-Primus: So it is not correct? It is not a true statement that the purchase orders are not being accepted?

Mr. Zephyrine: Well, I think we are getting into the semantics of—I cannot give an explanation to my—

Mrs. Baptiste-Primus: Mr. Chairman, I need your assistance.

Mr. Zephyrine: Chairman, perhaps, I should withdraw.

Mrs. Baptiste-Primus: I enquired of Mr. Zephyrine, I asked a question: Is it true that purchase orders are not being accepted by suppliers? I am not clear so I am asking is it a true statement or is not a true statement.

Mr. Zephyrine: And I have said that that is qualified, Chairman.

Mrs. Baptiste-Primus: We do not know, we are seeking to find out.

Mr. Zephyrine: I have said that that is qualified. Some suppliers have refused to accept our orders.

Mrs. Baptiste-Primus: Mr. Chairman, could you share with this Committee, there is an item called Director, Other Expenses, what does that entail?

Mrs. Humphrey-Hamilton: Through you, Chairman, that account is used to pay for meals for when we have board and other meetings, and travelling expenses for our Tobago Director.

Mrs. Baptiste-Primus: Mr. Chairman, before I hand over the Chair, on the last occasion, we were advised that the Corporate Secretary knew that she was required to be before this Committee and refused—well, she did not turn up, but she was informed of this Committee meeting last week.

I would like to ask, through you, Mr. Chairman to Ms. Thomas-Long, we were advised that you were informed by way of email and a reminder of the this Committee's meeting, yet you did not present yourself at the last occasion. Would you explain your non-attendance to this Committee?

Ms. Thomas-Long: Good morning, member. Sure and I am happy to offer some guidance in the matter. On March 13th, I received an email from the Administrator inviting me to the first initial meeting of the PA(E)C. That meeting was to be held on the 21st of March, 2018. Thereafter, as I understand it, there were two rescheduled meetings of the Committee. There were two rescheduled meetings: one being on the fourth and one being on the 18th of April. I heard nothing further from the office of the Administrator.

On the 16th of April, I observed a meeting taking place in the board room. I enquired of an officer as to what that meeting was about. I was told they were preparing for a PA(E)C meeting. At about 3.00 p.m. that day, the consultant who was hired to prepare or help staff prepare, she enquired as to my non-attendance at the meeting. I indicated to her that I had not received an invitation to the meeting and secondly, I indicated to her, I had not yet received, verbally or in writing, any communication from the office of the Administrator as regards to the rescheduled meeting. The consultant undertook to speak to Ms. Phillips.

At 3.36 p.m. on the 16th of April, I received an email from Ms. Phillip's office purporting to be a reminder email. I called upon Ms. Phillips to provide the first notification of the rescheduled meeting to be held on the 18th of April. On the 17th of April, Ms. Phillips provided a response attaching the notice provided to me of the initial sitting of the PA(E)C, a date of which was past due, the 21st of March. That was the notice she submitted in support of a contention that I should have known about the rescheduled sitting of the Committee.

In the circumstances, hon. members, having not been briefed in the matter, not having been privy to the meetings that were held in preparation, having only received the responses of the NCSHL the day before, I was not in a state of readiness, and I indicated such by email which was copied to the Chairman of the board. I also endeavoured to write to the Assistant Corporate Secretary—sorry, the Assistant Secretary of the PA(E)C indicating my non-attendance on the reason and grounds that I had insufficient notice of the meeting. Not that I was not invited, I was invited by reminder email on the 16th, attaching the notice of the first meeting and to Ms. Phillip's mind, that was sufficient notice of the rescheduled meetings.

Mr. Hinds: Thank you very warmly, Mr. Chairman. Madam Thomas-Long, in furtherance of your submission, and to get straight to the—vegetarian as I am—to get straight to the bone. One, based on your submission and based on all the other documentation that is now before this Committee, would it be reasonable to say that there is tremendous acrimony among members of the management of which you are a part of the organization?

Mrs. Thomas-Long: Members, it is fair to make such a statement.

Mr. Hinds: And, would you say that that antagonism and hostility has, to some extent, rendered the operations of that state entity dysfunctional or severely, adversely affected?

Mrs. Thomas-Long: Hon. member, to my mind, yes it has and I have raised this on many occasions with the Chairman of the board.

Mr. Hinds: Mr. Chairman, you told us a moment ago that some entities, some firms have refused, continue to refuse your purchase orders. For the benefit of the viewers and listeners, what are

purchase orders, in what circumstances are they used and why? This is my own question. Why have some entities, businesses, refused those purchase orders from your entity?

Mr. Zephyrine: Thank you. Chairman, if I can take the easier part of the—the more straightforward part of the Minister’s question first. The refusal is based on mounting debts which we had not serviced to their satisfaction and that is the result of that. They felt that they had reached the limit. What are purchase orders? Purchase orders are the documents—

Mr. Hinds: One second. I am so sorry. I easily understand what you have just said but I have asked specifically for you to speak so that the citizens of Trinidad and Tobago, at all levels, will have understood what you just said. Please, bear with me.

Mr. Zephyrine: Chairman, again, the suppliers that we have traded with felt that the debts owed to them by the Commission had been sufficient to warrant putting a stop on accepting our orders.

Mr. Hinds: Thank you. Or further debt?

Mr. Zephyrine: Yes. If I may, as an aside say, Chairman to Minister Hinds, one of the things we are seeking to develop now, we are setting credit limits with all the suppliers for our benefit and that is part of the debt management approach that we are taking. But you then asked: What are the purchase orders? They are the—if you like, the orders that we send to a supplier that we have an agreement with to say “Give Mrs. X such and such materials” or as the case might be, so they honour that. We list the material on the basis having had some information before, for example, quotations, and other things, and we give that to the client, the client takes that to the supplier, and hopefully, the goods are exchanged for the documentation which we send.

Mr. Hinds: Yeah. So typically, a citizen makes an application to your Commission for financial assistance to develop some bit of infrastructure in the community. They are required to produce to you three estimates for the material that is necessary to carry out that function, that work and you decide which of the estimates you would work with.

Mr. Zephyrine: Chairman, I am hoping that we do not decide in an arbitrary manner.

Mr. Hinds: I know, but at the—

Mr. Zephyrine: I think we are guided by general procurement procedures.

Mr. Hinds: All right. So at the end of the day, the Commission decides which of the invoices for the material that is required for the particular job, it will accept and approve?

Mr. Zephyrine: That is the case.

Mr. Hinds: And once that is so, after all your other processes, you then send a purchase order to the supplier of the materials; typically a hardware, and they will produce those goods on that order to the citizen who has made the application.

Mr. Zephyrine: That is right, Chairman. I just wanted to draw a little distinction with what Minister Hinds was saying. He used the term “the community”. Now, I outlined earlier that we deal with two categories of clientele. We deal with the community and we deal with the individuals. With regard to community projects, we are expected to have more than one person on the application form. For example, if we are going to do a bridge here, we hope that it would benefit perhaps at least five houses. So we would expect to see how these people have come together, rather than I might just come together and put in an application from which I benefit. We want to guard against that, because we want the community to benefit. I just wanted to draw that distinction.

