



*FIFTEENTH 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 11<sup>TH</sup> PARLIAMENT*

Examination of the Audited Accounts, Balance Sheets and other Financial Statements of the Youth Training and Employment Partnership Programme (YTEPP) for the financial years 2008 to 2014.



## 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

### Committee Staff

The current staff members serving the Committee are:

Ms Keiba Jacob	Secretary
Ms Hema Bhagaloo	Assistant Secretary
Ms Melanie Chin	Graduate Research Assistant
Ms Anesha James	Administrative Assistant

### Publication

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

### Contacts

All correspondence should be addressed to:

The Secretary

Public Accounts (Enterprises) Committee

Office of the Parliament

Levels G-7, Tower D

The Port of Spain International Waterfront Centre

1A Wrightson Road Port of Spain Republic of Trinidad and Tobago

Tel: (868) 624-7275; Fax: (868) 625-4672

Email: [paec@tparliament.org](mailto:paec@tparliament.org)

# Table of Contents

<b>MEMBERS OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE .....</b>	<b>4</b>
<b>EXECUTIVE SUMMARY.....</b>	<b>5</b>
<b>INTRODUCTION.....</b>	<b>9</b>
Establishment .....	9
Mandate .....	9
Ministerial Response .....	9
State Enterprises Performance Standards .....	9
Election of the Chairman and Vice Chairman.....	9
<b>METHODOLOGY .....</b>	<b>10</b>
Determination of the Committee’s Work Programme.....	10
The Inquiry Process .....	12
<b>YTEPP’s PROFILE .....</b>	<b>13</b>
<b>ISSUES, OBSERVATIONS AND RECOMMENDATIONS.....</b>	<b>14</b>
<b>Appendix 1 .....</b>	<b>26</b>
<b>Minutes of Meetings .....</b>	<b>26</b>
Present were:.....	27
Present were:.....	31
<b>Appendix 2 .....</b>	<b>35</b>
<b>Attendees .....</b>	<b>35</b>
Attendees of the Thirtieth (30 <sup>th</sup> ) Meeting of the Public Accounts (Enterprises) Committee.....	36
Attendees of the Thirty-First (31 <sup>st</sup> ) Meeting of the Public Accounts (Enterprises) Committee .....	37
<b>APPENDIX 3 .....</b>	<b>38</b>
List of entities falling under the purview of the PAEC:.....	39
<b>APPENDIX 4 .....</b>	<b>41</b>
<b>VERBATIM.....</b>	<b>41</b>

## 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 Youth Training and Employment Partnership Programme (YTEPP) for the Financial Years 2008 to 2014** and produced this report to highlight its findings and recommendations.

This report details the issues, endorsements and recommendations made by the Committee to improve YTEPP's performance. The issues identified in this report were found during the period under examination (2008 to 2014).

During this inquiry, the following issues arose:

- *Issues identified by the Internal Auditor;*
- *Lack of an approved Internal Fraud Policy and Risk Management Policy;*
- *The Failure of the YTEPP to fulfill its mandate;*
- *The Status of YTEPP's Strategic Plan;*
- *The Approval of the Company's Employee Loan and Advances;*
- *The Creation of Positions that were not on the Approved Organisational Structure;*
- *The processes used for granting allowances to employees;*
- *The Misuse of State Assets;*
- *The Composition of YTEPP's Tenders Committee; and*
- *The Issues of Conflict of Interest.*

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

- *A special audit should be undertaken by the Auditor General into the operations, activities and procurement processes used by the Company no later than January 30, 2019.*
- *The Committee adopts and endorses the internal auditor recommendations that the YTEPP should:*
  - *Re-evaluate the company space requirements in light of anticipated changes in operations;*
  - *Reconcile the fixed asset register with recorded fixed assets to verify existence and needed adjustment;*
  - *Develop and implement procedures for tagging/ labelling assets;*

- *Develop a company policy on approval limits to be revised to clarify how approval limits apply to contracts;*
  - *Establish clear lines of authority for disposals by policy;*
  - *Review and amend the existing fixed asset disposal process;*
  - *Revisit the assignment and segregation of duties and responsibilities and clearly define and document same in the job description of employees,*
  - *Review the approach to procurement to ensure compliance with the relevant laws and guidelines; for example the Standard Procurement Procedures for the Acquisition of Goods, Provision of Services, Undertaking Works and Disposal of Unserviceable Items in State Enterprises/ Statutory Bodies (State Agencies) produced by the Ministry of Finance in undertaking all procurement of goods and services.*
- *YTEPP should formulate an Internal Fraud policy and Risk Management Policy and have it approved by the Board of Directors and Line Ministry no later than January 30, 2019.*
  - *The Committee commends the disciplinary actions taken by the company to address the two cases of fraud detected over the period the 2014 to 2015.*
  - *The Audit Committee of the Board should immediately increase its monitoring capacity over the internal controls and Internal Audit functions of the Company.*
  - *The YTEPP Limited should ensure that the government subventions received by the Company are being used to fulfill its core mandate.*
  - *The YTEPP Limited should establish a Monitoring and Evaluation Unit to continuously and effectively monitor its operations and performance.*
  - *The YTEPP Limited should establish Key Performance Indicators to monitor its progress in achieving its mandate and goals and take the necessary steps to critically assess its performance in meeting its strategic goals and mandate.*
  - *The YTEPP Limited should set clear and concise goals to increase the number of trainee enrolment and to understand the demand for its services in attempt to attract more trainees by January 30, 2019.*
  - *The Line Ministry should implement measures to actively monitor the performance of State Enterprises to ensure that these Enterprises successfully execute their mandates and maximize value for money.*
  - *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 YTEPP Limited should make every attempt to have the draft strategic plan approved no later than January 30, 2019.*
- *YTEPP Limited should revisit its policy regarding staff loans and salary advances and seek guidance the Line Ministry and the Ministry of Finance – Investments Division regarding obtaining approval for this initiative by January 30, 2019.*
- *YTEPP Limited should submit a report on the initiatives undertaken to address this decision to the PAEC by January 30, 2019.*
- *The YTEPP Limited should reverse the creation of the twelve (12) unapproved positions by October 31, 2018 and seek approval from the Line Ministry before filling necessary vacancies.*
- *The Board and Management of the YTEPP Limited should familiarise themselves with the guidelines stated in Section 3.1.12 of the State Enterprises Performance Monitoring Manual before making any further decisions about the amendments to the organisational structure.*
- *The YTEPP Limited 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, YTEPP Limited should immediately re-assess the need for cell phone allowances granted to members of staff and also seek the approval of the Ministry of Education for the issuance of cell phone allowances to Senior Management and any employee deemed to require the use of cellular phones.*
- *The YTEPP Limited should seek the advice and approval of the Chief Personnel Officer (CPO) for the allowances granted to these members of staff no later than January 30, 2019.*
- *The YTEPP Limited should only grant transport allowances to travelling officers; and*
- *Provide a status report on the initiatives immediately taken to address these issues to the Committee no later than January 30, 2019.*
- *In accordance to Financial Regulation (Stores) 55, all state property, should bear the YTEPP Limited logo going forward and be used strictly in the performance of the company's business.*
- *With immediate effect, a Board Member of the YTEPP limited should be appointed to serve as the Chairman of the company's Tenders Committee and the YTEPP Limited should familiarise itself to the approved structure of this committee as stated in the State Enterprises Performance Monitoring Manual.*
- *The Auditor General should perform a special forensic audit into the procurement practices inclusive of the awarding of contracts by the YTEPP Limited for the period 2008 to 2017 and submit the findings to the Committee by January 30, 2019.*

- *The Board of Directors must take immediate disciplinary action against all members of staff who were in breach of Appendix IX of the State Enterprise Performance Monitoring Manual which addresses the issue of Conflict of Interest.*
- *The Board of Directors and Executive Management of YTEPP should familiarise themselves with the guidelines set out in Appendix IV of the State Enterprises Performance Monitoring Manual going forward.*

# INTRODUCTION

## Establishment

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

## Mandate

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

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

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

## Ministerial Response

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

## State Enterprises Performance Standards

The PAEC used the State Enterprises Performance Monitoring Manual as a benchmark 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.<sup>2</sup>

## Election of the Chairman and Vice Chairman

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

## Establishment of Quorum

The Committee is required by the Standing Orders to have a quorum so that 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.

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

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

## 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)

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

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 11<sup>th</sup> 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 YTEPP. 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 YTEPP for the financial years 2008 to 2014;
- II. Preparation of Inquiry Proposal for YTEPP. The Inquiry Proposal outlines:
  - a. Background;
  - b. Objective of Inquiry; and
  - c. Proposed Questions.
- III. Questions were forwarded to YTEPP on May 1, 2018. Written responses were received from YTEPP on May 21 2018;
- IV. Preparation of an Issues Paper, based on written responses received from the YTEPP. The Issues Paper identified and summarised any matters of concern from the responses provided by the YTEPP;
- 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 June 20, 2018.
- VI. Written request for additional information was sent to the YTEPP after the public hearing on June 22, 2018. The responses were subsequently received on July 4, 2018.
- VII. Due to time constraints during the first public hearing, the Committee agreed to continue the examination of YTEPP on July 4, 2018.
- VIII. Written request for further information was sent to the YTEPP after the public hearing on July 5, 2018. The responses were subsequently received on July 20, 2018
- IX. Report Committee's findings and recommendations to Parliament upon conclusion of the inquiry.

# YTEPP's PROFILE

## Background:

The Youth Training and Employment Partnership Programme (YTEPP) was introduced as a national response to the growing problem of unemployed and unemployable youth. YTEPP was first created as a temporary programme to provide vocational skills training to youth between the ages of 15 and 25 years. The training covered five areas: Attitudinal Development, Basic Education, Vocational Skills Training, Work Experience and Post Training Support. As a result of the tremendous success of the training, a more long term arrangement was made that would immortalize YTEPP.

On October 10th, 1990, YTEPP was registered as a State Corporation under Section 20 of the Companies Ordinance of Trinidad and Tobago, officially becoming Youth Training and Employment Partnership Programme (YTEPP) Limited. YTEPP introduced programmes that would enhance participants' marketability, self-employment and self-sustainability with an aim of 10,000 young person's being targeted annually.

In August 1991, the Government of Trinidad and Tobago signed an agreement with the World Bank to fund YTEPP Limited settlements.

**Line Ministry** – Ministry of Education

**Minister** – The Hon. Mr. Anthony Garcia

**Permanent Secretary** – Mrs. Lenore Baptiste-Simmons

**Chairman**- Ms. Thora Best

**Chief Executive Officer** – Mr. Nigel Forgenie

# ISSUES, OBSERVATIONS AND RECOMMENDATIONS

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

- **Issues identified by the Internal Auditor**

A summary of audit issues identified by the Internal Auditor highlighted the following:

- ✓ the inadequacy of risk management practices;
- ✓ the need for less warehouse space for inventory activity;
- ✓ surplus inventory issues;
- ✓ assets on the register was not confirmed to be in existence;
- ✓ omission of fixed asset inventory;
- ✓ action not been taken on a prior audit recommendation that the fixed assets be tagged;
- ✓ receipt of goods and/or services not documented on some vouchers inspected;
- ✓ incomplete online payroll payments
- ✓ unauthorized receipts of company goods; and
- ✓ weaknesses in the Employment Bureau's process of contracting, screening and referring graduates to employers.

For example, the August 2017 Internal Audit report – Warehouse Relocation, noted significant weaknesses in policy, procedures and practices for the disposal of State property. As stated in the audit report, “A general request for disposal documents concerning the relocation followed by repeated specific requests for disposal documents concerning the donation of April 25, 2017 and activity thereafter, were satisfied in a piecemeal untimely manner such that when the draft report was distributed on July 7, 2017, complete documents, which were requested a month earlier, and were on hand at the warehouse at the time requested, were not provided. The request for authorisation was premised on the partly false and unsupported claim that the items for disposal remained after previous sale efforts. Disposal forms for personal care items were created after the last announced sale, contrary to the claim made in the memo. The personal care items were subsequently withheld from the donation, because they were expired, yet were not added to the list of items to be destroyed/disposed of.” Moreover, the Committee noted that the audit report suggested evidence of inaccuracies on the list of disposed items including the absence of particulars on the donation list and the inclusion of eleven (11) items which were listed for donation in error.

These discrepancies led the Committee to question the occurrence of fraud during disposals whereby persons were withholding the items for their personal use.

Furthermore, when examining the audit investigation into the payroll (Daily Paid, Technical Supervisors and Centre Managers) Re: On the Job Training Project and the concern with respect to the rights of the super-user, the Committee noted the lack of evidence of Authority for this system and the absence of segregation of duties. According to the YTEPP, ‘super user’ (or administrator), the Director of Finance, was allowed “without the intervention of anyone else, to make transactions of up to \$10 million per day, from start to finish. This system was only accessible to the Director of Finance of YTEPP. Nevertheless, the YTEPP implemented security measures to prevent the unauthorized debits of the Company’s bank accounts.

***Recommendations:***

- ***A special audit should be undertaken by the Auditor General into the operations, activities and procurement processes used by the Company no later than January 30, 2019.***
- ***The Committee adopts and endorses the internal auditor recommendations that the YTEPP should:***
  - ***Re-evaluate the company space requirements in light of anticipated changes in operations;***
  - ***Reconcile the fixed asset register with recorded fixed assets to verify existence and needed adjustment;***
  - ***Develop and implement procedures for tagging/labelling assets;***
  - ***Develop a company policy on approval limits to be revised to clarify how approval limits apply to contracts;***
  - ***Establish clear lines of authority for disposals by policy;***
  - ***Review and amend the existing fixed asset disposal process;***
  - ***Revisit the assignment and segregation of duties and responsibilities and clearly define and document same in the job description of employees,***
  - ***Review the approach to procurement to ensure compliance with the relevant laws and guidelines for example; the Standard Procurement Procedures for the Acquisition of Goods, Provision of Services, Undertaking Works and Disposal of Unserviceable Items in State Enterprises/Statutory Bodies (State Agencies) produced by the Ministry of Finance in undertaking all procurement of goods and services.***

- **Lack of an approved Internal Fraud Policy and Risk Management Policy**

An Internal Fraud policy is a critical tool in communicating the organisation's stance and processes in respect to how fraud will be dealt with and allows management to guide operations without the need for constant physical intervention. According to Section 3.2.4 of the State Enterprises Performance Monitoring Manual, the ability to manage risk is one of the core competencies of any organisation and its employees. The success of risk management will depend on the effectiveness of the management framework providing the foundations and arrangements that will embed it throughout the organisation at all levels. The framework assists in managing risks effectively through the application of a risk management process at the varying levels and within specific contexts of the organisation.

The Committee noted that the YTEPP was operating without an approved Internal Fraud and Risk Management Policy, thus exposing the company to several cases of undetected or untreated fraudulent activities such as the alteration of invoices by an officer charged with the responsibility of purchasing keyboards for an outdoor internet unit, and the alteration of delivery documents by another employee. In the first instance, the Fraud Squad was contacted and in the latter, the employee was made to repay the stolen amount.

Officials from the YTEPP informed the Committee that though there was no official policy as it pertained to internal fraud or risk management, there was a section addressing fraud in the company's Operational Policies and Procedures Manual that was approved by previous boards. The management framework has systems, policies and procedures in place to ensure minimisation of fraudulent activities. In both instances, the framework captured the discrepancies and the matter was referred to the Internal Auditor for investigation.