Mr. Hinds: It is appreciated. So that you are looking for—in the community aspect of your work, you want to see at least five households in the neighbourhood benefit from the bridge or from the improved road or whatever the infrastructural development?

Mr. Zephyrine: That is right, Minister.

Mr. Hinds: And on the other hand, you do assist individuals. What does that mean for their personal and singular benefit? I am asking.

Mr. Zephyrine: The assistance to individuals, that assistance is related to the maintenance of the home. And you find the typical client would be older persons or persons who are unemployed, long term, chronically unemployed, if I may say that, who is not able to help—so that you have some decay in your home, and usually it is the roof, the flooring, things like that, and you apply to us, and dependent on how the appraisal goes, the application is then brought to the Approvals Committee, it is deliberated on, and approval is given.

Mr. Hinds: In which case, you would not issue a purchase order? You will give the individual the money?

Mr. Zephyrine: Yes. The purchase order is almost issued in all cases. Almost in all cases because I am saying this mindful that when we do engage contractors, as I said, sometimes the nature of the project, we fund the entire project, I think the arrangement is slightly different. But the purchase order is the request to deliver to the client the material.

Mr. Hinds: So even when you are dealing aside from community when you are dealing with an individual with his or her household, typically, the older citizen or the person who is long-term chronically unemployed and that sort of thing as you said, on that side, with the individual, you still issue purchase orders to the hardware?

Mr. Zephyrine: Yes, that is correct.

Mr. Hinds: To issue the material?

Mr. Zephyrine: That is correct.

Mr. Hinds: All right, good. I heard Madam Thomas-Long tell us that a consultant was utilized to prepare you for coming before us for this meeting. Is that correct?

Mr. Zephyrine: My understanding of what occurred is that we have undergoing at the moment the development of the strategic plan. My understanding is when this arose with us and it presented such a challenge because we do have HR challenges, we sought the assistance of those persons in developing the material need to submit to the Committee.

Mr. Hinds: So those persons would have been paid for that consultancy to prepare you to come here?

Mr. Zephyrine: I am not sure how we factored in any additional work, I am sure about the details but perhaps I can get the correct response and send to you. But what I do know is that the staff did receive the assistance of the consultants who were there undertaking the strategic plan to help them with the preparation of the material, which was very voluminous as you know.

Mr. Hinds: Yes. Now, we received from you, when I say you, in pluralistic application, not you particularly but the Self-Help Commission, upon our request for additional information, in respect to our third question, question three which had do with cash in hand and at bank, we wanted a detailed breakdown of withdrawals from the cash in hand and at bank balances and you thankfully and properly provided that.

Having perused this list and it had to do with activity from the period of October the 1st, 2015, to September the 30th, 2016, and going forward. One moment please. [*Confers with Chairman*] I would be very interested to see some of this kind of activity prior to October 2015, but what I have in front of me now is October 2015.

12.05 p.m.

I would like to ask, considering that you indicated that even when you are dealing with individuals, as apart from, or as distinct from community support, you still cause the materials to be procured and it is supported by a request from a hardware purchase order. Based on the information that is in front of us, from your general ledger, in what circumstances then would moneys be issued to individuals? Because I have perused this list and I am refraining from calling any names, for obvious commonsense. But I have noticed, between page 1 and page 30, you know the document. You have the document of which I speak.

Mr. Zephyrine: Yes, Sir.

Mr. Hinds: You have it in front of Mr. Chair? Who will answer this you, or someone else?

Mr. Zephyrine: I would probably seek the assistance of another person.

Mr. Hinds: Yes. I have noticed that in many cases, transactions were done in the name of individuals. And there are some individuals whose names are repeated over and over and over again. How is that explained, without calling names? In what circumstances does the Commission give money to an individual as distinct from the hardware?

Mr. Zephyrine: Chairman, may I say that as Chairman of the Commission, I am not aware that practice is general. But I am prepared to take whatever information and to answer you.

Mr. Hinds: All right. Let me direct you.

Mr. Zephyrine: Minister, may I just say—[*Interruption*]

Mr. Hinds: Sure.

Mr. Zephyrine: Except in the case where we have engaged a contractor, having agreed that that project is a specialized project and needs to have a contractor, we will pay, I expect, directly to the contractor.

Mr. Hinds: Right. And that is why I am asking the question, based on your submissions a moment ago. Let us take an example at page 1 of the document of which I speak. It is headed “NSP1 General Ledger”. Are we on the same page?

Mr. Zephyrine: We are trying to get the page.

Mr. Hinds: It is a document you sent us recently. As us lawyers say, it is of recent vintage.

Mr. Chairman: Mr. Chairman, if I can help you. That is the question that dealt with cash in hand and at bank; question No. 3 in your voluminous submission. So that should be easy to track.

Mr. Zephyrine: Chairman, I can see on that, that a number of individuals’ names are mentioned there.

Mr. Hinds: Yes.

Mr. Zephyrine: I would really have to make some enquiries. I do not know the names.

Mr. Hinds: Okay, fine and we would want to get an answer to that. In what circumstances would moneys be issued to individuals, based on what you said? And you will also explain to us how is it these individuals’ names have recurred so frequently in these documents. You will see that.

Mr. Zephyrine: I will certainly enquire, Sir.

Mr. Hinds: And the reason why I will not pursue the matter now and will expect it in writing is because of the implications for citizens.

Mr. Zephyrine: Chairman, I note the question asked by Minister Hinds.

Mr. Chairman: You can respond briefly and then put it in writing for us, please.

Mr. Zephyrine: I would be mystified myself, Chairman, that payments have been made to individuals.

Mr. Hinds: Now that I have heard that you, stoic and calm and professional as you have been before us, is as well mystified, I am comforted. Because, trust me, I am absolutely mystified.

Mr. Zephyrine: So, Chairman, with your approval, can I please submit something in writing?

Mr. Hinds: Yes, indeed.

Mr. Chairman: Yes, yes. You can.

Mr. Hinds: Now, I have noticed as well, and we are still on page 1. I would like as well to know: In what circumstances would you be issuing money to banks?

Mr. Zephyrine: I would want some assistance from that, but off the top of my head, payment of salaries. Moneys to banks, the moneys are lodged in the banks, money received.

Mr. Hinds: All right.

Mr. Zephyrine: At the end of the month, the payment of salaries, we would send an order or a cheque saying we want this or that to be done with the money. It is a difficult question. Can you answer, please?

Ms. Humphrey-Hamilton: Through you, Chair.

Mr. Hinds: I just want to know.

Ms. Humphrey-Hamilton: We have instances where contractors have sought facilities at commercial banks, where they go before the banks and they sign a document, which is brought to us indicating that payments are to be made to the bank, rather than to the contractor.

Mr. Hinds: Okay, well that would explain that. And what about finance houses like Island Finance? We just want to know.

Mr. Zephyrine: Staff arrangements.

Ms. Humphrey-Hamilton: Staff arrangements.

Mr. Hinds: Okay.

Mr. Chairman: Finished Mr. Hinds?

Mr. Hinds: Just a sec. Okay. Now, I see, I am still on page 1, by way of an example, a contractor, at least in the credit column of the ledger, meaning you owe a contractor \$6.5million—about the middle of page 1. I am not calling the name of the contractor. Are you seeing that?

Mr. Zephyrine: Yes, Sir.

Mr. Hinds: Would that be a construction or building contractor or is that a supplier?

Ms. Phillips: Through you, Chair, that would be from the community development project, community projects; the construction of community centres, to a contractor that constructed a community centre. That would be his outstanding payments.

Mr. Zephyrine: Chairman, I am not sure whether there—sometimes there are lots of outstanding claims. Now, claims do not have the same weighting as authenticated obligations. And what I have found, since becoming Chairman of Self-Help, is that a number of contractors have outstanding claims, not verified, against the Commission. I am not sure how that is reflected here, but we have to make a distinction between what is actually owed and what is claimed against us.

Mr. Hinds: Right, and the reason for that is because, I trust, you would have found from your anecdotal observation and your experience as an organization, that sometimes claims are inflated. Is that correct?

Mr. Zephyrine: Very correct, Sir.

Mr. Hinds: And, therefore, before you get to the point of payment, you want to ascertain whether it is a genuine or a bona fide claim.

Mr. Zephyrine: And just to point out that the process for reaching that point is not totally dependent on Self-Help. A claim comes, we gather the information, all the documentation and we then write to our parent Ministry and they then communicate with the Ministry of Finance. So, we have many hurdles, and so it is checks and balances all along, in terms of verifying that this claim is a justifiable claim to be agreed.

Mr. Hinds: Before you get to that point, would an inflated claim, for example, would a mere claim, before your verification using the Ministry, would that find itself in the ledger?

Mr. Zephyrine: It should not do, because one of the first things that we need to do Chairman, is that we need to ensure that the professional advises us on the authenticity of that claim.

Mr. Hinds: So, in which case, could the finance person with you tell us specifically, is it likely that a mere inflated claim, and it could be inflated for many reasons, but a mere inflated claim, is it likely that it would find itself in your ledger? I am asking.

Ms. Humphrey-Hamilton: Through you, Chairman, no. What is reflected in the general ledger reflects cheque payments and that would have been based on funds received through our line Ministry to pay the contractors.

Mr. Hinds: All right.

Mr. Chairman: Mr. Hinds.

Mr. Hinds: Yes, one sec please, Mr. Chair, just one sec. So it is safe to say that you have, when I say you I mean the organization, it has utilized the services of—I had asked on the last occasion about in what circumstances contracts would be issued by your Commission. For the benefit of the listeners, could you tell us?

Ms. Phillips: Through you, Chair, contractors would be engaged if the community does not possess the necessary technical capacity or the human resources to undertake the actual works to be done.

Mr. Hinds: But the philosophy of your organization is about self-help. You are called the Self-Help Commission, where the fundamental understanding is that when the community sees a community need for a drain, “because the water coming down in the road and causing degradation of people’s walls, or what have you, or the very road, or the bridge to get to their homes, five houses minimum to benefit”. It used to be eight, well I now hear five households. When the community sees a need, it comes together as a community and it approaches the Self-Help Commission and says: “Listen, we the community want to do this project for our benefit and we would like your help with the materials to do that. But we will put in what we know as the sweat equity.” That is the basic philosophy.

I see in these ledgers a tremendous amount of activity with contractors and I am now hearing contractors are utilized in circumstances where the communities do not have the manpower or the technical capacity to do the work. Now, insofar as technical capacity is concerned, I am not

unaware that you—well answer the question: Do you not have people paid by you to provide technical assistance to projects out there, even when the community is at work?

Ms. Phillips: Yes, we do, Chair. Yes, we do.

Mr. Hinds: Right, so the issue therefore of the community not having technical capacity is a non-issue, since you pay people to provide it, on a monthly salaried basis. Am I correct?

Mr. Zephyrine: Chairman, I—*[Interruption]*

Mr. Hinds: Just a moment, please Mr. Zephyrine, let me get an answer from Ms. Phillips.

Ms. Phillips: That is correct, Minister. However, you would find in certain areas there is more supervision that would be required, in terms of the technicality of the project.

Mr. Hinds: So you are saying that your employed technical persons are not capable of assisting in all the projects?

Ms. Phillips: Yes, they are. But in terms of being on site from 8.00 to 4.00, you would need someone there who is able to do that. There are also projects where we would have the road projects. In terms of paving and so forth, you would need the engagement of a contractor to assist the community in those areas.

Mr. Chairman: Mr. Hinds, I have to intervene here.

Mr. Hinds: Before you proceed, Mr. Chairman.

Mr. Chairman: One final.

Mr. Hinds: I remain perplexed. Because you see, I am concerned. The use of contractors takes us away the fundamental understanding of this, and I am not unaware, as a public servant and as a citizen of this country, this business of contractors and contracting is a cause for concern; a lot of the depletion of the resources. Because the contractor I just made reference to, that is \$6.5 million, and there are others with significant figures. So it appears to me a large amount of your money is being spent on contractors, which is inconsistent with the philosophy of this self-help programme. Would you agree or disagree with that?

Mr. Zephyrine: Chairman, I just want to point out that the big money items we see there, would be related to the construction of community centres. I believe that the average size, the high average size of a community project, in the sense that you are talking about, would be around the \$300,000 to \$500,000, definitely very rarely more than \$500,000.

Mr. Hinds: All right. Thank you. I give way, Mr. Chairman.

Mr. Chairman: I just have three quick areas I would like to clarify before I ask my colleagues to intervene.

Mr. Chairman of the National Commission for Self-Help, could you advise this Committee what action you would have taken since we last met to address several positions that the Commission would have created and approved? I think it was about seven, if I recall, without the approval of the Minister of Finance, the Minister or the Ministry of Community Development, Culture and the Arts, the Chief Personnel Officer, as it relates to terms and conditions of employment, and most importantly the Cabinet.

You are aware that the last organizational structure approved by the Cabinet for the National Commission for Self-Help was in, I think, July of 2014, if I am not mistaken. Therefore, could you advise this Committee, what action you have taken to reverse these appointments that had no approval whatsoever from these entities that I have identified? Mr. Chairman.

Mr. Zephyrine: Thank you, Chairman. The points which you made and the suggestions which you gave have been noted. We were due to have a board meeting, which is the next stage that this must go to, tomorrow. I think because of all the amount of work that the staff had to prepare, that board meeting is not happening tomorrow. But my intention is to take the matter to the board so that decisions can be taken in respect of what the Committee's views are.

Mr. Chairman: Well, we would like you to reverse those decisions, because they are not proper. And therefore, when you do reverse those decisions, would you be kind enough to communicate to this Committee, through its Secretary, posthaste, upon that decision?

Mr. Zephyrine: Certainly, Chairman. Once we have done—*[Interruption]*

Mr. Chairman: I want you to be guided by that. That is a very serious matter; a very, very serious matter.