***Recommendations:***

- ***YTEPP should formulate an Internal Fraud policy and Risk Management Policy and have it approved by the Board of Directors and Line Ministry no later than January 30, 2019.***
- ***The Committee commends the disciplinary actions taken by the company to address the two cases of fraud detected over the period the 2014 to 2015.***
- ***The Audit Committee of the Board should immediately increase its monitoring capacity over the internal controls and Internal Audit functions of the Company.***

- **The Failure of the YTEPP to fulfill its mandate**

The primary responsibility of the YTEPP Limited is to provide Vocational Skills Training throughout Trinidad and Tobago to persons between the ages of sixteen (16) to sixty (60) years. The training is segmented through three (3) of the company's core training departments: Youth Training, Entrepreneurial Development and Support Services (EDSS), Retraining and Rehabilitation of Inmates through Training and Retraining Programme (RITTR).

However, based on the statistics provided to the Committee, there was a decline in the enrolment numbers of trainees by approximately fifty percent (50%), despite the fact that costs incurred remained relatively constant over the period 2008 to 2014. Officials from the YTEPP Limited informed the Committee that the cost per trainee were significant. Stipend payments were thirty (30) percent of the subvention received from the Line Ministry. Also, the Line Ministry advised the YTEPP Limited to conduct more Caribbean Vocational Qualification (CVQ) type courses that ranged from three hundred (300) to five hundred (500) hours or as long as ten (10) months which accounted for the decline in enrolment numbers.

In attempt to decrease cost, the YTEPP Limited implemented measures that reduced expenditure by \$40.5 million between the periods 2014 to 2017. Also, based on the company's draft strategic plan, the YTEPP Limited proposed to establish a quality management system to monitor its activities.

***Recommendations:***

- ***The YTEPP Limited should ensure that the government subventions received by the Company are being used to fulfill its core mandate.***
- ***The YTEPP Limited should establish a Monitoring and Evaluation Unit to continuously and effectively monitor its operations and performance.***
- ***The YTEPP Limited should establish Key Performance Indicators to monitor its progress in achieving its mandate and goals and take the necessary steps to critically assess its performance in meeting its strategic goals and mandate.***
- ***The YTEPP Limited should set clear and concise goals to increase the number of trainees enrolment and to understand the demand for its services in attempt to attract more trainee by January 30, 2019.***

- *The Line Ministry should implement measures to actively monitor the performance of State Enterprises to ensure that these Enterprises successfully execute their mandates and maximize value for money.*
  - *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 Status of YTEPP’s Strategic Plan**

According to section 3.2.1 of the State Enterprises Performance Monitoring Manual, strategic planning is the process of developing organisation wide statements of policy, strategies and goals to ensure participation by the entire organisation. It involves the establishment by the Company of objectives, guiding policies and strategies for reaching the goals, which are to be in alignment with the Strategic Plan of the respective Line Ministry. Changes in long range Strategic Plans alter the character and direction of an organisation. The planning process is designed to produce guidelines for action. It defines what the Company should be doing in order to reach its targeted position in the medium to long term and in addressing the issue of performance monitoring, the fundamental reference is the Strategic Plan.

However, YTEPP Limited has been operating in the absence of an approved Strategic Plan since 2015 as the 2016 to 2020 strategic plan had not yet been approved. This was due to the absence of a Board during the time. Nonetheless, the company advised that in the absence of the Board, the executive management team proceeded to implement the draft strategic plan though approval was not sought from the Line Ministry. The Ministry, however, indicated that upon receiving the necessary documentation during the early part of 2018, they were made aware of this draft plan as funding was required for the Public Sector Investment Programme- Woodford Lodge project.

***Recommendation:***

- *The YTEPP Limited should make every attempt to have the draft strategic plan approved no later than January 30, 2019.*
- **The Approval of the Company’s Employee Loan and Advances**
- Through evidence provided by the company, the company indicated that in accordance to its Memorandum of Association, loans and salary advances were granted to its employees. Loans were granted for medical and educational purposes with a limit of up to \$10,000 at no interest. The

committee noted that there were no provisions made for employee loans or salary advances in the State Enterprises Performance Monitoring Manual and no approval was sought from the Line Ministry or the Ministry of Finance - Investments Division.

Also, there was no documentation of the Board's approval for the company policy for loans. However, the Board Meeting No. 3, of Wednesday 19<sup>th</sup> March, 2003 indicated that in the Human Resource Committee's report: "Employees are encouraged to improve their skills within the context of a company policy on training that provides 50% percent reimbursement of fees upon the successful completion of approved courses and the funding of elective training by the company with recovery by way of salary deductions."

Furthermore, the company's Memorandum of Association, article 69 granted the following:

*"To lend money and negotiate loans and to invest and deal with the money of the company not immediately required upon securities and in such investments or in such manner as may from time to time be determined."*

***Recommendations:***

- ***YTEPP Limited should revisit its policy regarding staff loans and salary advances and seek guidance the Line Ministry and the Ministry of Finance – Investments Division regarding obtaining approval for this initiative by January 30, 2019.***
  - ***YTEPP Limited should submit a report on the initiatives undertaken to address this decision to the PAEC by January 30, 2019.***
- 
- **The Creation of Positions that were not on the Approved Organisational Structure**

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". However, the Committee noted that YTEPP Limited was in breach of this policy and acted without Cabinet approval for the creation of twelve positions that were not on the approved organisational chart.

Furthermore, the YTEPP Limited indicated that the creation of the additional positions arose as the organisation thought it was necessary to restructure the organisation and repurpose some of the existing employees to perform other functions as there was a surplus of staff employed at the time.

***Recommendations:***

- *The YTEPP Limited should reverse the creation of the twelve (12) unapproved positions by December 28, 2018 and seek approval from the Line Ministry before filling necessary vacancies.*
  - *The Board and Management of the YTEPP Limited should familiarise themselves with the guidelines stated in Section 3.1.12 of the State Enterprises Performance Monitoring Manual before making any further decisions about the amendment to the organisational structure.*
- **The processes used for granting allowances to employees**

The Committee observed an expansive list of persons who were in receipt staff benefits. Sixty-seven (67) employees received transport allowances and eighty-two (82) persons received cell phone allowances.

According to Appendix C of the State Enterprises Performance Monitoring Manual, 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. However, it was noted that YTEPP's projects assistants, purchasing assistants and project drivers were beneficiaries of staff allowances.

***Recommendations:***

- *The YTEPP Limited 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, YTEPP Limited should immediately re-assess the need for cell phone allowances granted to members of staff and also seek the approval of the Ministry of Education for the issuance of cell phone allowances to Senior Management and any employee deemed to require the use of cellular phones.*

- *The YTEPP Limited should seek the advice and approval of the Chief Personnel Officer (CPO) for the allowances granted to these members of staff no later than January 30, 2019.*
- *The YTEPP Limited should only grant transport allowances to travelling officers; and*
- *Provide a status report on the initiatives immediately taken to address these issues to the Committee no later than January 30, 2019.*

- **The Misuse of State Assets**

In accordance to Financial Regulation (Stores) 55, all State vehicles are required to bear the official logo for identification as state property. The YTEPP Limited informed the Committee that all, with the exception of one (1) vehicle was properly marked with official logo for identification as state property.

The Chief Executive Officer (CEO) of the company stated that a unilateral decision was made to have an unmarked state vehicle granted to him in his portfolio as the CEO that, was part of his compensatory package.

Additionally, it was observed that of the sixteen (16) fleet cards were issued, one was also assigned to the unmarked company vehicle that was utilized by the CEO who was granted access to these vehicles after working hours.

***Recommendation:***

- *In accordance to Financial Regulation (Stores) 55, all state property, should bear the YTEPP Limited logo going forward and be used strictly in the performance of the company's business.*

- **The Composition of YTEPP's Tenders Committee**

According to Section II- 2.3 of the State Enterprises Performance Monitoring Manual, the Tenders Committee of a company should comprise of the following:

The Committee shall comprise of a minimum of five (5) members who shall be:

- (i) Two members of the Board excluding its Chairman, one of whom shall be elected as Chairman of the Committee;

- (ii) The Chief Executive Officer/ Designate of (the State Agency);
- (ii) The Financial Comptroller; and
- (iv) The Legal Officer or functionary.

A Senior Officer shall be appointed Secretary to attend all meetings but shall not be a Member nor entitled to vote.

However, through oral evidence, it was stated that the CEO served as the Chairman of the Tenders Committee and further indicated that based on the company's internal procurement manual, it was recommended that the CEO or the Financial Officer chaired the committee.

***Recommendations:***

- ***With immediate effect, a Board Member of YTEPP should be appointed to serve as the Chairman of the company's Tenders Committee and the YTEPP Limited should familiarise itself to the approved structure of this committee as stated in the State Enterprises Performance Monitoring Manual.***
- ***The Auditor General should perform a special forensic audit into the procurement practices inclusive of the awarding of contracts by YTEPP for the period 2008 to 2017 and submit the findings to the Committee by January 30, 2019.***
- **The Issues of Conflict of Interest**

According to Appendix IX of the State Enterprise Performance Monitoring Manual, any director, officer and employee of the Company who is a Related Party to a person submitting an offer or has an interest in a company, firm or partnership or other body, or individual submitting an offer for the supply of Materials or Works and/or Services which is the subject of consideration by the Company shall be required to disclose such interest as specified in the State Enterprises Performance Monitoring Manual and Section 29 (1) of the Integrity in Public Life Act 2000, and shall not take part in the consideration or discussion of the offer, nor vote on any consideration concerning such offer.

Moreover, any director, officer and employee of the Company is prohibited from:

- i. Directly or indirectly establishing an improper business relationships with any bidder for his/her own personal benefit or the benefit of the bidder or any other person; and
- ii. Directly or indirectly influencing or seeking to influence the tendering process to further his/her own interest and/or the interest of the bidder or any other person;

The obligation not to take part in the consideration or discussion of neither offer, nor vote on any consideration concerning such offer shall be binding for a period of two (2) years from the date such director, officer or employee ceases to have an interest.

However, based on evidence provided to the Committee, the CEO was in breach of the State Enterprises Performance Monitoring Manual and Section 29 (1) of the Integrity in Public Life Act 2000 as services were provided by relatives such as ballroom dancing training and cosmetology training.

In addition, an assistant to the Director of Entrepreneurial Development and Support Services also held a position on the Board of a catering company who appeared to be the most favoured catering company for the YTEPP Limited.

***Recommendations:***

- ***The Board of Directors must take immediate disciplinary action against all members of staff who were in breach of Appendix IX of the State Enterprise Performance Monitoring Manual which addresses the issue of Conflict of Interest.***
- ***The Board of Directors and Executive Management of YTEPP should familiarise themselves with the guidelines set out in Appendix IV of the State Enterprises Performance Monitoring Manual going forward.***



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 THIRTIETH MEETING HELD ON  
WEDNESDAY, JUNE 20, 2018 AT 9:41 A.M.  
IN THE ARNOLD THOMASOS (EAST) MEETING ROOM, LEVEL 6,  
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
Mr. David Small	-	Member
Dr. Nyan Gadsby-Dolly	-	Member
Ms. Keiba Jacob	-	Secretary
Ms. Hema Bhagaloo	-	Assistant Secretary
Mr. Darien Buckmire	-	Graduate Research Assistant

Excused were:

Dr. Tim Gopeesingh	-	Vice Chairman
Mr. Foster Cummings	-	Member
Mrs. Cherrie-Ann Crichlow-Cockburn	-	Member

### **COMMENCEMENT**

- 1.1 At 9:41 a.m. the Chairman called the meeting to order and welcomed those present. Dr. Tim Gopeesingh, Mr. Foster Cummings and Mrs. Cherrie-Ann Crichlow-Cockburn were excused from the meeting.

### **THE EXAMINATION OF THE MINUTES OF THE TWENTY-NINTH MEETING**

- 2.1 The Committee examined the Minutes of the Twenty-Ninth (29<sup>th</sup>) 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-NINTH MEETING**

- 3.2 With reference to item 3.1, the Twelfth Report of the Committee into the Examination of the National Training Agency (NTA) was presented in the House of Representatives on April 27, 2018 and in the Senate on May 1, 2018.
- 3.3 With reference to item 6.4, the Chairman informed the Members that a letter was sent to the National Commission for Self Help Limited (NCSHL) on April 27, 2018 requesting additional information. The responses to the additional information was received by the Secretariat on May 21, 2018.

### **CONSIDERATION OF DRAFT REPORTS**

- 4.1 The Chairman informed the Members that the Draft Thirteenth Report of the Committee on the Examination of the Audited Accounts, Balance Sheets and other Financial Statements of the Union Estate Electricity Generation Company Limited (UEEGCL) for the financial years 2008 to 2015 was circulated for the Committee's consideration on May 23, 2018 and invited the Members to review/make any comments and/or suggestions to
- 4.2 The Committee agreed to the following:
- The Draft Thirteenth Report be circulated to the Members to provide further feedback by Monday June 25, 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 reminded the Members that the purpose of the Committee is to examine the audited accounts, balance sheets and other financial statements of the YTEPP for the period 2008 to 2014 and to make recommendations to help the YTEPP improve its delivery of services in an efficient, effective and economic manner.

### **PRE-HEARING DISCUSSION RE: THE YOUTH TRAINIG AND EMPLOYMENT PARTNERSHIP PROGRAMME (YTEPP) LIMITED**

- 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 Youth Training and Employment Partnership Programme (YTEPP) Limited for the period 2008 to 2014.
- 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 10:04 a.m.

### **THE YOUTH TRAINIG AND EMPLOYMENT PARTNERSHIP PROGRAMME (YTEPP) LIMITED**

- 7.1 The Chairman called the public meeting to order at 10:15 a.m.

7.2 The following officials joined the meeting:

**Youth Training & Employment Partnership Programme (YTEPP)**

- Mr. Nigel Forgenie - Chief Executive Officer
- Mr. Jerome Grant - Director, Finance & Information Technology
- Ms. Carolyn Gloudon - Director, Youth Training
- Ms. Donna Scoon-Moses - Director, Retraining
- Mr. Christo Cave - Director, Entrepreneurial Development & Support Services
- Mr. Leonard Nimblett - Manager Internal Audit
- Ms. Ava Billy-Jackman - Manager Research
- Ms. Nicole Thompson - Finance Manager

**Ministry of Education**

- Mrs. Lenore Baptiste-Simmons - Permanent Secretary (Ag.)
- Mr. Kurt Meyer - Permanent Secretary (Ag.)
- Mrs. Latta Tapsy- Jahoor - Director, Finance and Accounts (Ag.)
- Ms. Avril Rahim - Director Legal Services
- Ms. Carol Bickram - Director, Research Planning and Technical Services (Ag.)
- Ms. Anjanie Samaroo - Auditor III

**Ministry of Finance –Investments Division**

- Ms. Chintamani Sookoo - Director, Social and Economic Transformation (Ag.)
- Ms. Annabella Sawh - Business Analyst (Ag.)
- Ms. Nisa Churaman - Senior Audit Analyst

**7.3 Key Issues Discussed**

1. The tenure of the current Executive Management team and Board;
2. The mismanagement of the disposal of state property;
3. The issues identified by the Internal Auditor;
4. The timeframe for the identification and rectification of the internal audit issues;
5. The status of the Internal Fraud and Risk Management policies;
6. The number of Internal Fraud allegations at the YTEPP;
7. The status of the outstanding financial statements for the years 2015 to 2017;
8. The status of the strategic plan for the period 2016 to 2020;
9. The lack of mechanisms in place to effectively analyse the YTEPP's operations;
10. The mandate of YTEPP;
11. The reasons for the decrease in the number of persons enrolled in relation to Government subventions received by YTEPP;
12. The measures in place to reduce annual expenditure for the period 2014 to 2017;
13. The actions taken to address the issues identified in the 2017 Internal Audit Report;

14. The number of trainees from the On-the-Job Training (OJT) programme on the payroll sheet;
15. The reasons for granting loans and salary advances to employees;
16. The number of employees that received employee loans and advances for the period 2008 to present;
17. The role of the Ministry of Finance, Investments Division with respect to the granting of employee loans and advances;
18. The authority used by the Board to grant employee loans and advances to members of staff;
19. The number of persons employed at YTEPP;
20. The status and conduct of a needs analysis of YTEPP's organisational structure;
21. The creation of posts not on the approved organizational structure;
22. The status of the working relationships between the National Training Agency (NTA) and YTEPP;
23. The ratios of trainees to tutors and tutors to technical supervisors;
24. The policy for the distribution of cellular phones to members of staff;
25. The lack of proper procurement practices at YTEPP;
26. The status of debts owed and the measures in place to manage debts; and
27. The status of bad debts that are statute barred.

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

- 7.4 The Committee agreed to send additional questions to the YTEPP for written submission.
- 7.5 The Chairman thanked the representatives from the Ministry of Finance – Investments Division, the Ministry of Education, the YTEPP, members of the media, the public and the Members of the Committee for their attendance.

### **ADJOURNMENT**

- 8.1 The Committee agreed to continue the examination of the Audited Financial Statements of the YTEPP for the period 2008 to 2014 at the next meeting.
- 8.2 The adjournment was taken at 12:32 p.m.

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

CHAIRMAN

SECRETARY

*June 20, 2018*

**THE PUBLIC ACCOUNTS ENTERPRISES COMMITTEE –  
THIRD SESSION, ELEVENTH PARLIAMENT  
MINUTES OF THE THIRTY-FIRST MEETING HELD ON  
WEDNESDAY, JULY 4, 2018 AT 9:52 A.M.  
IN THE ARNOLD THOMASOS (EAST) MEETING ROOM, LEVEL 6,  
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
Mr. David Small	-	Member
Mr. Foster Cummings	-	Member
Ms. Keiba Jacob	-	Secretary
Ms. Hema Bhagaloo	-	Assistant Secretary
Ms. Melanie Chin	-	Graduate Research Assistant

Excused were:

Dr. Tim Gopeesingh	-	Vice Chairman
Mrs. Cherrie-Ann Crichlow-Cockburn	-	Member
Dr. Nyan Gadsby-Dolly	-	Member

### **COMMENCEMENT**

- 1.2 At 9:52 a.m. the Chairman called the meeting to order and welcomed those present. Dr. Tim Gopeesingh, Dr. Nyan Gadsby-Dolly and Mrs. Cherrie-Ann Crichlow-Cockburn were excused from the meeting.

### **THE EXAMINATION OF THE MINUTES OF THE THIRTIETH MEETING**

- 2.1 The Committee examined the Minutes of the Thirtieth (30<sup>th</sup>) Meeting held on Wednesday June 20, 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 THIRTIETH MEETING**

- 3.4 With reference to item 3.1, the Thirteenth Report of the Committee into the Examination of the Union Estate Electricity Generation Company Limited (UEEGCL) was presented in the House of Representatives on June 29, 2018 and in the Senate on June 27, 2018.
- 3.5 With reference to item 7.4, the Chairman informed the Members that a letter was sent to the Youth Training and Employment Partnership Programme (YTEPP) on June 22, 2018 requesting additional information. The responses to the additional information was received by the Secretariat on July 2, 2018.

### **OTHER BUSINESS**

- 4.1 The Chairman reminded the Members that the purpose of the Committee was to continue the examination of the audited accounts, balance sheets and other financial statements of the YTEPP for the period 2008 to 2014 and to make recommendations to help the YTEPP improve its delivery of services in an efficient, effective and economic manner.

### **PRE-HEARING DISCUSSION RE: THE YOUTH TRAINING AND EMPLOYMENT PARTNERSHIP PROGRAMME (YTEPP) LIMITED**

- 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 Youth Training and Employment Partnership Programme (YTEPP) Limited for the period 2008 to 2014.
- 5.2 The Committee agreed, that, in drafting the Fifteenth Report, a recommendation be made for the Auditor General to conduct an urgent special audit into the operations and procurement processes of the Youth Training and Employment Partnership Programme (YTEPP) Limited.
- 5.3 Members discussed issues of concern and the general approach for the public hearing.
- 5.4 There being no further business for discussion *in camera*, the Chairman suspended the meeting at 9:59 a.m.

### **THE YOUTH TRAINING AND EMPLOYMENT PARTNERSHIP PROGRAMME (YTEPP) LIMITED**

- 6.1 The Chairman called the public meeting to order at 10:11 a.m.
- 6.2 The following officials joined the meeting:

#### **Youth Training & Employment Partnership Programme (YTEPP)**

- Ms. Thora Best - Chairman
- Mr. Jesse Moss - Deputy Chairman
- Mr. Eric Taylor - Board Member
- Ms. Carolyn Gopaul - Board Member
- Mr. Nigel Forgenie - Chief Executive Officer
- Mr. Jerome Grant - Director, Finance & Information Technology
- Ms. Carolyn Gloudon - Director, Youth Training

- Ms. Donna Scoon-Moses - Director, Retraining
- Mr. Christo Cave - Director, Entrepreneurial Development & Support Services
- Mr. Leonard Nimblett - Manager Internal Audit
- Ms. Ava Billy-Jackman - Manager Research
- Ms. Nicole Thompson - Finance Manager

#### **Ministry of Education**

- Mr. Kurt Meyer - Permanent Secretary (Ag.)
- Mrs. Latta Tapsy- Jahoor - Director, Finance and Accounts (Ag.)
- Ms. Avril Rahim - Director Legal Services
- Ms. Carol Bickram - Director, Research Planning and Technical Services (Ag.)

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

- Ms. Chintamani Sookoo - Director, Social and Economic Transformation (Ag.)
- Ms. Annabella Sawh - Business Analyst (Ag.)
- Ms. Nisa Churaman - Senior Audit Analyst

### **6.3 Key Issues Discussed**

1. The actions taken to address the issue of unapproved employee loan and salary advances.
2. The failure of the YTEPP to seek approval of the Ministerial Committee for the Revised Remuneration Packages.
3. The policy in place for the use of official company vehicles.
4. The failure to brand all the official company vehicles in its fleet.
5. The need for overseas travel by staff.
6. The absence of Internal Fraud and Risk Management policies.
7. The role of the Ministry of Finance, Investments Division with respect to the Revised Remuneration Packages.
8. The employment of internal and external security services at YTEPP.
9. The mechanisms in place for the disposal of excess scrap iron.
10. The relationship between Sagicor Financial Limited and YTEPP.
11. The status of the pension plan.
12. The clarification of the account entitled “Medical Consultation”.
13. The justification for the issuance of medical loans.
14. The clarification of the “Benefit In Kind” payment made by the CEO for the use of an official company vehicle.
15. The inverse relationship between YTEPP’s operating costs and number of students enrolled in the programme.
16. The reasons for the increase in Legal & Professional Fees for the period 2008 to 2014.
17. The reason for granting staff loans.
18. The reasons for the implementation of an Education Retraining Policy for members of staff of the YTEPP.
19. The steps in place for the recovery of Bad Debts.
20. The roles and responsibilities of the Facilities Officer.

21. The responsibility of the Line Ministry to inform entities under its purview of the requirement of the new procurement legislation.
22. The number of corporate credit cards issued to YTEPP.
23. The status of the YTEPP's Money Market Fund.
24. The role and mandate of the Entrepreneurial Development and Support Services Division.
25. The employment of the CEO's spouse to provide training services to trainees.

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

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

### **ADJOURNMENT**

- 7.1 The adjournment was taken at 1:14 p.m.

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

CHAIRMAN

SECRETARY

*July 04, 2018*

# Appendix 2

## Attendees

# Attendees of the Thirtieth (30<sup>th</sup>) Meeting of the Public Accounts (Enterprises) Committee

## Youth Training & Employment Partnership Programme (YTEPP)

- Mr. Nigel Forgenie - Chief Executive Officer
- Mr. Jerome Grant - Director, Finance & Information Technology
- Ms. Carolyn Gloudon - Director, Youth Training
- Ms. Donna Scoon-Moses - Director, Retraining
- Mr. Christo Cave - Director, Entrepreneurial Development & Support Services
- Mr. Leonard Nimblett - Manager Internal Audit
- Ms. Ava Billy-Jackman - Manager Research
- Ms. Nicole Thompson - Finance Manager

## Ministry of Education

- Mrs. Lenore Baptiste-Simmons - Permanent Secretary (Ag.)
- Mr. Kurt Meyer - Permanent Secretary (Ag.)
- Mrs. Latta Tapsy- Jahoor - Director, Finance and Accounts (Ag.)
- Ms. Avril Rahim - Director Legal Services
- Ms. Carol Bickram - Director, Research Planning and Technical Services (Ag.)
- Ms. Anjanie Samaroo - Auditor III

## Ministry of Finance –Investments Division

- Ms. Chintamani Sookoo - Director, Social and Economic Transformation (Ag.)
- Ms. Annabella Sawh - Business Analyst (Ag.)
- Ms. Nisa Churaman - Senior Audit Analyst

# Attendees of the Thirty-First (31<sup>st</sup>) Meeting of the Public Accounts (Enterprises) Committee

## **Youth Training & Employment Partnership Programme (YTEPP)**

- Ms. Thora Best - Chairman
- Mr. Jesse Moss - Deputy Chairman
- Mr. Eric Taylor - Board Member
- Ms. Carolyn Gopaul - Board Member
- Mr. Nigel Forgenie - Chief Executive Officer
- Mr. Jerome Grant - Director, Finance & Information Technology
- Ms. Carolyn Gloudon - Director, Youth Training
- Ms. Donna Scoon-Moses - Director, Retraining
- Mr. Christo Cave - Director, Entrepreneurial Development & Support Services
- Mr. Leonard Nimblett - Manager Internal Audit
- Ms. Ava Billy-Jackman - Manager Research
- Ms. Nicole Thompson - Finance Manager

## **Ministry of Education**

- Mr. Kurt Meyer - Permanent Secretary (Ag.)
- Mrs. Latta Tapsy-Jahoor - Director, Finance and Accounts (Ag.)
- Ms. Avril Rahim - Director Legal Services
- Ms. Carol Bickram - Director, Research Planning and Technical Services (Ag.)

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

- Ms. Chintamani Sookoo - Director, Social and Economic Transformation (Ag.)
- Ms. Annabella Sawh - Business Analyst (Ag.)
- Ms. Nisa Churaman - 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 THIRTIETH MEETING OF THE PUBLIC  
ACCOUNTS (ENTERPRISES) COMMITTEE HELD IN THE A.N.R. ROBINSON  
(EAST) MEETING ROOM, LEVEL 9, (IN CAMERA), AND THE J. HAMILTON  
MAURICE ROOM, MEZZANINE FLOOR, (IN PUBLIC), OFFICE OF THE  
PARLIAMENT, TOWER D, THE PORT OF SPAIN INTERNATIONAL  
WATERFRONT CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON  
WEDNESDAY, JUNE 20, 2018 AT 10.15 A.M.**

**PRESENT**

Mr. Wade Mark	-	Chairman
Mrs. Jennifer Baptiste-Primus	-	Member
Dr. Nyan Gadsby-Dolly	-	Member
Mr. Fitzgerald Hinds	-	Member
Mr. David Small	-	Member
Ms. Hema Bhagaloo	-	Assistant Secretary
Mr. Daren Buckmire	-	Grad. Research Assistant

**ABSENT**

Mrs. Cherrie-Ann Crichlow-Cockburn	-	Member
Dr. Tim Gopeesingh	-	Member
Mr. Foster Cummings	-	Member

**MINISTRY OF FINANCE -- INVESTMENTS DIVISION**

Ms. Chintamani Sookoo	-	Director, Social and Economic Transformation (Ag.)
Ms. Annabella Sawh	-	Business Analyst (Ag.)
Mr. Nisa Churaman	-	Senior Audit Analyst

**YOUTH TRAINING & EMPLOYMENT PARTNERSHIP PROGRAMME**

Ms. Thora Best	-	Chairman
Ms. Jesse Moss	-	Deputy Chairman
Mr. Eric Taylor	-	Board Member
Dr. Joanne Spence	-	Board Member
Ms. Melissa Pulchan	-	Board Member
Mr. Nigel Forgenie	-	Chief Executive Officer
Mr. Jerome Grant	-	Director, Finance & Information Technology
Ms. Carolyn Gloudon	-	Director, Youth Training
Ms. Donna Scoon-Moses	-	Director, Retraining
Mr. Christo Cave	-	Director, Entrepreneurial Development & Support Services
Mr. Leonard Nimblett	-	Manager Internal Audit
Ms. Ava Billy-Jackman	-	Manager Research
Ms. Nicole Thompson	-	Finance Manager

## MINISTRY OF EDUCATION

Mrs. Lenore Baptiste-Simmons	-	Permanent Secretary (Ag.)
Mr. Kurt Meyer	-	Permanent Secretary (Ag.)
Ms. Vidya Heeraman	-	Director, Finance and Accounts
Ms. Avril Rahim	-	Director, Legal Services
Ms. Carol Bickram	-	Director, Research Planning and Technical Services (Ag.)
Ms. Anjanie Samaroo	-	Internal Auditor III

**Mr. Chairman:** Good morning everyone. And may I, on behalf of the Public Accounts (Enterprises) Committee welcome the officials from the Ministry of Finance, Investments Division, the Ministry of Education, the Youth Training and Employment Partnership Programme Limited, members of the media and the public. My name is Wade Mark and I am the Chairman of the Public Accounts (Enterprises) Committee. May I advise that this meeting is being held in public and is being broadcast live on the Parliament Channel 11 and Radio 105.5 FM, and the Parliament's YouTube Channel, *ParlView*. Viewers and listeners can send their comments related to today's topic via email [parl101@ttparliament.org](mailto:parl101@ttparliament.org), [facebook.com/ttparliament](https://www.facebook.com/ttparliament) and [twitter@ttparliament](https://twitter.com/ttparliament).

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 Youth Training and Employment Partnership Programme for the period 2008 to 2014. The Committee is desirous of hearing the challenges being faced by the key stakeholders at the YTEPP in an attempt to determine some of the possible solutions to these challenges.

The role of our Committee is to help the YTEPP improve its delivery of services in an efficient, effective and economic manner. At this time, I would like to invite my colleagues to introduce themselves before we turn to officials from the Ministry of Finance, the Ministry of Education and the YTEPP team present here today. So may I invite, starting on my extreme right, the member to introduce himself, and then we will proceed.

*Introductions made.*

**Mr. Chairman:** May I invite the members of the Investment Division of the Ministry of Finance to introduce themselves?