The other point I would like to raise with you is this, I have seen here, dated the 11th of December, on the letterhead of the National Commission for Self-Help the following, and I am going through very slowly, because I want you to take account of it. This is a letter addressed to the Operations Manager of the First Citizens Bank, 51 St. Vincent Street.

Attention whoever

Transfer of funds on accounts in the name of the National Commission for Self-Help Limited.

It reads:

Immediately, on receipt of this letter kindly effect the following: transfer of the sum of \$5 million from the Abercrombie Fund from this account to account 746290.

This is dated the 10th of December, 2015. It is signed by the Accounts Manager Kousil Nandee and one Amy Harripaul. I think that was the Chief Executive Officer at that time.

I am going to a second letter. It is dated the 22nd of January. By that time you were formally in the saddle. It is addressed to:

The Operations Manager

First Citizens Bank

Transfer of Funds of Accounts in the name of the National Commission for Self-Help.

Again:

Immediately on receipt of this letter kindly effect the following: transfer the sum of \$5 million from the Abercrombie Account to CA746290.

So another \$5 million, which amounts to \$10 million now.

I go further, on the 4th of April, 2017, addressed to:

The Manager

First Citizens Bank

St. Vincent Street

Dear Madam

Please be advised that it is our desire to withdraw \$2.5 million from the National Commission for Self-Help Abercrombie Fund account. Further, the money withdrawn is to be credited to the current account 746290 in the name of the National Commission for Self-Help.

You are talking about \$12.5 million.

On May the 22nd, again addressed to the First Citizens Bank, you are withdrawing \$87,000 from the Abercrombie Fund. On September 11, 2017, from the same fund, addressed to the manager, you are withdrawing \$277,000.

Now, I raise these matters to bring to your attention that under your watch, within the space of less than a year, you would have withdrawn close to \$13 million to \$14 million from that account. We do not know what purpose it was put to. But it was about \$14 million in less than one year, under your watch.

You would be aware of it. Because, why you would be aware? You signed, as Chairman on the 11th of September, 2017, for the \$277,000. You as Chairman signed for the \$87,000. You as Chairman signed for the \$2.5 million. So you are quite aware of these withdrawals. And then, as I said, the \$5 million came under Amy Harripaul and some Kousil Nandee, \$5 million in January. Of course, you were then Chairman. So you were much aware of this development.

I know that you were installed, your board was installed in November and you held your first meeting in December. Would you care to share with us when that was? What date that first meeting was held?

Mr. Zephyrine: Chairman, I would have to come back to you. I do not want to be inaccurate.

Mr. Chairman: So could you share with us, what was the purpose of this \$14 million withdrawal and what was it utilized for within less than a year?

Mr. Zephyrine: Chairman, you are certainly right in saying that the inclusive dates that you gave. In January, I would have been Chairman of the organization. However, I would want to respond to you in writing, because I am to verify some things. But what I can say to you here, the 4th of the fourth 2017, this board; the 22nd of the fifth, 2017, this board; the 11th of the ninth, 2017, this board. But I do not want to be speculative. I want to provide you with accurate responses.

Mr. Chairman: Yeah. And then my final area is this, could you share with this Committee how many grants would have been issued/distributed between the time you started in 2015, to the current time on an annual basis? How many grants were distributed throughout this country?

Mr. Zephyrine: Chairman, can I ask Mrs. Phillips whether she can, please? Thanks.

Mr. Chairman: Yes, Mrs. Phillips.

Ms. Phillips: Chair, through you, the Grants Coordinator would have this information.

Mr. Chairman: Grants committee, could you tell this committee how many grants would have been distributed to the citizenry of Trinidad and Tobago for the period 2015/2016, when the board was installed and 2016/2017, and from 2017 to the present time? How many grants were distributed?

Ms. Alexander: Good afternoon, committee. For the period 2016, we would have implemented some 865 grants. That would have been our MRRG total. For the period 2017, we would have done 408 grants, MRRG. That would be our total. This information is contained in Appendix 12 of the original document.

Mr. Chairman: And for the period so far this year?

Ms. Alexander: Implemented for the period so far?

Mr. Chairman: Yes.

Ms. Alexander: Approximately 55 grants would have been issued, for the period so far, January to present.

Mr. Chairman: Would you agree with me that this Commission may have lost its way, in terms of its mandate? Your core mandate, as I understand it, is to provide grants of the various types that you have outlined to the poor, the needy, the indigent in our country. And you are telling us

that for the whole of 2016, when so many millions were withdrawn from the Abercrombie account for 2016, that all that we gave was 865.

I have not broken it down, in terms of a month and day. But it seems to me that this Commission has lost its way, and in the whole of 2017, for Trinidad and Tobago, we are being told that only 408 grants would be distributed. And then what is even more alarming, for the first four months of 2018, only 55. At that rate, if we get to 300 at the end of 2018, we have gotten very far, Mr. Chairman.

Mr. Chairman, I want to ask a direct question on behalf of this Committee. Do you believe that your core mandate as an organization, as a state enterprise, would you agree with me that you have deviated from that mandate and more money seems to be heading towards administrative expenses than it is being allocated to your core mandate? Would you want to share with me if I am wrong, or if I am right or if I am middling? And then I would ask Mr. Hinds, my colleague, to follow-up.

12.35 p.m.

Mr. Zephyrine: Chairman, we do not differ on the relationship between the size of the budget that we administer and the recurrent costs that we have to bear. When we came into office I think we said that we were using 48 per cent of the budget to manage the programme. In management terms this is unacceptable. I have said so over and over again until perhaps people do not like me for it. The normal things have gone up over the last few years. It used to be 14 per cent of your overall budget should be dedicated to administration. And, you know, with some laxity you can say 25 per cent, but 48 per cent is unacceptable. We are aware of that, Chairman, and we have been trying to address that. There have been significant challenges in addressing that. But I want to say to you that it is right that an onlooker, particularly persons who are vested with the authority or the task of running the business of this country, should not be satisfied with such a situation. We are not satisfied either, and we are trying to deal with it.

Mr. Chairman: Mr. Chairman, before I ask Mr. Small to come in—no, it was Mr. Small first and then Mr. Hinds. Mr. Chairman, could I ask you just to outline briefly and then commit pen to paper and communicate to us, what are some of these significant challenges? You said earlier on was the debt but I think that you have wiped out your debt; that has gone. What is the outstanding debt owed, because when you came in in 2015 it was \$11 million? What is the current balance in terms of your debt? And tell us briefly, what are the significant challenges?

Mr. Zephyrine: With regard to the figures and the current balances, can I ask Ms. Hamilton to answer please, Chairman?

Mr. Chairman: Yes, please. And then, Mr. Small and Mr. Hinds after, please, and then Mrs. Jennifer Baptiste-Primus, and then we are going to wind up at 1.00.

Ms. Humphrey-Hamilton: In our first submission as at the 14th of March, we had a total debt of \$13.6 million.