*Introductions made.*

**Mr. Chairman:** Thank you. The Ministry of Education at this time.

*Introductions made.*

**Mr. Chairman:** We go on to the team from YTEPP, starting with the Chairman.

*Introductions made.*

**Mr. Chairman:** Thank you and welcome once again to the entire team here at this hearing to address the financials of this very important entity for the period 2008 to 2014. May I, on behalf of this Committee, invite the Chairman of YTEPP to make a brief opening statement? Madam?

**Ms. Best:** Thank you, Mr. Chairman. Good morning to everyone. I thank you on behalf of this six month old board and the members, management and staff of YTEPP for the opportunity to give an account of our stewardship to the people of Trinidad and Tobago. Created over 30 years ago in response to the growing problem of unemployable and unemployed youth, age 16 to 35 years, YTEPP now has the responsibility to provide vocational training throughout Trinidad and

Tobago to persons 15 to 60 years of age. This skill training is augmented by micro-entrepreneurship training and career enhancement.

We at YTEPP believe that education and training are powerful tools necessary to alleviate poverty, improve one's quality of life and help achieve sustainable development. It is against this backdrop that we have themed our 30th Anniversary celebrations and recently concluded stakeholders' forum, Sustainable Skills Development, Pathways for Future Business and Community Success.

Our partnership with Metalex Engineering Limited, Hydrotech and Caribbean Dockyard and Engineering Services Limited have positively impacted the workforce of each of these industries and increased their level of productivity. We have made significant strides within the targeted communities by creating enabling environments for success and entrepreneurship. Such communities include: Mayaro, Moruga, Barrackpore, Enterprise and Laventille. Our overall aim is to develop our nation's human capital to a level where our workers are resilient, multi-skilled and agile. This ability will help them to remain positive and strong in difficult times and adapt readily to changing situations.

Our long-term objectives include: to produce individuals who could easily find employment because they possess a wide range of up-to-date skills; to cooperate and collaborate with industries and employers; to ensure the relevance of our training by addressing training gaps identified by industry; improving our monitoring and evaluation capacity. Our core values include excellence, customer service, team work, ethical conduct and innovation and entrepreneurship. I look forward to today's hearing as, after this exercise, YTEPP can only improve its performance. I thank you.

**Mr. Chairman:** Thank you so very much, Madam Chair. Before I ask the Permanent Secretary to make a few opening remarks, may I enquire of the Chief Executive Officer, could you share with this Committee how long the executive management team has been in place at YTEPP?

**Mr. Forgenie:** This executive management team has been in place for more than 12 years—the composition of this particular team.

**Mr. Chairman:** Thank you so very much. May I now invite the Acting Permanent Secretary to make a few opening remarks at this time?

**Mrs. Baptiste-Simmons:** Thank you, Chairman, and good day to members of the Joint Select Committee. By way of background, I would say that YTEPP is an initiative which was launched in 1988 with the goal of supporting human capital development through market-driven technical education and employability skills training to citizens of Trinidad and Tobago. It was incorporated as a limited liability company under the Companies Act in 1990. The company provides training opportunities for the unemployed, the under-employed, retrenched workers and displaced and incarcerated persons between the ages of 15 and 50 years. It offers a wide array of courses ranging from agriculture to media arts, to the creative industries, construction and manufacturing. The company has a number of centres throughout Trinidad and Tobago and trains on average 7,000 persons annually.

With those few words, Chairman, I will stop here to allow your Committee to take the lead on the discussion. My team and I will be happy to answer any questions.

**Mr. Chairman:** I will now invite the hon. Fitzgerald Hinds to raise a few questions at this time.

**Mr. Hinds:** Thank you very much, Mr. Chairman. Madam Chairman, how long have you been in post?

**Ms. Best:** Five months, Sir.

**Mr. Hinds:** Five months. It is trite that the board has to take responsibility for the company and the management of the company—oversee the management of the company. That is trite. You accept that?

**Ms. Best:** Yes, Sir.

**Mr. Hinds:** Well, it is interesting to note that the management executive team has been in place for 12 years. It means, therefore, that the persons who must answer some searching questions today are here with us.

**Ms. Best:** Yes, they are, Sir.

**Mr. Hinds:** Let me begin by observing, based on an internal audit report—well, let me start off with a compliment. Let me start off with a sincere compliment, very uncharacteristically in Trinidad and Tobago, I might say. I have noticed that you had a Valencia project construction. You remember that, Mr. CEO?

**Mr. Forgenie:** Yes, Sir.

**Mr. Hinds:** And that, from the report in front of us, was completed in July of 2010. Am I correct?

**Mr. Forgenie:** Yes, Sir.

**Mr. Hinds:** And the initial estimated cost was \$1.5 million. Yes?

**Mr. Forgenie:** Yes.

**Mr. Hinds:** And I see you managed to complete that project in July of 2010 at \$1.497 million.

**Mr. Forgenie:** Correct.

**Mr. Hinds:** That is, by Trinidad and Tobago standards, commendable. And you had the Woodford Lodge construction as well.

**Mr. Forgenie:** Yes, Sir.

**Mr. Hinds:** We have noticed from the August 2017 audit report, Appendix IX to the documents you sent to us, that right after the completion of that facility, as you were moving in, you had the very simple task of transposing equipment and stock from the old place to the new place.

**Mr. Forgenie:** Yes.

**Mr. Hinds:** And I saw that the company stumbled horribly upon that, based on the report of the internal audit. At page 14, in particular, of that internal audit report—well, page 15 for precision—

**Mr. Forgenie:** Yes.

**Mr. Hinds:**—a lot went wrong with the disposal of the items that came from one location into the new. Have you observed that?

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

**Mr. Hinds:** And the internal auditor expressed grave concerns about how it was done. Just to put it in a nutshell for those who are listening and for which I seek a response, the internal auditor has found that the procedures that you all embarked on seemed to have been manipulated, twisted, circumvented, in order to favour staff getting access to equipment, not having followed the proper procedure for disposal of State property. That is effectively what this is saying. You read it?

**Mr. Forgenie:** I read it but I disagree, Sir.

**Mr. Hinds:** Tell us why you disagree.

**Mr. Forgenie:** Because I do not think that that is what the report would have indicated.

**Mr. Hinds:** Let me quote for you an element or two of it. On page 15, just from about the second paragraph, the internal auditor is saying, the finding is a statement of fact—dealing with something above.

The untimely satisfaction of requests for documents concerning the donation—meaning donation of items to staff members. Yeah?—was the direct result of the piecemeal manner in which those requests were met. Requests for neither documents concerning the date of the donation nor activity thereafter, were satisfied fully within the time frame cited by the warehouse management. It goes on to say:

The request for authorization was premised on the partly false and unsupported claim the items for disposal remained after previous sale efforts. The procedure requested a genuine attempt at sale and thereafter offers for sale to members of staff.

You with me?

**Mr. Forgenie:** Yes, Sir.

**Mr. Hinds:** These are the findings of the internal auditor. He goes on to say—he or she: Disposal forms for personal care items were created after the last announced sale, contrary to the claim made in the memo. The personal care items were subsequently withheld from the donation because they were expired, yet were not added to the list of items to be destroyed or disposed of. All of that, and more, suggests to me that there was clear manipulation of clearly defined and well-established procedures for disposing of State property that were flouted in order to benefit individual members of staff. What is your reaction to that?

**Mr. Forgenie:** Well, I could only say that as far as we were aware, well, as far as I am aware, the process by which the organization disposes of its assets, and usually it is in terms of things that have become, in some instances, obsolete, is that we have in the past offered it for public sale and in instances when it was not able to be removed through that methodology, we offered it to staff for sale. In terms of the manipulation, I cannot—you know, I do not have evidence of that.

**Mr. Hinds:** The internal auditor found evidence of that. That is not my job. That is not your job. I am putting to you what the internal auditor is reporting to this Parliament that it found. And from the records in front of us, having so identified that to you, you have done nothing about it. Let us proceed to something else while you search your mind for some kind of logical answer to that. I have noticed as well from the documentation in front of us that you have someone within your bosom identified as a “Special User”. You are familiar with that term?

**Mr. Forgenie:** Not in this context.

**Mr. Hinds:** Okay. I understand from the reading of—“Super User”, sorry. You have heard that?

**Mr. Forgenie:** ACH, yes.

**Mr. Hinds:** Yes, good. I must tell you, I would like to know—I have noticed from my reading—from our reading—of these documents, that we found something we had never seen before at the level of this Committee and certainly not me as a parliamentarian. We found that that “Super User”—let me just take you from the top. Yes.

The audit found that a high rate of unresolved, incomplete online payroll payments is suggestive of weakness in procedures and practices geared at settling them.

The audit found as well that the Super User or administrator for the platform through which direct debits are made from the company bank accounts for payroll purposes—and I am now quoting . . . without the intervention of anyone else can take a transaction of up to \$10 million per day, from start to finish.

I will tell you what. Based on my general knowledge and anecdotal understanding of things, not even the Prime Minister of this country, not even the President, not even the Speaker, not the

Chief Justice, the four highest office holders in this country, has that authority without reference to anyone else. Could you tell this Committee the source of that authority, please, in precise and pristine terms, and who is this “Super User”?

**Mr. Forgenie:** The initial problem arose when YTEPP was given responsibility for the processing of OJT stipends. The processing of OJT stipends took the monthly expenditure levels, or release levels, up to, in some instances, over \$5 million. We had not adjusted our system at the time to recognize, as it were, the new approval limits. When it was brought to our attention by the internal auditor, we treated the matter with the board and that was regularized. The “Super User”, in that instance, was the Director of Finance.

**Mr. Hinds:** What was the authority for that? Where did that power emanate from? That is what I would like to know, as a member of this Committee. Where did that power—what is the source of it? Was it from God? Where did it come from?

**Mr. Grant:** Mr. Chairman, when the online banking system was set up with First Citizens Bank, that was how the system was set up, and when the authority issue was highlighted by the internal auditor, it was addressed by the organization and that power was revoked.

**Mr. Chairman:** Could you indicate to this Committee when this matter was highlighted by the internal auditor? And could you also indicate to us what timeframe was allowed for this “Super User” to use that methodology in order to address, as the CEO said, this new assignment that was given to the organization dealing with the payment of OJT stipend? What was the timeframe the “Super User” had before the internal auditor was able to indicate, “Look, you cannot continue along that line”, and that power that was given to the “Super User” was therefore revoked? Could you share with this Committee?

**Mr. Grant:** I believe that the audit finding indicated that that was so in 2015 and within a couple days of that finding, the matter was addressed with First Citizens Bank.

**Mr. Chairman:** 2015?

**Mr. Grant:** Yes, 2015. 2008, sorry.

**Mr. Chairman:** So it was between 2008 to 2015—

**Mr. Grant:** No, 2008 and 2009, within that period.

**Mr. Chairman:** Yes, but when did the internal auditor discover this particular deficiency and highlighted that there was no authority for this, and you immediately revoked that? That was between the period 2008 and 2009?

**Mr. Grant:** That is correct.

**Mr. Chairman:** Could you indicate specifically the period? So we could from January of 2008 it started and it ended in February, March, April, whichever month—in December of 2009, so we will know the timeframe that that person was able to exercise that power?

**Mr. Grant:** We do not have an exact date because the audit information here does not give us exactly—

**Mr. Chairman:** Could you provide that to this Committee in writing—

**Mr. Grant:** Yes, Sir.

**Mr. Chairman:**—so we will know exactly that date? And this immediately brings the point that I wanted to highlight to the fore. Do you have a fraud policy?

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

**Mr. Chairman:** You do? Did you send a copy of that policy to us?

**Mr. Forgenie:** Yes, Sir, a copy was sent.

**Mr. Chairman:** We did request but we did not have sight of it. Would you be kind enough to provide us with that particular document, Sir?

**Mr. Forgenie:** Yes, certainly.

**Mr. Chairman:** Now, I would tell you something. On the documents that you submitted to this Committee, we did ask clearly: Does YTEPP have an internal fraud policy? I do not know if it was a slip. I do not know, meaning that at the material time when you submitted your response, it may have slipped you, because I do not think you would seek to deliberately mislead this Committee. But I can tell you from the information that you supplied, Mr. CEO, when that question was put to you, you categorically stated that the company does not have a fraud policy, although fraud is specifically identified as an offence in your administrative policy manual.

**Mr. Forgenie:** Yes.

**Mr. Chairman:** And you did indicate a draft fraud policy is before the board, to be fair to you.

**Mr. Forgenie:** Yes.

**Mr. Chairman:** But at the material time when you had submitted it, and when this matter occurred between 2008 and 2014 when the “Super User” had this power, we did not have at YTEPP a fraud policy, and what you did have, if I am correct here, is a draft.

**Mr. Forgenie:** If I could address it, Sir.

**Mr. Chairman:** Yes.

**Mr. Forgenie:** We would have supplied our organizational policies of which part of it is a fraud policy.

**Mr. Chairman:** Yes. Could you indicate to this Committee—your draft fraud policy was approved by your board?

**Mr. Forgenie:** No, Sir, not yet.

**Mr. Chairman:** So you have no draft policy. In other words, you have prepared one, you have submitted it to your board. We know that there were some problems in having the board appointed, but the board has now been appointed and there is a board in place.

**Mr. Forgenie:** Yes, Sir.

**10.45 a.m.**

**Mr. Chairman:** But for all material purposes we can all agree that there is no fraud policy at YTEPP as we speak now. There is a draft that has not yet been approved by the new board. Am I correct?

**Mr. Forgenie:** Yes, there is a draft before the board, but there was a policy for fraud in our Operational Policies and Procedures Manual.

**Mr. Chairman:** Was that approved by the board?

**Mr. Forgenie:** Previously it was by previous boards.

**Mr. Chairman:** Previous boards.

**Mr. Forgenie:** But the draft is an update to that which is now before the current board.

**Mrs. Baptiste-Primus:** Thank you kindly, Mr. Chairman. Mr. CEO, one of the documents that was submitted to this Committee is titled “Company Policy”. Yes?

**Mr. Forgenie:** Yes, Ma’am.

**Mrs. Baptiste-Primus:** Within that document on page 300 it reflects fraud and risk management. At the top of page 301, policy No. 17.01, subject “Fraud Policy”; approved by, board of directors.

This document that was sent to this Committee reflects that the board of directors approved a fraud policy, however, I have noted that there is no information, a date of issue, or date revised. Now, this information is not consistent with what you have just shared with this Committee. Could you explain, one, if there was a fraud policy previously approved, when was that fraud policy approved? Because you have given us the impression that what is before this current board—well, I shall await until I have your full attention, Mr. CEO.

**Mr. Forgenie:** Yes, Ma'am. My apologies.

**Mrs. Baptiste-Primus:** It is almost to the end of the document. Almost to the back of the document.

**Mr. Chairman:** Whilst you are searching for this and we are waiting for your response, if you are there for 12 years, as you have claimed, you should know when this policy, as Mrs. Baptiste-Primus is seeking to clarify—because you did submit a document that is completely blank as it relates to where this fraud policy was issued and when was it approved by the board. It is blank. So we are in the dark insofar as this fraud policy is concerned because I am sure you had a real board there with live human beings and they have names, and you must have Minutes in the records that would show when this policy was approved.

**Mr. Forgenie:** Yes, Sir.

**Mr. Chairman:** It appears that you do not have access to that information. Is that for a fact, because for you to be searching and you cannot come up with an answer? Can I ask you to provide the following?

**Mr. Forgenie:** Yes.

**Mr. Chairman:** We would like to get the Minutes of board meeting; the members of the board; the names of the members of the board, of course, would be in those Minutes; and we would like to see when this fraud policy was approved by the board, whenever that was. You said it also done some time ago. There was a board in existence. Please provide the Secretary to our Committee with the relevant information on this matter and the risk management policy as well approved by the board. So both the fraud policy and the risk management policy approved by the board, when, date, the members of the board, the Minutes confirming this fraud policy.

Now, could you share with us, Mr. CEO, since you have been there, in the absence of a proper fraud policy and one that you have said was approved before, are there any instances recorded by your management of fraudulent activities involving the property and assets of YTEPP?

**Mr. Forgenie:** Yes, Sir. There have been two cases I can recall.

**Mr. Chairman:** And could you share with this Committee the nature of those two cases, and whether the required police intervention or you had to refer it to the Fraud Squad?

**Mr. Forgenie:** In the first instance, it was a matter where an employee was given the responsibility for the purchase of some keyboards. They were keyboards for an outdoor Internet unit that we were installing in communities. The keyboard had to be tamper proof and the employee was given the responsibility to assist in procuring it. When the items were procured and the Director of Finance was doing his own reconciliations, we recognized that some of the invoices were altered and as a result of that we had to call in the Fraud Squad. That is the first instance. The second was another—

**Mr. Chairman:** That was what year?

**Mr. Forgenie:** That would have been 2016.

**Mr. Chairman:** 2016?

**Mr. Forgenie:** 2015.

**Mr. Chairman:** 2015?

**Mr. Forgenie:** Yes.

**Mr. Chairman:** What time in 2015 may I ask? What month?

**Mr. Forgenie:** I will have to get—

**Mr. Chairman:** That in writing?

**Mr. Forgenie:** Yes, Sir.

**Mr. Chairman:** Yes, continue with the second instance. How much money was involved in this instance where you discovered the invoices being tampered?

**Mr. Forgenie:** It could have been around \$25,000.

**Mr. Chairman:** Twenty-five thousand. And could you share with us the second instance?

**Mr. Forgenie:** The second instance was when an employee had altered some delivery documents for items which the company had ordered. The items were supposed to be delivered to the warehouse, but instead it was delivered to another location. The sum in that instance was \$3,450. The employee was made to repay, and before the company could take additional action, the employee resigned.

**Mr. Chairman:** Okay. There are several other questions I have for you, but I will ask Mr. Small to come in at this time and then I will allow my colleagues to continue and I will come in afterwards. Mr. Small.

**Mr. Small:** Mr. Chairman, thank you very much. Good morning again to everyone. This hearing again has started off in a direction that concerns me. As I sit on this Committee, Chairman, I believe that we are here—I really looked at the mandate of YTEPP and I believe that the work that YTEPP is chartered to do is important work. I believe that. I looked at the things that are happening in our society now, that we really need to have an entity that is able to catch the youth before they get involved in activities that are negative. So from that standpoint, Mr. Chairman, I am fully behind the objectives that YTEPP should be pursuing. However, I think the issue is not naturally what, it is the how. So, Chairman, if you permit me, I have a couple of follow-up questions on the issues raised earlier, but I will leave those.

I want to start with—I noted that the Chairman in her introductory remarks indicated that the entity has been in existence for 30 years and they are working now on improving their monitoring and evaluation capability. I have noted from your draft strategic plan that one of the first things you are looking to do, objective one, is to establish a quality management system because the company does not have formal mechanisms and procedures to monitor its activities. This is of concern to me. At year 30 this is a number one issue on your strategic plan, and just before I ask my question, here is my other concern.

This hearing covers a period 2008 to 2014—I shudder to think what is happening in the previous years—but in that period you are incorporated as a company so you have a loss after tax accumulated of \$800 million. It is not that we are expecting you to make a profit, but you have a loss after tax of \$800 million. Total revenue from enrolment fees is \$7.5 million, and then when you look at the data you provided to us there seems to be a challenge with your enrolment numbers. They seem to be decreasing over time, yet the cost for running those things seem to

fairly remain the same. So something is not adding up. You should be aware of the economic situation of the country. We should be trying to be as efficient as possible in using state funds.

So my first question is: What is going wrong at YTEPP that you are not able to cogently demonstrate that, yes, we have received X amount of dollars from the State purse to pursue these activities; here is our score card measuring how we have delivered. Because I could not find anything along that line that says, yes, we have received this money and this is what we have delivered. I am not counting persons trained because persons trained is only one element of it, because I note somewhere in your document you talked about you have a placement centre and that has relatively been a failure and it is not mentioned in your strategic plan. So I understand you take people and you train them, and then the placement centre has not seemed to work in the way in which you would like it to work. So something is wrong.

Systemically from my read of all of this information I have just presented, something is wrong, and you as the CEO have been there for 12 years. I would like to understand what have you done to address this? You have been there for a while and you see where we are, and on the data presented, it seems that systems are not working and then your enrolments are collapsing. Something is going awry. Could you help us, Mr. Chairman? Mr. CEO, forgive me.

**Mr. Forgenie:** Certainly. With regard to our draft strategic plan, when we speak about our quality management system we are speaking about improvements in the system. We have a quality management system, we have the infrastructure in terms of training specialists, in terms of technical supervisors. We also have a research unit that looks after monitoring and evaluation of the organisation, but where we are at now as an organisation, it is about increasing the level at which we train. So we are speaking now about doing more level two and level three kind of training, and for that we require to put in a different monitoring and evaluation system to meet the requirements of ACTT. So we have always had monitoring and evaluation, but in the strategic plan it is in terms of where we want to go in the future and what we have to do.

In terms of the statement reflecting a loss of over \$800 million as you would have said, that is the method of accounting that is done. It is call “loss accounting”, I believe. We received money from the State and that is balanced against the expenditures. So it is not where we are a profit generating organisation, but it is a way for accounting for state subventions.

**Mr. Small:** Okay. Mr. CEO, you have been there for 12 years.

**Mr. Forgenie:** Yes, Sir.

**Mr. Small:** And how would you describe the performance of YTEPP in terms of achieving its mandate?

**Mr. Forgenie:** Well, there are several measures that—

**Mr. Small:** Give us the short version.

**Mr. Forgenie:** All right. For example, in previous years we would have had targets established by the Ministry, and based on the meeting of those targets we would have submitted a report. For the years 2013, 2014, for example, the organization was successful in meeting 86 per cent of its targets in 2013, and 95 per cent of its targets in 2014.

**Mr. Small:** You have provided that to us to this Committee here?

**Mr. Forgenie:** No I did not, but I can provide it, Sir.

**Mr. Small:** Yes, we would like to get it. Let me stop you there because I want to be deliberate. When I look at your submissions from the period 2008 to 2014, there has been a 50 per cent reduction in enrolments.

**Mr. Forgenie:** Yes.

**Mr. Small:** You presided over that entire period.

**Mr. Forgenie:** Yes.

**Mr. Small:** So that I would think that after one year, after two years, after three years, someone will say, “Hey, something is going wrong here. Let us try to see if we can arrest this”. However, the decline is precipitous. A 50 per cent reduction, while at the same time the costs for training have remained the same, or if not they have increased. So I am not in the mechanics of how you do that, but if you have 50 per cent less intake, is it that you have a fixed cost for training that you just cannot get away from?

**Mr. Forgenie:** No, Sir. The data that you have is absolutely correct, but the information that you have, we may not have provided all the information. So, for example, in the period 2008 to 2011, YTEPP at that time was doing two cycles during a year. So we had two six-month cycles and that was because we were doing mostly the NEC certification. In 2011, we were advised by the Ministry that we should do more CVQ type courses. NEC courses are 240 hours, CVQ courses range from 300 to 500 hours or as long as 10 months. Therefore, the organization’s intake, given the fact that we were increasing our CVQ numbers, would have accounted for that fall.

There was a direct relation as well in terms of the organization’s funding with regard to the number of trainees that we have in the system. YTEPP, for example, in terms of our expenditure in 2008, around 2011, our cost per trainee would have been significant because of the amount of stipends that we had to pay. Stipend payments were 30 per cent of what our subventions were. Over the last year, we have actually implemented measures that have resulted in the reduction our expenditure by \$40.5 million between 2014 and 2017.

**Mr. Small:** Okay. Well, I just want to say that on the numbers presented here, you have a 50 per cent reduction enrolment, your training providers’ cost, if anything has increased, at least under the period under review that we have in front of us here, and from where I sit, I understand what you are saying, but perhaps you can prepare something for this Committee to help us understand how you had a 50 per cent reduction in the numbers, but the training provider cost either held or had a small increase. So perhaps there may be intricacies inside of there that you can provide in writing to this Committee to help us understand that.

**Mr. Forgenie:** Sure.

**Mr. Small:** And before I leave the floor, Chairman I only have a few questions today, but I want to go back to something introduced by member Hinds who had to leave us. This internal audit report, Mr. CEO, you received this report?

**Mr. Forgenie:** Yes, Sir.

**Mr. Small:** What action did you take?

**Mr. Forgenie:** In all the instances, we would have taken, I would say appropriate action to close the majority of gaps.

**Mr. Small:** Okay. Because the internal audit report here is very, very significant and perhaps because I have a little experience in this area. When an auditor says that, or suggests in very plain

language, that the system is being manipulated—it does not say that in these words here. Here is what the:

Quantities being advertised for the donation were not on the list—

So that you have 10 items for donation, but on the list for the donation you have five. So the question is whether those items actually existed in the first place, or, is it that somebody is holding back items to do other things with? That is what the internal auditor is saying. The internal auditor is very polite. He or she would not make those adverse inferences. I have a little more leeway. Forgive me.

Thirteen of the delivery notes prepared for items were not signed by the recipients.

So you have delivery notes saying that X person received things, but nobody signed it, half of them. So again, it is either the item actually existed, or it did not. So that if I am the CEO, it is suggesting to me there is a clear—the findings of the auditor are shocking.

This required immediate action to treat with this as a serious issue that is clear on the face of it, that the system of donation, or whatever you all do with these items, is being manipulated to suit particular purposes. There can be no other inference being drawn here. So I was surprised at your relatively bland response earlier because I respectfully disagree. If you are sitting as the CEO and you have this 19-page document—and then inside of the document it is interesting. The people in charge of the warehousing function are disagreeing in writing with the auditor’s findings. That is impossible. The internal auditor is telling them you are doing it wrong, and they are saying, “No, we are doing it right”. You as the CEO should be able to say, “Hey, wow, the auditor is here as a check and balance in the management system of the company”. If the auditor flags something, you cannot, every time—and it is interesting. I read it and I am like something is wrong. So Mr. CEO, again, I am giving the opportunity. Did you properly read this document?

**Mr. Forgenie:** Yes, Sir, I did.

**Mr. Small:** Were you mortified, shocked, anything about these results?

**Mr. Forgenie:** In some instances, they were concerning.

**Mr. Small:** And what action did you take?

**Mr. Forgenie:** In terms of our system for accounting for items at the warehouse, we have actually improved the system of recording and reporting. We have brought in a consultant to assist us in terms of classifying, tagging, and also in terms of introducing barcoding for the items at the warehouse. Some of the challenges that we have with regard to the warehouse are some of the things that are there, are there since 1988 when the organization started.

**Mr. Small:** Mr. CEO, I want to stop you. I would ask that the actions that you have taken to deal with the findings of the auditor, could you provide that to this Committee in writing?

**Mr. Forgenie:** Sure.

**Mr. Small:** So that, I am trying to save time. Mr. Chairman, permit me just one follow-up. I have one last question in this round. This has to do with the “Super User”, and again I listened intently to your responses and I am not—I know that the period would have been some time ago, but I want to understand and this Committee would like to understand, how this happened in the first place, in writing, but I listened to your response. One of your responses earlier was that part of the challenge was because you had to pay OJTs and it increased the pressure on your system, and according to what you stated earlier, it was about by \$5 million a month extra. Am I correct in my recollection?

**Mr. Forgenie:** One minute, Sir. I am just clarifying the number.

**Mr. Small:** I am very clear about what you said, but I just want you to verify what you told me. I take very good notes.

**Mr. Forgenie:** Yes.

**Mr. Small:** When you spoke earlier to it on the question from Minister Hinds, your response was—

**Mr. Forgenie:** The Director of Finance said it was about \$8 million.

**Mr. Small:** Eight million. Eight million a month?

**Mr. Forgenie:** Yes.

**Mr. Small:** So your challenge is there are \$8 million a month more to pay. Correct?

**Mr. Forgenie:** Yes.

**Mr. Small:** Why is it then that you have a “Super User” needing the ability to spend \$10 million per day? So I accept what you are saying it is \$8 million a month, why is it that you needed a “Super User” to have the ability to spend or authorize—because the “Super User” I understand, it is somebody in the administrative system, the accountant, who can transfer money from your account to other parties’ accounts electronically?

**Mr. Forgenie:** Yes.

**Mr. Small:** Right, we understand that. But why should that person have the authority to move \$10 million per day of taxpayers’ money when the total increase in terms of what the money you are moving is \$8 million a month?

**Mr. Forgenie:** Well, the \$10 million would have been including YTEPP’s usual stipend and salary payments. The thing is that when it says per day, it is not something that was done every day. It may have been done once during the month in order to satisfy stipend and salary commitment.

**Mr. Small:** So I hear you and I would like for you to provide to this Committee, in writing, how this happened. So that there must have been a decision somewhere at some level in the entity that, “Hey, we have this responsibility, we need to”, and somebody came up with this proposal for the “Super User” and I am sure it would have been approved at some level in the company. We would just like to understand the genesis of how this occurred, and I would pause here, Mr. Chairman.

**Mr. Chairman:** Before I ask Mrs. Jennifer Baptiste to come on, Madam Chair of YTEPP, there is a strategic plan that is outstanding before your board even though it is six months old. The company apparently has not been guided in its day-to-day activities on the basis of a road map. The plan is in a purely draft form. It is dated 2016—2020. Could you advise this Committee when this plan will be approved so it can be operationalized?

**Ms. Best:** That is an agenda item for our board meeting. We have a board meeting as early as tomorrow, and that is the first item that we are going to address.

**Mr. Chairman:** So therefore, given circumstances and events that have been unfolding, that report might be dated, obviously because it is 2016—2020. So maybe we need a new plan that will take into account not only the period 2018 to maybe 2021, or thereabout, but I guess the plan would have to be updated to reflect the reality. Do you agree with me?

**Ms. Best:** Yes, Sir. We have decided to look at this draft and address it and adjust it accordingly.

**Mr. Chairman:** Could you also share with us when would the Parliament be receiving the audited financial accounts, balance sheets and other statements, financial statements, from the YTEPP Company for the period 2015, 2016 and 2017?

**Ms. Best:** I will ask the Director of Finance.

**Mr. Grant:** Mr. Chairman, the audited financial statements for the period 2015–17 were already sent to the Ministry of Finance. We are waiting on the Ministry of Finance to schedule AGMs so that they can be presented to Parliament.

**Mr. Chairman:** I also mentioned 2016 and '20—are those three reports before the Ministry of Finance?

**Mr. Grant:** That is right. Yes, Sir.

**Mr. Chairman:** And you are just awaiting Annual General Meeting to be scheduled—

**Mr. Grant:** That is right. Yes, Sir.

**Mr. Chairman:**—so that you can approve and have it forwarded to the relevant authorities including us?

**Mr. Grant:** That is correct, Sir.

**Mr. Chairman:** All right. I just want to ask the Investments Division here, you have heard—  
[*Interruption*] Yes, yes.