Mr. Chairman: No, no, you started off at \$11 million when the Chairman first arrived on the National Commission for Self-Help compound. So you had \$11 million, so you are saying since then we have now increased by \$2 million? So now the total outstanding debt as at the end of March 2018 stood at \$13 million?

Ms. Humphrey-Hamilton: Yes.

Mr. Chairman: So in spite of all these withdrawals from the Abercrombie Fund, \$14 million from that fund, we are still owing?

Mr. Hinds: Things are happening.

Mr. Chairman: Things are happening, as I have been told by my friend. Well, let me turn over—

Mr. Zephyrine: Mr. Chairman, could I just clarify?

Mr. Chairman: Mr. Chairman, you want to clarify?

Mr. Zephyrine: I would like to clarify. In 2016 we did not get our full allocation. We were short by \$11 million and that really hit us hard. Now, also, given the way we operate in which all of us say we want change, you know, that we have a discounting arrangement where we have the money and then we discount as we go along, and we do not spend and then expect to get, because that has its own problems. But, significantly, while we have been knowing where are the debts we have had the situation in 2016 where we did not receive a significant component of our allocation, \$11.1 million, which is a lot of money, and we have spent it.

Mr. Chairman: Well, I hear you, we will come to that again. Mr. Small, Mr. Hinds and then Mrs. Baptiste-Primus, in that order.

Mr. Small: Thank you, Mr. Chairman, for allowing me a second opportunity to join in. I want to ask a couple of process questions, Mr. Chairman, and I would like the input from the Auditor. In the submission you have submitted here there are several, what I consider deeply troubling reports of investigations. Now, I do not want to go through all of them because it is just a lot of them, but there is a disturbing trend. Mr. Chairman, in your opening comment you indicated that the way in which the Commission works is that you supply materials and then the applicants supply the labour, but virtually all of these investigative reports point to the fact that labour—the Commission is finding ways to pay for the labour, and in several of these, I note here, there is no evidence of a written contract. But what is always interesting for me, all of the recommendations are the same in these investigative reports—the file to be processed for approval of the labour performed.

Now, how, on what basis, if you have no contract for the labour component of the project, it was not even supposed to be—this is where it links to the Chairman's comment about you having strayed from your mandate that this is a Commission for Self-Help. You have a whole—I mean, I have about at least 12 instances here. What is even more troubling, and I have tried to stay away from it because I am not sure, these investigations were done by various officers of the company. So I need to be guided by the Auditor on this, but some statements in here suggest that a director of the company is directly involved in several of these things to the point of pointing out who is the hardware to be used. But given that these things are done by officers of the company, various project officers, I am not 100 per cent sure the veracity of it, but it is troubling because the same name keeps appearing where—and I am not here to name names, Mr. Chairman, but I think it is improper, as it says here, for the Chairman to give a directive to the officer to go forward with the labour component without the application being approved. I think something is wrong here.

Mr. Zephyrine: Mr. Chairman—

Mr. Small: No. No. It says the director of the company—I do not want to call the name, we are not here to personify, I am dealing with it on a higher level. You have a director of the company here, and it is stated here in several instances where essentially he told the officers of the company to go ahead with the labour component even though it was not approved by the respective committee. There are several reports along those lines, and I note that the recommendation is always the same, the file to be processed for the approval of the labour performed. So I struggle

with this. This is in submissions that you sent to us, and I would like to hear from the Auditor because this stands out as a gross, a gross dereliction of corporate responsibility.

And then inside of the report it says that the director is going out with the officers to identify projects. I do not understand how that is happening. I probably have a different understanding of what a board director is supposed to do. Board directors are there for policy and for oversight. There is no way I could understand that a board director is in the field with the project officers looking at projects and looking at—I do not get that, but perhaps there is a logical proper explanation, so I would like for you to help this Committee to understand what is happening here. And the fact that you have had them in investigative reports suggests to me that I think you guys think something is wrong, but I am not seeing any action, based on the repeated instances of this, that points to somebody taking action on it. Mr. Chairman, I need your help.

Mr. Chairman: Mr. Chairman.

Mr. Zephyrine: Chairman, I would like to say that I do agree with the comment made by Sen. Small about the potential. He did not actually say that for conflict in terms of who are the investigators. Notwithstanding that, if issues have been raised they should be dealt with properly and seriously, what I would like to say to Sen. Small is that these reports will go to the next meeting of the board and we will take decisions on them. It may well be that we may have to reinstitute investigations as the whole question about the basis in which those investigations were undertaken, the persons involved, a particular motivation that might have pushed the investigations in certain directions. All of those things are factors that we need to consider, but the headline position for me as Chairman is that we have to be concerned these things are around and they have to be dealt with.

So I want to give this undertaking that this will be—all those reports, I will ask the Auditor to ensure that they are on the next meeting of the board for a decision as to what we will do, and we will communicate to the Committee the results of that, outside of sending the Minutes to the Ministries, and so on.

Mr. Small: We look forward to that, Mr. Chairman. [*Interruption*] I have a couple more questions, if you will permit me, Minister. Mr. Chairman, I am happy to hear that you are going to give this the attention because something has gone wrong. The only question I have is given that these audit reports, some are done by the auditors but the majority were done by officers of the company, so I would like to have a clean look at it, and depending on that clean look you will report back to the Committee. So I am happy to hear that.

Mr. Zephyrine: Chairman, I wanted to add something to what Sen Small was saying about the way the Commission operates in respect of the linkage with the communities. I think it has been a tradition in Self-Help that—and I note what you said about directors—that directors are called upon, particularly given that they are community-based, by a number of groups because they have a need. So sometimes that is the first time the need is identified. I think from time to time directors will visit projects, one, not just to see progress, but because the community has asked for that kind of an input, somebody comes there. This should not detract from the need for appraisal systems which are objective and which are fair. But the practice of Self-Help has been that it is a relationship with the community, and therefore it may well operate—it will not operate on the same way as the SEC, or somebody like that.

Mr. Small: Mr. Chairman, I thank you for your response. I am just looking at it purely clean and the optics of it, the optics suggest that something has gone awry. That is just the pure optics, you look at it, you are a director, you have a fiduciary responsibility to the company, you are there to provide corporate governance and oversight, you should not be in the field on a fairly regular basis with the project officers identifying projects. That is where I sit on it.

I have another question, Mr. Chairman, and again it is from your submission, and this is the one that—I would like to address my question first to the Permanent Secretary in the Ministry of Community Development, Culture and the Arts. I have an extract of the Minutes of the special meeting of the board of directors of the company convened on 18 May, 2017, and I want to be careful here, so let me quote from—a director of the company, and I want to quote:

Director X enquired into why the Permanent Secretary was writing on staffing issues concerning the company.

Now, I read this, I had to read it about five times:

Director X enquired why the Permanent Secretary was writing on staffing issues concerning the company and questioned whether the company employees were writing to the Permanent Secretary to complain.

This is an astounding statement in corporate board Minutes. Permit me, Madam Permanent Secretary before you—it gets worse. It gets exponentially worse. I want to quote again:

It is stated that with the current concurrence of other directors that the board has the authority to create its own organizational structure and that Cabinet approval is not necessary as the State Enterprises Performance Monitoring Manual gives this power.