**Mrs. Baptiste-Primus:** Thank you kindly, Mr. Chairman. Just as an addendum to Sen. David Small, Mr. CEO, you did indicate with regard to the processing of OJT stipends, that—well, you varied it from \$5 million to \$8 million. My question is how many trainees were on the programme at the time that generated a stipend payroll of \$8 million? If you are unable to answer that question at this point in time, I would request that that information be conveyed to this Committee in writing.

**Mr. Forgenie:** I can do both, Ma'am. It was about 10,000 trainees on the OJT payroll at that time and we can also follow-up with the specifics in writing.

**Mrs. Baptiste-Primus:** Okay. Mr. Chairman, through you, I would like to continue the discussion with the Chief Executive Officer because I noted Madam Chair indicated that this board is of recent vintage and, therefore, since your tenure with the board spans 12 years, we appreciate you being here to answer some of these questions, and I want as an addendum to what the Chairman stated. I looked at the draft strategic plan 2016—2020. Before I proceed, could you explain to us, conceptually, what message the board is attempting to convey to its stakeholders with a picture of a cruise ship? That is the first thing you see when you open your draft strategic point plan, a cruise ship. What is the message? I was trying to determine what is the correlation between a cruise ship and the YTEPP Company? Could you help us?

**Mr. Forgenie:** The idea behind using a vessel of that sort—

**Mrs. Baptiste-Primus:** No, it is a cruise ship.

**Mr. Forgenie:** Right—was to signify the change from the old vessel that we had to a newer vessel. It was just a matter of symbolism.

**Mrs. Baptiste-Primus:** Well, may I share with you that that certainly is not the message that I received when I opened it. My first intention is, this board going on a joyride? Because a cruise ship is a vessel and I will use your terminology, where people go to have a good time.

**11.15a.m.**

I myself love to cruise. My husband and I love to cruise. So cruising, a cruise ship, indicates enjoyment. May I suggest, Madam Chair, that you and your board do some surgery on this draft strategic plan, starting from this symbolism that is there?

Having said that, I would like to enquire, this draft strategic plan, very good idea; some very good plans within it. For the period 2016 to 2020, why is it still in draft? Why has the previous board not approved this plan?

**Mr. Forgenie:** The organization did not have a functioning board from 2015 until this current board.

**Mrs. Baptiste-Primus:** So when was this draft plan developed? Because if it says 2016 to 2020, one would want to intelligently assume that it was crafted prior to 2016.

**Mr. Forgenie:** Yes, it was crafted during 2016. The organization, again recognizing that we had to basically steer the organization to set a new direction, we engaged in the development of a strategic plan and we did it in the hope that we would have gotten a board at that time to approve it. It did not make sense to us to wait until we had a board in order to do a strategic plan.

**Mrs. Baptiste-Primus:** All right. And may I further enquire, the vision as outlined in this document, has it been implemented?

**Mr. Forgenie:** We have started to do that, and we started with our institute of cosmetology which is a regional center of excellence as we have now. We actually have six students from St. Vincent and the Grenadines who are participating in that programme now.

**Mrs. Baptiste-Primus:** So that in the absence of a board, the executive management team proceeded to implement the draft strategic plan. May I enquire whether or not the executive management team got the approval of the Ministry of Education?

**Mr. Forgenie:** No, we did not. But that aspect of the plan was a follow-on from the previous plan, with the establishment of the Woodford Lodge Campus.

**Mrs. Baptiste-Primus:** Mr. CEO, there is no board in place. There is the executive management team. If the executive management team is implementing any aspect of a draft strategic plan, one would assume that the executive management team is aware of the need to obtain approval from the Ministry of Education.

So, I would like to pause. Mr. Chairman, through you, I would like to pause and ask Mrs. Lenore Baptiste-Simmons, who is the Acting Permanent Secretary, is the Ministry aware of what has been said here?

**Mrs. Baptiste-Simmons:** Through you, Chair, yes Mrs. Baptiste-Primus, the Ministry is, to the extent that the Ministry would have been funding, it would have been ongoing. Most of our projects, through the PSIP, would be ongoing. So that the Woodford Lodge is that the Ministry would have been providing funds up to—I am trying to remember the year we would have provided funds.

**Mr. Forgenie:** Until 2016.

**Mrs. Baptiste-Simmons:** 2016. So the Ministry would have been aware because it would have been part of the Public Sector Investment Programme.

**Mrs. Baptiste-Primus:** So the Ministry is aware of the existence of the draft strategic plan?

**Mrs. Baptiste-Simmons:** As PS, I became aware of it when we were receiving all of the documents, I would be honest with you, when we received the documents earlier in the year.

**Mrs. Baptiste-Primus:** So this would have been before your time also?

**Mrs. Baptiste-Simmons:** Yes. But I knew about Woodford Lodge because again it is on the public sector investment project, in terms of funding for the programme.

**Mrs. Baptiste-Primus:** Chairman, Mr. CEO, you indicated earlier that there was—you agreed with Sen. Small that there was a 50 per cent reduction in enrolment.

**Mr. Forgenie:** Yes.

**Mrs. Baptiste-Primus:** With that 50 per cent reduction in enrolment, I was looking at your Appendix III organizational structure and observed that the staffing on the approved organizational chart is 289 persons, but the actual bodies on staff is approximately 246. Is that correct?

**Mr. Forgenie:** Yes, Ma'am, it is correct.

**Mrs. Baptiste-Primus:** In 2018, 246 persons?

**Mr. Forgenie:** Yes, Ma'am.

**Mrs. Baptiste-Primus:** If your enrolment was reduced by 50 per cent, should that not have impacted on your workforce population?

**Mr. Forgenie:** It would have impacted on our part-time staff mostly, who are our instructors for the programmes. Because we would have reduced the programmes, you would have found that part-time instructors, centre managers and in some instances technical supervisors, the request, in terms of the numbers, would have been reduced.

In terms of our administrative staff, when we were faced with the situation, we were told that we should try our best to operate with what we have and that we should not move or look at reducing staff numbers.

**Mrs. Baptiste-Primus:** In preparing your draft strategic plan, have you all engaged in any needs analysis of the company?

**Mr. Forgenie:** We are undertaking that. We are continuing to improve on that. Because our situation—

**Mrs. Baptiste-Primus:** No, have you all conducted a needs analysis of the company?

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

**Mrs. Baptiste-Primus:** Okay. How long was that?

**Mr. Forgenie:** That would have been done in 2017.

**Mrs. Baptiste-Primus:** And what was the outcome of the needs analysis?

**Mr. Forgenie:** The outcome was that there were several positions that we needed to fill, especially in the areas of senior research officer, monitoring and evaluation specialist, and a couple other areas that we felt that were critical.

**Mr. Chairman:** Could you supply us with a copy of that report, the needs analysis report?

**Mr. Forgenie:** Yes, sure.

**Mrs. Baptiste-Primus:** Okay. I noted earlier your information sharing, you indicated that the Ministry of Education normally sets targets for the company and one of the targets set was related to the CVQ courses.

**Mr. Forgenie:** Yes.

**Mrs. Baptiste-Primus:** Within that context, is there collaboration between YTEPP and NTA, in terms of attaining synergies?

**Mr. Forgenie:** Yes, there is collaboration. There are regular meetings and YTEPP is an approved centre for conducting the CVQ as certified by the NTA.

**Mrs. Baptiste-Primus:** I would pause there because I know my colleague, Dr. Dolly would have a few questions on that. Mr. Chairman, just permit me one final area.

I am looking at your summary of audit issues, 2008 to 2014. On page 1 of five, review of employee transaction history, the comment is “Inadequate”. And under "Particulars" the acts in question were of two broad types. One, failing to bring to account funds advanced to the employee. In reading this, it signalled to me to ask the question: What kind of funds are advanced to employees of the company, and in what context?

**Mr. Forgenie:** This was the matter I would have mentioned earlier, where we were developing what we call public access learning systems and we needed a particular kind of keyboard out of China and the employee was provided with the funding in order to procure it. It was an issue that we had, in terms of we did have a sky—[*CEO confers with Mr. Grant*] Sorry, this is the issue. My apologies. This is the issue with the employee who would have received partial delivery of items at a location other than the warehouse.

**Mrs. Baptiste-Primus:** So is it that the company does not advance, give salary advances or loans to the employees?

**Mr. Forgenie:** No, we do give salary advances and loans to employees.

**Mrs. Baptiste-Primus:** Could you advise this committee under what conditions do you advance salary advances to the employees and loans in particular and the authority to do so?

**Mr. Forgenie:** The company does give loans to employees and usually it is for educational purposes. And the authority given is in our Memorandum of Association, in terms of it giving the company the ability to advance sums not required immediately at or without interest.

**Mrs. Baptiste-Primus:** I will accept responsibility for my inability to communicate properly. What I queried was the authority. Is it a board authority to grant loans to employees? If it is a board authority, when was such board authority obtained and what is the limit? What is the ceiling, the upper and lower?

**Mr. Forgenie:** Again, that is part of our old policies. It was approved by the board. And the authority given to the board was in terms of our Memorandum and Articles of Association. The limit placed is \$10,000. The loans are to be repaid within—usually the loans are for educational purposes. And they are to be repaid during the duration of the course for which the moneys would have been advanced. The moneys are usually paid directly to the institution and not to the employee. And usually these advances attract between 8 and 10 per cent.

**Mr. Chairman:** Could you provide this Committee with a copy of those approvals, as they relate to board policy?

**Mr. Forgenie:** Yes.

**Mr. Chairman:** You said that the board approved it. We want to get the Minutes of that decision. And you talked about the company's memorandum of understanding. We would like to find out from your if you can provide this Committee with the relevant documentation, including the Minutes of the board meeting that granted permission to YTEPP management to advance. I have never heard about it. That is unique, where you advance salaries and that you also provide loans. May I enquire, through the Chairman, who is the new Chairman of this board, would you agree that something like this would require the Minister's approval? Because this is policy that even though it is within the Articles of Incorporation, based on what we have been told, we have to examine that. Would you not agree that the State Enterprises Performance Manual require approval of the Minister of Finance and Corporation Sole when you are going to advance salaries

to employees, one? As well as to grant them access to loans? Would you not agree that that requires the Minister of Finance approval, ultimately before the board can effect such measures?

**Ms. Best:** Yes, Sir. But I am reading the Memorandum of Association at Article 69 that says:

To lend money and negotiate loans and to invest and deal with the money of the company not immediately required upon securities and in such investments or in such manner as may from time to time be determined.

**Mr. Chairman:** That has nothing to do with staff loans. What you are reading there is completely different to what we are speaking about. There is no connection between what you have read and giving advancement in salaries and loans to staff. They are talking about loans, in terms of going outside to negotiate a loan with a bank. I am not interpreting that from the perspective.

But in any event, I want to get from the Investments Division whether that is some arrangement that is acceptable, or would it require the approval of Corporation Sole? Can a company, on its own, proceed? Let us assume it is in their Articles of Incorporation. Even if it is there, can we get from you, that is, the Investments Division, Ministry of Finance, whether any company can proceed to, one, provide staff with advance salaries and two, provide staff with loans? Would that not require some intervention, some approval, some guidance from the Minister of Finance in his capacity as Corporation Sole, with responsibility for this state enterprise called YTEPP? Can someone, Ms. Sookoo, would you be kind enough or someone from that investment team guide us on this?

**Ms. Sookoo:** Presently, our manual is not very specific to having a policy. What the manual says is that the board is responsible for ensuring that the companies have all their policies in place to make sure that the business of the company is carried on in a very transparent manner. But with respect to the actual approving of the loan, that would not come to the Ministry of Finance for approval.

**Mr. Chairman:** So the board can prepare a policy to grant salary advances to its employees, prepare a policy on advancing loans, and the Ministry of Finance, Investments Division, is none the wiser and you have literally no role? That is what you are telling the country?

**Ms. Sookoo:** Well, the policy does not come to the Ministry of Finance for approval. What we guide you is that the board is responsible to make sure that there is adequate policy in place to ensure that the business is conducted in a transparent manner.

**Mr. Chairman:** But is this a practice? Are you aware of this practice in other state enterprises? And what is the role of the Ministry of Finance, Investments Division, as it relates to that kind of policy?

**Ms. Sookoo:** Okay. So, in reviewing the report that the company would send to us, if the Ministry of Finance picks up any issue to that type of activity, then we will communicate with the company to find out what is the policy and look into it at that time.

**Mr. Chairman:** But this has been going on for years, according to the CEO. So, has not the Ministry been able to pick up that, based on reports that have been submitted to them, the Investments Division?

**Ms. Sookoo:** Based on the reports that we would have been getting, I am not aware that we—

**Mr. Chairman:** Could you supply this Committee in writing, Investments Division, this matter? This is a serious matter. We would like to get from the Ministry of Finance, Investments Division, a statement to our Secretariat as it relates to reports that would have been submitted by YTEPP

to the Ministry of Finance, Investments Division, on this whole question about granting to their staff advances in salaries, as well as loans. Please provide us with some appreciation of your policy, based on the submission of reports. Because you must have erected a red flag. And I am sure that the CEO would have submitted to the Ministry of Finance the appropriate documentation as it relates to policy on salary advancement and loans. So you will have to supply us with some responses to this particular question.

May I ask the Ministry of Education? Because you are responsible for this issue as well, because this is taxpayers' money and we would like to know what is the response of the Ministry of Education to this development? One, salary advances, are you aware of these developments? Two, are you aware that the company can advance loans to their staff at a simple rate of interest? What is the knowledge of the Ministry of Education on these two matters?

**Mrs. Baptiste-Simmons:** Mr. Chair, we would have reviewed the document and we would have raised the issue with YTEPP and we would have written to YTEPP and asked YTEPP with respect to clarification with respect to the facility, how it operates and under what circumstances the loans and advances were being made. We are yet to receive their response. I think it was two weeks ago we went through the documents. We would have written approximately two weeks ago requesting clarification on this, Ministry of Education.

**Mr. Chairman:** You are yet to receive any response?

**Mrs. Baptiste-Simmons:** Yes, we are yet to receive a response.

**Mr. Chairman:** I know that you are new to this post, but you would agree with me that, based on what the CEO has said, this has been going on for several years?

**Mrs. Baptiste-Simmons:** Yes. Having read through the documents and we looked it and we noted they even had receivables, aged receivables. We looked at it and we had some concerns from the end of the Ministry of Education and we needed clarification. Right? So some concerns were raised and we have been asking for clarification. Right. For that one, a letter would have been advanced to YTEPP.

**Mr. Chairman:** CEO of YTEPP, you have been written to.

**Mr. Forgenie:** We have not received any correspondence.

**Mr. Chairman:** You have not received any correspondence.

**Mr. Forgenie:** We have not received any correspondence with that request.

**Mr. Chairman:** With that request.

**Mrs. Baptiste-Simmons:** Mr. Chairman, may I ask the director who had direct responsibility who would have written the letter to respond. Thank you.

**Ms. Bickram:** Thank you, Chair. This is a matter we picked up when we got the Minutes of the board meeting. We flagged it and we have written to YTEPP for clarification as well on the authority and we are awaiting a response. If YTEPP has not seen it, we could send another copy. But we did send out a letter.

**Mr. Chairman:** Listen, we will have to come back to the Investments Division and the Ministry of Education. But something appears to be a bit wrong. Something is not reading right on this matter. But we will come back to that in a short while.

I want to invite Mrs. Gadsby-Dolly to take off from where I am leaving off at this time.

**Dr. Gadsby-Dolly:** Thank you so much, Chairman, for the opportunity. I want to look a little bit at the core mandate of YTEPP. I am looking at your responses with the primary responsibility of

providing vocational skills training. So I just want to ask a couple questions based on that. If I can ask someone to give me just a very brief one-liner with regard to the training programme. Because being around for 30 years, one might believe that everyone knows everything there is to know about YTEPP. However, you may be surprised to know or you may not be surprised to know that there are people who would be looking at this programme and wondering what exactly does YTEPP do for trainees? So I just want a one-liner telling me what is the training programme? What does it comprise?

**Ms. Gloudon:** Good day, Mr. Chairman. The training programme comprises of different elements. We have the vocational training aspect of the programme, which is the core part of the programme. We have the career enhancement which gives the trainee life skills. You cannot do a programme in YTEPP of vocational skills without pursuing life skills. And then we have the micro entrepreneurship element of the programme.

In terms of the vocational skills, we do skills training at centres part-time and daytime largely using the resources of the Ministry of Education. We work in tandem/together to run that aspect of the programme. We have that—

**Dr. Gadsby-Dolly:** May I just interrupt to focus?

**Ms. Gloudon:** Sure.

**Dr. Gadsby-Dolly:** What is the largest complement of trainees? Where are they involved?

**Ms. Gloudon:** The largest complement of trainees are under the youth training and the largest complement of trainees are mainly part-time persons between the ages of 16 to 35.

**Dr. Gadsby-Dolly:** Okay, so that is your biggest core?

**Ms. Gloudon:** That is our biggest part. We also train in communities and we also have a training provider arrangement under the retraining programme. We also train in the prisons of Trinidad and Tobago, YTC, men's prison, women's prisons and we also have an industry-based programme where we work at the work site of industry, whether it is ship repair, fabricating, et cetera.

**Dr. Gadsby-Dolly:** All right. I want to ask the question: How many tutors do you have registered with you?

**Ms. Gloudon:** It varies from cycle to cycle but I think presently—*[Interruption]*

**Dr. Gadsby-Dolly:** How many cycles do you have per year?

**Ms. Gloudon:** We used to have two cycles per. Because with the NEC we were able to run it back to back. With the implementation of the CVQ what we have, we have some NEC courses and we have a growing amount of CVQ courses. So the CVQ courses—*[Interruption]*

**Dr. Gadsby-Dolly:** What is your major offering?

**Ms. Gloudon:** We offer, we have about 11 occupational areas.

**Dr. Gadsby-Dolly:** No, in terms of NEC and CVQ, the ratio, what is the major offering?

**Ms. Gloudon:** Our major offering is the NEC.

**Dr. Gadsby-Dolly:** The NEC, at this point.

**Ms. Gloudon:** Probably in youth training. But when you combine retraining and youth training, the whole of YTEPP, it is relatively the NEC is a little larger than the CVQ.

**Dr. Gadsby-Dolly:** So how long do the courses run for?

**Ms. Gloudon:** Okay, the NEC depends on how you—*[Interruption]*

**Dr. Gadsby-Dolly:** Give us an average.

**Ms. Gloudon:** It is 240 contact hours. Depending on where it is run, six to seven months.

**Dr. Gadsby-Dolly:** Six to seven months? And the CVQ?

**Ms. Gloudon:** The CVQ varies, depending on the skill. You can have a skill like welding that is 480 hours and you could have another skill that is 300 and something hours. So it just depends on the skill.

**Dr. Gadsby-Dolly:** So therefore, with that type of timing you have one cycle per year?

**Ms. Gloudon:** Yes, we conduct one cycle per year.

**Dr. Gadsby-Dolly:** One cycle per year. So how many tutors do you have in your present cycle?

**Ms. Gloudon:** Present, okay we have 419 tutors.

**Dr. Gadsby-Dolly:** Four hundred and?

**Ms. Gloudon:** Four hundred and nineteen part-time persons. It includes tutors, centre managers and technical supervisors.

**Dr. Gadsby-Dolly:** Okay. So at the level of the tutor, who supervises or provides oversight for the tutors?

**Ms. Gloudon:** Okay, administratively it is a centre manager if it is at a centre. If it is in a community, administratively it is a project coordinator. But technically, you have technical supervisors that deal with the delivery that the tutor has to do. So it is two-tier.

**Dr. Gadsby-Dolly:** What is the ratio of your technical supervisor to your tutors?

**Ms. Gloudon:** Again, it depends on the skill. You can have a technical supervisor with 12 tutors. You can have a technical supervisor with 15. Sometimes you can have one with six. It depends on the skill.

**Dr. Gadsby-Dolly:** And what exactly is the role of the technical supervisor?

**Ms. Gloudon:** The role of the technical supervisor is to ensure that the programme is being delivered technically sound. The technical supervisor also works with the curriculum department to develop curricular and to give us any sort of technical advice we need moving forward with courses or anything technical to do.

**Dr. Gadsby-Dolly:** Are those full-time persons with YTEPP?

**Ms. Gloudon:** No, they are part-time people, largely working on evenings, but some can do work during the day as well.

**Dr. Gadsby-Dolly:** What informs that ratio that varies between six and 12 and 15?

**Ms. Gloudon:** Okay, it depends on the course areas. Course areas like, for instance, welding and culinary arts are very popular courses so it is densely populated. So within, let us say, the East-West Corridor, you may need two technical supervisors for welding because you have very large amount of courses. Something like agriculture, for instance, you may get less persons interested in agriculture. So while you would still want that technical person to probably have 10 to 12 tutors, you may just have seven agricultural courses.

**Dr. Gadsby-Dolly:** Is there any type of model or benchmark you are following other than simply the number of classes?

**11.45 a.m.**

**Ms. Gloudon:** No, besides that we have a cut off amount. Generally, we try to have about eight classes under a technical supervisor.

**Dr. Gadsby-Dolly:** And where is that figure coming from?

**Ms. Gloudon:** Well, we look at what the person can manage effectively, and in terms of the CVQ, we have internal verifiers which are the same technical supervisors. So they are just called different things but they are both technical supervision.

**Dr. Gadsby-Dolly:** So what does managed effectively mean?

**Ms. Gloudon:** That you have—you are working part time between certain hours that you have enough time during that period, within your contract, to give the proper attention to going to classes. We have, for instance, you have to go to a class at least, the minimum of twice—

**Dr. Gadsby-Dolly:** For the?

**Ms. Gloudon:**—per month, a technical supervisor, a minimum of twice per month. You have a certain amount of upgrade and training to do with your tutors. So doing that balance, we were able to determine what is a reasonable amount of classes for someone to perform efficiently?

Also, sometimes we have technical supervisors, who might have to go to Tobago. So in our career enhancement and micro-entrepreneurship, we have technical supervisors in Tobago, but sometimes you have to share the vocational skills with—

**Dr. Gadsby-Dolly:** All right, so let me segue into this issue of providing the training and the professional development for the tutors. What does the technical supervisor do in that regard?

**Ms. Gloudon:** You mean day-to-day going to classes?

**Dr. Gadsby-Dolly:** No, you said that they have to—a part of their supervisory role, is to look at the upgrade of the tutors and so on and make sure the tutors are well skilled to be able to provide the courses. What exactly, in terms of professional development, is offered to tutors?

**Ms. Gloudon:** First of all, when a technical supervisor goes to classes there is a form called “clinical supervision”. So with the feedback we get from their clinical supervision, which is documented, they would realize where people may be falling short. So, for instances, if we observe we have a few people who have problems or we do not think they are up to mark with using the knife in culinary arts, or if they have problems with class management, they would advised management. But other than that—

**Dr. Gadsby-Dolly:** So, let me ask this. So on a regular basis the technical supervisors would check to ensure that the tutors are delivering at the level they should be?

**Ms. Gloudon:** Yes.

**Dr. Gadsby-Dolly:** And when it is discovered that a tutor or a group of tutors is not delivering at that level, what is done?

**Ms. Gloudon:** Well, we do training. We do train a lot of training—

**Dr. Gadsby-Dolly:** So there is tutor training?

**Ms. Gloudon:** Very much so. A lot of training.

**Dr. Gadsby-Dolly:** So for this year, and this cycle that is ongoing, how many sessions of tutor training have been—?

**Ms. Gloudon:** Oh a lot. I have to find the document. I would say, we did at least—I have a document here, I am looking for it. But I would say we did at least 12 or 13 workshops for the cycle, and we do not have only have workshops—

**Dr. Gadsby-Dolly:** With how many tutors involved?

**Ms. Gloudon:** All the tutors for the pre-cycle workshops, they all have to come as a prerequisite as being placed on the programme and then the other workshops. I would say we would have trained the amount of tutors we have, we would have trained that amount of persons.

**Dr. Gadsby-Dolly:** Four hundred and so—something tutors.

**Ms. Gloudon:** Yes, they would all be trained.

**Dr. Gadsby-Dolly:** But if that training is coming out of tutors not being up to the requisite mark?

**Ms. Gloudon:** No. That was okay, I was going to explain before—

**Dr. Gadsby-Dolly:** What I am focusing on really is the level of your tutors? So what I heard from you is that you have trained your 400 and something tutors. And this is not the pre-cycle training this is in response to technical supervisors identifying issues with the level of skill?

**Ms. Gloudon:** No.

**Dr. Gadsby-Dolly:** And if that is not what you are saying then that is what I am asking. So could you answer that question? What happens when a technical supervisor discovers that a tutor is not up to mark and specifically in this cycle, what has been done to address that as an example of what you do and how many tutors have you had to do that with?

**Ms. Gloudon:** Okay, when we recognize through the technical supervisor that somebody is falling short in an area, there is mentoring and coaching that goes on. So, for instance, a technical supervisor may decide to go to that particular class a little more than the other classes. We do coaching, we do mentoring and the technical supervisors themselves are—beside the big workshops we have, they may pull in tutors on a Saturday and do some training with them.

**Dr. Gadsby-Dolly:** So, what level of that type of remedial activity has had to take place, using this cycle as an example?

**Ms. Gloudon:** Okay, this cycle, I do not have the figures before me. But, I would say we may have had about—it is hard to give a figure. I mean, I have the—I do not have access to the information right now. But I would say maybe about 15 persons we may have had to have training with. But, what I am trying to get across is that this monitoring and—it is ongoing, it is continuous. That is why they visit the classes.

**Dr. Gadsby-Dolly:** But what I am trying to determine is the level of tutor ability. That is what I am asking, and that is why I am asking this and what type of support and training—this at the end of the day, we are here because the YTEPP provides a service. The question really is what type of service is being provided and what are the structures in place to ensure that quality training is being offered? So that is why I am asking these questions to determine what is going on there? What is the ratio of tutors to students? And what is that based on?

**Ms. Gloudon:** We do a maximum of 18 per class and a minimum of 12 per class.

**Dr. Gadsby-Dolly:** And what is that based on?

**Ms. Gloudon:** The 18 is that that is the amount of—well, for vocational skills training, 18 is the amount we think that the tutor can manage properly ensuring that all the trainees get the benefit of what is being delivered. The reason—

**Dr. Gadsby-Dolly:** Is there any benchmark you are using other than what you think? That is what I am asking.

**Ms. Gloudon:** This is a worldwide benchmark. In fact, in some cases people say 15. When we interact with Vancouver Island University, for instance, they recommend that we use 15.

**Dr. Gadsby-Dolly:** Okay, so that is the benchmark you are using? And in some cases it is a little less, some cases a little bit more?

**Ms. Gloudon:** And why it is less sometimes, because some courses may be more specialized, and you have less persons coming for that class. But it is needed in the country, but also sometimes the lab you have could comfortably accommodate 12 so then you would not push it to

**Dr. Gadsby-Dolly:** What kind of analysis is done with regard to the training, the results of the training and so. What type of analysis is done every year to inform the next year's cycle?

**Ms. Gloudon:** Okay. During the cycle the monitoring and evaluation that we do, we have persons from the curriculum department who visit classes to do clinical supervision, we have technical supervisors, we have training specialists, and based on the feedback, because as I said we use documentation. Based on that feedback, we would decide what training we would do. Also, if you have certain types of incidents, because we document incidents very well, things that happen in the cycle, you may recognize that certain tutors, although they are good at their skill they may have a class management problem or challenge. So then we would do some of that training.

In addition to that, there are new methods that come up, there are changes with the NEC, there are changes with the CVQ that they let us know before changes in the curricula, et cetera, and so we would plan the training ahead of time so that the tutors would be able to cope.

**Dr. Gadsby-Dolly:** Your pool of technical supervisors have they been with the organization for a long time?

**Ms. Gloudon:** You have some that have been there for a long time. We have those who have reached a certain age and have left. But we have new persons coming in now. But most of them have been there for a while.

**Dr. Gadsby-Dolly:** And what—do you think that having them around for a long time, maybe it would be good for institutional stability and that type of thing. How does that impact on new methods, new skills, now training that can be available.

**Ms. Gloudon:** Well, we do the upgrade even of the technical supervisors. So, for instance, we had a chef come in two cycles ago and their training with technical supervisors and tutors to upgrade their skills in the industry. So we also do training for our technical supervisors.

**Dr. Gadsby-Dolly:** And how do new people get into that pool of technical supervisors?

**Ms. Gloudon:** Well, you have to—we advertise on social media, we advertise in the newspaper, and people would apply and—

**Dr. Gadsby-Dolly:** Are they successful in applying if the pool you have, you have had for a while? Is it that people are not applying in areas that are needed? Or is it that people apply but the same ones are still chosen?

**Ms. Gloudon:** We do not interview every cycle for new technical supervisors if that is what you are asking.

**Dr. Gadsby-Dolly:** How often do you advertise for a new pool of people? Or for people to join your pool.

**Ms. Gloudon:** We do that as needed. So for instance, we may part company with someone because of—maybe any array of issues, then we would have to replace that person. Sometimes we do on a different course, sometimes we expand in another area. And then you—

**Dr. Gadsby-Dolly:** So, if I am understanding you correctly, you advertise only when a technical supervisor who is already in the system is not able to perform duties?

**Ms. Gloudon:** Or if you need new technical supervisors because of the expansion of the programme in different areas or, et cetera. We do not put out ads and advertise for all our positions every cycle.

**Dr. Gadsby-Dolly:** Something like a technical supervisor position, if someone is there for one cycle, two cycles and they are desirous of staying. What you are saying is that position is not advertised?

**Ms. Gloudon:** No, it is not. Because we have invested in that person, we have trained that person in all the new technology, everything as it comes about and if they are performing competently, we would bring them on for another cycle. Of course, there is a break between the cycles of training.

**Dr. Gadsby-Dolly:** I want to suggest that I—while I understand the importance of institutional knowledge and retention, I want to suggest that that practice may be cutting people out of the opportunity to even be able to get in on that kind of service, if they are not even asked to serve. So it means that if somebody is in there, they are in there almost for life as long as they want to stay and I do not think that that is something that the company should really be encouraging. Even if it is advertised every two years or so, I think there must be room to give other people a chance to be able to have the opportunity to serve in these areas.

And it also allows a fresh pool of people to come in, not necessarily all at the same time but it allows freshness of ideas and so on to be able to come into the institution. In an institution that is 30 years old, you may have some people who would have been there for many, many years and that is not something I think that, one, is good industrial practice and two, even for the quality that you get in your organization, I do not think that that practice really lends to the quality that you want in an organization. I am just saying that off the record.