My little note here in my little red handwriting it says, “madness”, just for the record. And then it gets exponentially worse again. I want to quote. I am not going to call the name:

Director X indicated that there are positions called board positions which the board of directors are entitled to create without the need for approval by Cabinet or the line Ministry.

My little notes here I have it as, “double madness”.

So, Madam Permanent Secretary, I am addressing this to you. I am not sure if you are in receipt of these Minutes, but these are astounding assertions and statements in board Minutes where they are essentially saying that this is our show, we could do what we want. That is not my understanding, Madam Permanent Secretary. So could you please provide a comment on this before I allow the Chairman to respond?

Ms. Edwards: Yes, member, we did review those Minutes, and what we as a Ministry did in response was we forwarded all these concerns to the Ministry of Finance, Investments Division in terms of our concern with regard to the position that the board had taken and the view of the board with respect to the role of the Ministry and the role of the Investments Division and the role of the Cabinet in approving positions for the board. So we compiled all of our concerns and we wrote to the Ministry of Finance for guidance and for action pursuant to that correspondence.

Mr. Small: What time frame would have you written to the Ministry?

Ms. Edwards: This would have been in 2017. Sometime in 2017 we would have done that.

Mr. Small: And did you get any response?

Ms. Edwards: Well, subsequent to that we were told an audit was being conducted in October 2017. We were informed by the Investments Division that an audit was being conducted, but we are awaiting the findings of the Auditor.

Mr. Small: Mr. Chairman, I am very uncomfortable where I sit. I sense that the Permanent Secretary would have been comfortable, but someone would have been comfortable to write this. So I am going to ask for a response from the Chairman now. I have read these things and based on our understanding on this side of the table the performance monitoring manual does not give the authority that you referenced here. I have not yet heard—I am the Chairman in another part of this building of a committee that deals with one little group of entities called state enterprises and I have zero knowledge about something called “board positions” that board of directors are entitled to create without need for approval by the Cabinet or the line Ministry. So I am not sure where this arose, but I would like to be enlightened as to what these things refer to because it is news to us. And this Committee, if nothing else this Committee likes information. So, Mr. Chairman, we would like to hear what your response is.

Mr. Zephyrine: Chairman, I can only say that we have noted the serious concerns raised and the matters will be addressed. And I think you said to us a while ago that we needed to address certain matters; it is the same context.

Mr. Small: Well, Mr. Chairman, all I can say is that I understand your difficulty in being able to respond to this because this, in my respectful view, is not something that could be explained. This points to a level of thinking and approach that is inimic to the interest of the people of Trinidad and Tobago. It demonstrates, in my respectful view, and I speak only for myself in this regard, that people are sitting around a table and are taking positions that are ill-informed, ill-advised. They are “abrogating”—according to your term—“abrogating authority” onto themselves that they do not have. You are “abrogating” onto yourself authority and responsibility that you do not have. And you are doing it in a situation where someone in the entity flagged this for the Permanent Secretary, and I do not want to go into the personages because I know other things are happening, but I believe that when somebody flags these things with the Permanent Secretary, and then once somebody is asking why are they doing it, I think that something—at least one thing was going right and somehow or the other—I will stop there on that. No, I have one last set of questions, Mr. Chairman, and it is related to the same issue. If you would permit me, Mr. Chairman. You know, I woke up at 2.30 this morning and I was having fun with this document. It was such exciting reading.

Right. I want to refer, Mr. Chairman, now to your submission on the report into the positions which are not part of the 2014 Cabinet-approved structure. It is a document you submitted. It is an appendix—something—I cannot remember. As you see, I have flags all over, I had fun with your document. So, I note here at page 4 of the report—this was a report done by the Internal Auditor, Ms. Anyesha Khan-Hamid. She notes here that the company created 20 positions without receiving Cabinet approval. There are no job descriptions, there are no terms and conditions, so that suggests to me now that you have of your 77 positions, 20 are not approved. That is what this report says. And the Auditor is clear:

It is important to note that based on alleged verbal instructions from the chairman of the board some employees have assumed duties concomitant with these aforesaid positions. However, there is no documentation or paper trail on the respective employee’s personnel file evidencing this.

The auditor is clear. It goes again:

From a legal standpoint it is important to highlight that there may be legal ramifications arising from the board’s most recent decision given that a legitimate expectation has been created whereby

some employees are of the view that they have been appointed in the newly created positions.

Mr. Chairman, again, this is something that was commissioned internally by you. The Auditor has provided an excellent report. I want to commend the Auditor. But, Mr. Chairman, I would like to find out what action is the company taking. At least your Auditor, I have the veracity of the work established by the Auditor here is very sound, and I agree with her findings, but I am trying to understand, you recognize you have a challenge with these positions, the Auditor has said, yes, something has gone awry here, and then, further, perhaps there are legal issues around what has been done. What we are trying to understand, what is the plan going forward? Are you going to just go along as you are going or are you going to take some remedial action to treat with this?

Mr. Chairman: I think—before you speak—I did raise that matter a short while ago just to support my colleague, and you said that you are going to have a board meeting some time tomorrow.

Mr. Zephyrine: It was scheduled for tomorrow.

Mr. Chairman: It was scheduled but you said you will have it subsequently, and I did indicate this is a most serious matter, egregious matter and that you need to submit something in writing reversing those decisions. You cannot take decisions that the Cabinet has not approved. You are not the Cabinet. So you know that you are on the wrong line and therefore you have to reverse those decisions. So I think from what you have said, Mr. Small, the matter is going to be addressed.

Mr. Small: One last closing point, and I go back to the point that was raised at the last hearing where the company has been engaging in the practice of having persons acting in contract positions, being substantively in one contract position and acting in another one. And I note with great interest that in your submission you submitted the CPO's circular on that matter. And I want to quote from the CPO's circular:

Variation of duties, Acting: One, as a general rule a contract employee must not—in bold and italics—***not be placed to act in another contract position.***

So the company is well aware of what the CPO's position on the matter is, yet it seems to be—I noted from the last—when the Chairman recognized that it is a practice that he met in place, but given the fact that you have a very clear—it is very unambiguous from where I sit here, a contract employee must not be placed to act in another contract position. This is a decision of the CPO. This is a circular, circular dated—whatever, May of since 2006. So this is not of recent vintage, this is a long-standing circular.

So that all I am saying, Mr. Chairman, that the company has been engaging in practices, there are rules and regulations but somehow—and you have them. It is not that you do not have them, but somehow or the other people are ignoring them. Somehow or the other, and I am not saying people are doing it deliberately but something is going wrong and I would await the report on it. I just wanted to flag that, Mr. Chairman. I give way.

Mr. Chairman: Yeah. I recognize Mr. Hinds and then Mrs. Baptiste-Primus.

Mr. Hinds: Thank you very much. I am glad that you ended on that point, Sen. Small, because it does reflect, and I empathize with Mr. Zephyrine tremendously. It obviously, from all that is in front of us, including the point you have just made, meant that the gentleman inherited a lot of these practices with that entity when he joined it, and it unfortunately falls to him to fix it. On that basis, Mr. Zephyrine, I want to be very clear on behalf of my colleagues on this Committee, no

one is casting any personal aspersions upon you. When I say you, I meant, and mean at all times. So the listeners must understand that.

And in particular, the points raised by Mr. Mark, our Chairman, in respect of the drawdowns from the funds, and so on, and we are awaiting a written communication as to how they were utilized. From the figures that I went through earlier I can see you have quite some big contractors operating in this small pool, that is your budget, and taking into account that across the state sector and the general public sector, there were cuts because of the country's economic circumstances. We take that into account, so we accept that your finances were seriously prejudiced, as everyone else. And then, I have noted the big contractors who operated in this small pool that is your organization, which I commented on, and your obligations to them. That, I am asking now, would that not have impacted on the—would those things have impacted on the number of grants that you ultimately would have realized?

Mr. Zephyrine: I think I can fairly say, no, Minister, and that is because—

Mr. Hinds: I think you misunderstood my question.

Mr. Zephyrine: No. I am answering your question. And that is because the big-figure items you see there are slightly outside of the direct control of the Commission. They relate to the construction of community centres when they did take place and the whole process is a slightly separate one. So the same money would not be used to fund the grants, and that is why I am saying, no, in a sense.

Mr. Hinds: Okay.

Mr. Zephyrine: As I said earlier, when we do community projects, and I am not sure, we have not done many because the point you made which I needed to support is that the sweat equity in terms of the operation of Self-Help seems to be dwindling, and perhaps this is why we are giving more small grants than community grants because there is a need in the community but you cannot find the people to support the work. So that is a factor. But the point I am making is that the large figures, the \$6.5 million, the \$5 million, the \$3 million, the \$2 million, they are really related to—

Mr. Hinds: I take that. So it may be that the issue has more to do with your funding, your current financial circumstances in terms of the depletion of the number of grants.

Mr. Zephyrine: Yes. That is a factor, but I also feel that we all face challenges like this and we just have to learn to manage and maintain the efficiencies. And as I said earlier, we are looking at how we can do it.

Mr. Hinds: And one, before I give way to my colleague, Madam Baptiste-Primus, I would like to see for our benefit before I can make a sensible comparison, because the Chairman pointed out you had 800-and-something grants in 2016, but unless I had something to match that against from '15, '14, '13, '12, up to '08, so I would like to see for our benefit the numbers in terms of the grants issued for each of the years that we have accounts before us. Meaning to say—and I would take that in writing—2008 right on through to the current.

Now, it is with that information that we could make a sensible extrapolation as to whether the figures are depleting, and, you know, because I cannot, without that, accept that the programme has lost its way altogether in that regard. You following what I am saying? So we would want to see that and that would help us tremendously going forward. So we can expect that in writing, Mr. Zephyrine?

Mr. Zephyrine: Yes, Chairman. It would be provided in writing, because I have some concerns myself about the figures and we need to look at them again and satisfy that they are correct.

Mr. Hinds: I am most grateful to you. And as I close again let me reaffirm, you carry the responsibility as Chairman but we understand you have inherited much. Thank you. Madam, Mr. Chairman, through you.

Mr. Chairman: Yes. Mrs. Jennifer Baptiste-Primus.

Mrs. Baptiste-Primus: Thank you kindly, Mr. Chairman. Mr. Chairman, I sit here for the second time and I am deeply concerned, deeply concerned at what the additional information that has flowed before this Committee. I am feeling a bit awkward, Mr. Chairman, because normally these questions—I normally direct these questions to the CEO of an organization, but I find myself having to direct it to the Chairman of the board. So it is a bit awkward. But I want to go back to the accounts, the withdrawal from the accounts. The first \$5 million on 10 December, 2015, all these withdrawals, Mr. Chairman, were made from the Abercrombie Fund. On the 10th of December, 2015, the account that it went into, based on what Ms. Hamilton, Head of Finance, shared with us earlier on; she indicated that a current account, 746290, which is the DP funding, that is used to fund grants and projects. Am I not correct, Ms. Hamilton?

Ms. Humphrey-Hamilton: Yes.

Mrs. Baptiste-Primus: Thank you kindly. And current account 1568162 is used for administrative expenses, am I correct?

Ms. Humphrey-Hamilton: Yes.

1.05 p.m.

Mrs. Baptiste-Primus: Mr. Chairman, therefore, when you look at the letter dated December 10, 2015, that first \$5 million that was withdrawn was sent to account 746290, which is the DP account, and that account is used, based on Ms. Hamilton's advice, to fund grants and projects. By way of letter dated 22nd of January, the other \$5 million which came out of the Abercrombie account was also sent to the current account 746290 which funds grants. Am I correct so far Ms. Hamilton?

Ms. Hamilton: Yes.

Mrs. Baptiste-Primus: Thank you kindly. On the 4th of April, 2017, that \$2.5 million went into the DP account to fund grants. However, the letter of 22 May, 2017 that \$87,000 went into current account 1568162, administrative expenses. So that withdrawal of \$87,000 went into your account from which administrative expenses are met. Am I not correct?

Ms. Hamilton: Yes.

Mrs. Baptiste-Primus: Just for my understanding. On the 11th of September, that \$277,120.33 was transferred from the Abercrombie account into account 1568162 where administrative expenses are met. Am I not correct?

Ms. Hamilton: Yes.

Mrs. Baptiste-Primus: By letter dated 6th of March, 2018, a sum of \$17,072.52 cents moved from the Abercrombie account into account 1568162, administrative expense. Ms. Hamilton, would you agree with my conclusion that funds have been withdrawn to fund recurrent expenditure?

Ms. Hamilton: I would agree.

Mrs. Baptiste-Primus: Mr. Chairman, through you I will like to enquire of the Permanent Secretary her views on this issue.

Ms. Edwards: Member, as far as I am aware the practice is that moneys that are allocated for DP projects are to be utilized for DP projects. The funding that comes through the Ministry of Community Development, Culture and the Arts is separated into two: the recurrent funding for the operational expenses and funding for the aided self-help programme, which is the projects, et cetera, and they are disbursed under different conditions. So they are to be used for the specific purposes that they are disbursed, operational and development programme funding. So as far as I am aware, they are to be used for the intended purposes.

Mrs. Baptiste-Primus: Thank you very much. Mr. Chairman, who are the signatories to the accounts of the Self-Help Commission?

Mr. Zephyrine: There is a profile of signatories at different levels which we inherited when we came in. Some cheques are signed by the Chairman and the CEO, others are signed by two officers. We can provide you with the full profile of that which has been in existence in Self-Help as we know for quite some time.

Mrs. Baptiste-Primus: Before Ms. Phillips was the administrative head, was Ms. Phillips a signatory to cheques?

Mr. Zephyrine: I am not aware, but—

Mrs. Baptiste-Primus: No, Mr. Chairman, I am asking you that.

Mr. Zephyrine: I am not aware then. I do not believe so, but I am not aware, because Ms. Phillips has been in the organization for a long time.

Mrs. Baptiste-Primus: So that when did Ms. Phillips become a signatory to cheques?

Mr. Zephyrine: Only when she assumed the temporary position that we are talking about now.

Mrs. Baptiste-Primus: Mr. Chairman, through you, I would like to enquire from the Investment Unit its views on what they have heard so far.

Mr. Chairman: The Investment Division.

Ms. Babb: Through the Chair, I am not too sure exactly which one, but with respect to the funding I agree with the PS, whatever purpose the funding was given for that is what it is supposed to be used for. With respect to the cheque signatories that is normally approved by the board of directors.

Mrs. Baptiste-Primus: Mr. Chairman, I want to ask two last questions, and my questions at this point in time are directed to Ms. Thomas-Long. How long have you been the Corporate Secretary for the Commission?

Ms. Thomas-Long: Thank you, member. I began my employment with the Commission November 03, 2016.

Mrs. Baptiste-Primus: As Corporate Secretary, have you guided this board in terms of its responsibility of what it can do and what it cannot do in accordance with stated approved procedures, in particular the State Enterprise Performance Manual? Have you given the board guidance in that regard?

Ms. Thomas-Long: Hon. member, I have by written grievance. When I came to the Commission, within my fourth month, I noticed some significant breaches in internal controls of the Commission. I sought, through the Chairman of the board, to raise it via board note to the board members, however I was prevented from doing so. When that occurred I had no choice, so I opted to raise a grievance. In that document I would have highlighted some significant governance issues as well as issues as to how legal matters were being handled.

Furthermore, members, if you look at the—we have submitted the Minutes of the board of directors, the executed Minutes, you would see within the Minutes where either myself or my designate, the legal officer, would have advised the board on several occasions pertaining to their actions. For instance, with respect to the creation of positions, we would have shared with the board the relevant Cabinet Minute 1160, which is clear in terms of what a board can and cannot do. It is clear that Cabinet approval is required.

Mrs. Baptiste-Primus: You are sharing with this Committee, Ms. Thomas-Long, that in your capacity as Corporate Secretary you shared that information with the board?

Ms. Thomas-Long: Yes, I did.

Mrs. Baptiste-Primus: With the Chairman?

Ms. Thomas-Long: It is in the Minutes, hon. member.

Mr. Small: *[Inaudible]* *[Interruption]*

Mrs. Baptiste-Primus: I know but I have to ask Ms. Thomas-Long. I cannot rely always on what is here. So that the Chairman and the board they were aware that in taking certain decisions, that those decisions were not in conformity with the Cabinet's authority?

Ms. Thomas-Long: Yes the board was aware, and as Mr. Small read from the Minutes, at that same meeting we would have put forward the Cabinet Minute, the legal officer. It was enclosed in a legal report which went to the board. However, a director—well, we heard what the Director would have said as regards to board position. So it is not that the advice was not given; it is a matter of the advice was not heard.

Mrs. Baptiste-Primus: Chairman, I am troubled. I would stop at this point in time, but I would just end by saying as a member of this Committee, like one or two other state enterprises which have come before this Committee, I am troubled.

Madam Chairman: Sen. Small, final question.

Mr. Small: Just a quick seeking of clarification from, I think, the head of finance, Mrs. Hamilton. I am looking at your document here, National Transaction, the detailed DP account, and I want to just take you to page 19. There are several other things, but in December 2016, the company—I want to be correct—it suggests you made a payment of \$300,000 to TSTT. Now I have noted that throughout the submission there are lots of payments to TSTT, but little amounts, \$11,000, \$12,000. What would have been—and if you cannot answer, you can provide it in writing, I do not intend to stress you, but it stands out. You paid \$300,000 to TSTT, when throughout all the periods there are little payments, \$12,000, \$13,000 to TSTT and then for some reason there is a huge amount of \$300,000, and it is a nice even number. It is not, you know, \$301,000, it is a nice flush number. So I am not understanding what that is about, and given that your recollection is not on this, could you provide this in writing, through the Chairman.

Mr. Chairman, also I would like to go back to your other submission, your transaction detail for your recurrent account. Could you tell me—I hate calling the names, but there is a payment of \$119,000 being made to an entity every month. You are aware of that?

Ms. Hamilton: Yes.

Mr. Small: What is that about?

Ms. Hamilton: That is rent for our head office.

Mr. Small: Rent for the head office?

Ms Hamilton: Yes.

Mr. Small: Only the head office?

Ms. Hamilton: Only the head office.

Mr. Small: So the rent for the other does not fall under this?

Ms. Hamilton: No, there are other payments for the other offices.

Mr. Small: Okay, good. And I have one other clarification. Well, they are all subsumed, I will grab them into one. I have noted several payments to something called “Very exciting things”, several payments to dry cleaners, several payments to—I do not want to call the name of the company, but I am not sure, and again I will not stress you, but if you are making payments to a dry cleaner, I am not sure what that is about. Perhaps you have drapes or when you have board meetings you have to do the—I do not know. But I am saying that many of them, if it was just one every—but it is several of them. I suppose there is a nice logical explanation and we will take it in writing. We will not stress you because I know the Chairman is looking at the time. Thank you very much, Mr. Chairman.

Mr. Chairman: Well, thank you so very much. May I, on behalf of the Public Accounts Enterprises Committee, bring this meeting to a close. May I ask the Chairman just to give us a tight few closing remarks, and the Permanent Secretary, and we would bring our proceedings to a close. Mr. Chairman.

Mr. Zephyrine: Thank you very much, Chairman. I want to say like I have said before that some very serious issues have been raised, some legitimate concerns have been raised by members here. Those matters will be taken to the board and treated with. The organization is experiencing a number of challenges on different fronts, so we have to be able to manage all of those conflicting priorities, if I can call them that, in a kind of way, at the same time.

We recognize that there are some positions which we should have taken in terms of decision-making that we need to look at again. We will certainly do that. I look forward to the overall recommendations that flow from this hearing so that we can address them in the most serious manner and treat with them. I thank you for the opportunity on behalf of myself, my colleagues on the board and the staff.

Mr. Chairman: Thank you very much. Madam Permanent Secretary.

Ms. Edwards: Thank you, Chairman. The Ministry of Community Development, Culture and the Arts has noted the concerns and the issues raised, noting also that we have shared oversight of the National Commission for Self-Help with the Investments Division. We will continue to monitor, and we also look forward to the findings and the recommendations as we work together to improve the efficiency of the National Commission for Self-Help. I thank you for the opportunity.

Mr. Chairman: On behalf of the Public Accounts (Enterprises) Committee, may I extend our sincerest thanks and appreciation to members of the Investments Division of the Ministry of Finance, the Ministry of Community Development, Culture and the Arts, National Commission for Self-Help, members of the public, members of the media, my colleagues at the level of our Committee, the Secretariat for being here this afternoon and participating. This meeting is now adjourned. Thank you so very much.

1.18 p.m.: *Meeting adjourned.*