For my last Chair, I know I have been here for a while but I just want to indicate that your latest internal audit report which is Appendix VII has identified a number of forms and sheets that are a part of your training process that have not and are not being used. So that is your student tracking sheet on page 5, that is your quota sheet, your treatment sheet and it also indicates that there are not being used, in some instances not being used properly and in some cases no written guidance is available for the use of these important tracking sheets, which would help you to and speak to the quality of the trainee that you put out.

So I want to suggest that and I am seeing that in some cases the management has responded saying that they have looked at it and they will implement it. This is the latest report and after 30 years, it surprised me that there was no written guidance on some of these things and these are the important things. Because they speak to the trainee quality, they speak to how your trainees have turned out. So I just want as I end, to advocate, Chair, that these things are done with alacrity to ensure that the standard of the trainee and also there is adequate guidance for the tutors that may come in. And hopefully some new tutors might get a chance and technical supervisors in the near future to be able to be a part of the organization and they will benefit from written procedures. Thank you, Chairman.

**Ms. Gloudon:** May I add something to that. That particular audit speaks to one project that we recently started with new processes and the auditor worked together with that department and a lot of clarification was given on that. So that refers not to the general programme overall, but a

programme at Institute of Cosmetology that we recently started with new processes that we got from Canada.

**Mrs. Scoon-Moses:** It was the pilot year.

**Ms. Gloudon:** It was the pilot project.

**Mr. Chairman:** All right, I recognize Mr. David Small.

**Mr. Small:** Thank you very much, Chairman. I want to go back to one of my earlier questions and I want to refer to your response to a question regarding allocation of funds; how you evaluated the use of funds for the company. Over the period under review the cost of your operations is \$754 million. In your response, in terms of how did you evaluate that, you indicated one it is tracer studies; two, number of business status per year; and three, the number of beneficiaries. But you put no data—you just identified the bullet points and there are no numbers.

Because the reason why we are here, this is the Public Accounts (Enterprises) Committee. You have been entrusted with state funds to pursuit a particular mandate and your response here is not a response. You just put three bullets and number of business start-ups that is how you measure it. But you do not say “Okay, over the period 2008 to 2014, this is how we have measured per year how many business start-ups per year.” Number of beneficiaries, you conducted tracer studies and to identify whether or not the programme has achieved its objectives and you this is my concern. That money, \$754 million over the period is not a small amount and there should be some quantifiable measure as to how this money has generated benefits to Trinidad and Tobago, and based on your response I am not getting it. And this Committee is just—we are not saying it is not there. But you have not told us, so I am asking you Mr. CEO, could you help us you have been here throughout this entire period under review. Could you help us in terms of what should really this response be?

*[Mr. Forgenie peruses documents]*

Well, I see you are struggling, Mr. CEO.

**Mr. Forgenie:** No, I am just waiting on—because we would have done—

**Mr. Small:** But tell us and you can provide details for us in writing. But tell us, \$754 million would have been spent in a period 2008 to 2014. You would have been the CEO for that entire period, and in terms of the—being able to say, to tell this Committee, to tell the citizens who are listening or are viewing, that YTEPP has taken this money and yes we have delivered value to the taxpayers of Trinidad and Tobago, through by the achievement of one, two, three. I think after twelve years you should be able to tell us that.

**Mr. Forgenie:** Could we provide the information later on?

**Mr. Small:** And I—Mr. Chairman, I will allow the CEO to—because I sense this is my struggle with my listening today. And permit me to go back, Mr. Chairman. I as a citizen of Trinidad and Tobago, I am not blessed to be working in a place where I get interest free loans. So I am not blessed as a citizen of Trinidad and Tobago to be working in an entity, where I can apply for a loan and get a loan without going through—I have authority and responsibility in another part of this building for a particular committee and this is a modus of operation of several state entities where you earn no revenue—well, in fact you earn \$7.5 million over the period you spent 700—so it is 1 per cent, you have earned 1 per cent of your expenditure or less.

The ability of somebody in the company to say listen we are being funded completely from taxpayers’ dollars. Taxpayers’ dollars are being taken from the tax purse and given to us to use to

achieve a mandate, if that part of that mandate involves giving loans to staff members, I respectfully disagree. It does not mean that it is—and I understand what is happening. People have found a way to justify it. But I think morally and ethically, somebody has to say “‘Whoa’ this is not something we should be doing with taxpayers’ money”. And that is my view. I have the ability to share my view. You can do as you do.

What really concerns me is that the Ministry of Finance, Investments Division’s response was not a response that helps with understanding why this is happening. I have a huge difficulty with that because I am sure if you ask any taxpayer on the street now: “Where do you work? Can you go to your employer or your supervisor, ‘I need \$10,000 to do a study programme, give it to me for free and no interest or manageable interest.’” that is not something that is available to the citizens of this country. And so something is—so clearly the employees of YTEPP are special. I am not against the employees, I am against about people who are in charge of a system and have process and resources, and are making decisions, taking decisions, taking position without probably circling back and understanding the environment that we are in.

Mr. Chairman, I have one other series of questions I want to ask and it is along the same lines. I looked at your organizational structure—document you submitted, it is Appendix III. I looked at the—what you have compared here as the staff and the approved chart and the staff complement and then you have a column called “Variance”. I am confused because 12 of the positions on the staff that you have indicated that are on the complement are not identified on the approved chart. So, you have, you are saying that you have them on staff, they are working for you, but they are not on the approved structure. I am not sure how that is possible. And then, what is even more surprising, five of these positions do not even exist on the structure at all.

So you have a situation where you have positions on the structure and you are approved to have four, but you have five. Okay, so you needed an extra one of this person, but you did not—it is not approved. But at least the position is approved in the structure. But out of those 12, you have five positions—persons holding positions that do not exist on the structure at all? So, I am trying to understand how this could happen? Under what authority could the management, the board, whomsoever made the decision to have people in positions that are not on the approved structure? Could you help us with that?

**Mr. Forgenie:** Those positions are positions that came about because the organization felt it was necessary to do certain things. Those persons would have been persons who were already in the organization. So, for example, we had a training centre manager who we transferred to, what we call our in-house training and development department when we recognized that the organization needed to provide training support internally. So you will see that as petard, it is not on the approved structure, but it is somebody who was in the organization that we re-purposed to do another function because we had some surplus staff in the organization at the time. And that was one example. So the person—

**Mr. Small:** Mr. CEO, I want to stop you, because I respectfully submit to you that you do not have the authority to do that. I respectfully submit to you that you cannot as the CEO sit with an approved structure and because it is felt that you have surplus resources that you reapply them. I respectfully submit to you that you have no such authority. Okay, unless of course, you get a board and a Ministry approval. I am clear about the—what is contained in the performance monitoring manual. I suppose you have a copy. I have an electronic copy with me, and it is very clear about

anything to do with the changes in the establishment requires an approval from the Ministry of Finance. It is very clear.

So that if, and I understand in your operational world, you are thinking that we have a spare resource but if are in an entity and you have a resource that is surplus to your requirements then there are other things you can do. But you cannot sit there and say, well we will—and then the whole question of what are you paying this person? What was the approval for the terms and conditions? Several things fall out of that. And I respectfully submit to you that you have no such authority, because my understanding of the public service monitoring manual anything to do with changes in the organizational structure and, of course, any attendant issues with compensation require an approval from the Ministry of Finance.

So that—I mean, I look at some of the positions that did not exist. Phish Coordinator, no forgive me, Phish Technician and Project Officer for which there was no position on the structure. I do not know how, what you would have done for the terms and conditions for a Phish Technician and I am not demeaning the person. I am thinking through the process that you sit as CEO, somebody was doing a job somewhere else and you decide that this person might be the best person to be the Phish Technician. How do you arrive at that? I would like your response, because I want to understand: one, did you receive approval from the board? Did you seek the Ministry of Finance's approval? Did you speak to your line Ministry about this? I would like to understand.

**Mr. Forgenie:** No we did not speak to the line Ministry about those positions again we felt that seeing—

**Mr. Small:** You see that word you use, I want to stop you. You as the CEO cannot do things because you felt. You are the Chief Executive Officer of a state enterprise. You are charged with using taxpayers' moneys. You do not have the ability to do things because you felt it was right. You do not have that ability. You have the ability to say we have taxpayers' money and there is a process that must be followed for us to do something.

So I understand what you are saying, but you keep saying that word and it rings in my ear. You have no ability as the CEO to do things because you felt it was right. You have the ability to say we think we may have to re-purpose an employee, let us write to the line Ministry, the Permanent Secretary, Madam Permanent Secretary, this is what we would like to do and I am sure the PS would give you a response. Okay, I am sharing with you.

**Mr. Forgenie:** All right.

**Mr. Small:** So, the Chairman I am sure will recommend some actions about that because this is not on, this is not on 'yeah'.

Mr. Chairman, I am not complete with my employee issues. Mr. Chairman, bear with me Mr. Chairman. Because the whole issue of loans which was dealt with and you claim that you have—I have my own view on it. But I looked at a document you submitted and you indicated that the loans are a maximum of \$10,000. Am I correct?

**Mr. Forgenie:** Yes.

**Mr. Small:** Because I see one person is owing on your submission here, over \$20,000. I do not want to call the person's name. This is not what this Committee is about. But, on page 2 of the submission that I have here, you have one employee who is currently owing \$20,365. How is that? How did we get there?

**Mr. Forgenie:** We do not have the information in front of us at this moment.

**Mr. Small:** This is in your document. Appendix XIII. This is your document.

**Mr. Forgenie:** That is an employee who had received an overpayment of salary. When the organization had processed backpay, the individual received an overpayment and the company is working to recover it.

**Mr. Small:** The company is working to recover an overpayment of \$20,000. Over what period are you trying to recover this?

**Mr. Forgenie:** Since 2013.

**Mr. Small:** And that person is still working with the company?

**Mr. Forgenie:** Yes.

**Mr. Small:** And you have not been able to recover \$20,000 of taxpayers' money from 2013 to 2018? This is what—I want to be correct in what you are telling the Committee. So for five years you have not been able to recover \$20,000 from an employee. It was an overpayment, and I would think that a good employer there is an overpayment, you would say, "Listen let us give you a few months to make up", rather than to take away all the person's salary. But I think 60 months is a long time. It is a long time.

So we would like, through the Chair, to request a report on this because something has completely gone wrong, completely gone awry. This is taxpayers' money. And this is something that should be in the front of your frontal lobe every day, in the environment that we are in where the Government is constrained for funds. This is taxpayers' money. So someone has received a loan effectively from the company, and you cannot figure out how to collect it back. That is not on, and you are the CEO. You should be in charge and the Director of Finance is well aware. So I do not want to call persons names because that is not what this Committee is about. But we are here to understand what is really going on.

I have one more staff issue, Mr. Chairman, please permit me, Chairman. You have on your listing here a document called "Staff benefits". I note quite expansive list of persons who receive transport allowances and cell phone allowances down to—I mean, again, I suppose you will claim that you have the authority to do it. But these are things that I look at and I am seeing projects assistants, purchasing assistants, project drivers with cell phone allowance. I could probably even understand drivers, you need to touch base with the drivers. But you have an expansive list of 67 people getting transport allowances and 82 persons getting cell phone allowances. I—something is awry here. Eighty-two persons are one-third of your staff receive a cell phone allowance. I think in any Ministry or Department, you have Ministers of Government here they will tell that it is nowhere near the number in their Ministries. But you have a State enterprise you are managing taxpayers' money, one-third of your staff, give or take a dozen or so, receive cell phone allowances. I cannot fathom that one in every three persons in your staff needs a cell phone allowance. I cannot see it.

Similarly, transport allowance, one-quarter. So that, Mr. CEO, you have been presiding over this. This has been existing and I hope that, Madam Chair, the new Chairman, will look at these. I am imploring you on behalf of this Committee to look at this and to sharpen the pencil. Someone has to sharpen the pencil and say "Listen, you know this maybe an abuse of a facility". That is what it suggests to me. There is no Ministry that I am aware of that has one-third of its staff getting a cell allowance or a transport or one-quarter getting a—of course, there are many people who get both.

So, you have a special case for YTEPP where staff get loans for whatever purposes, education or otherwise, and then they get all sorts of allowances, all on the backs of the taxpayer. And then when I ask what? How can you demonstrate to this Committee, to the members of the public who are looking at us, you spent \$754 million over this period, what did you achieve in granular terms? You have to give it to me in writing, and you have been there for 12 years. So let us just say I am disappointed. I am disappointed and I am concerned, and on that note, Mr. Chairman, I know we are running on time, we have another meeting today, but I will stop there. I will file my other questions in writing.

**12.15 p.m.**

**Mr. Chairman:** CEO of YTEPP, Chairman, Investments Division representatives, Ministry of Education, what we are witnessing based on our examination and our exchanges are quite unique, but I would not say unique to the extent that it has not occurred in other state entities, enterprises, but what I would say is this. I think that the CEO, Madam Chair, of YTEPP, your good self should become immediately acquainted with the state performance, State Enterprises, I should say, Performance Monitoring Manual.

I think that YTEPP through its CEO and its top management and most of all, at the level of the CEO, clearly is in breach of several provisions. There is a policy on cellphones in the state enterprises performance manual. There is a policy on transport allowances and it does not apply to staff. So if you have a quarter of your staff receiving cellphone allowances and a third of your staff receiving transport allowances, that is not permissible under the state performance manual on state enterprises.

So, it appears to me that YTEPP is doing its own thing and is doing it in breach of the guidelines established by the Ministry of Finance. So it seems to me, Mr. CEO that you will have to consider rolling back a lot of things, you know, because a lot of things are done in breach of the guidelines. I serve notice on your company and your management team that you are in breach of several provisions of the state enterprises performance management manual.

The second area I would want to bring to your attention is this. It is astonishing that you would lend people money who are members of staff. They have refused to pay back. You have refused to collect, from what I am seeing. They are still working there receiving moneys every month, yet still they owe the company and you have done nothing about it. You know where this is heading Mr. CEO and Madam Chairman?—to the state limitation Act, where after a certain number of years, and you have indicated that in your submission, you are going to write-off these loans. The people are not dead, they are living, they are receiving moneys, they work with the company and you are going to write-off these debts. That is unacceptable, indefensible. Something is wrong at YTEPP. We are seeing in a report before us where state, staff rather, receivables as at the 31st of December, 2017, amount to \$62,000. We are seeing where accountable advances amount to \$58,687. I am wondering if these accountable advances is salaries. Mr. CEO, is this salaries?

**Mr. Forgenie:** No. No, Sir.

**Mr. Chairman:** What is this accountable advances?

**Mr. Grant:** Mr. Chairman, these are moneys that we would have given to staff members to incur expenses on behalf of the company. For instance, in the culinary arts area it is difficult for us, for the purchasing department to go and acquire culinary items because of the perishable nature. So

we will in fact give staff members an advance so that when the consumables are required they will go and purchase the items for the training classes.

**Mr. Chairman:** Something is wrong with YTEPP, you know. I think you all have lost your—you know, I would not want to say it is madness but it seems to be bordering along that line. I get the impression Mr. CEO and Madam Chair that YTEPP does not have a proper procurement policy. And what I am being told here, and we are being told, is that on several occasions, including the keyboard, you rely on staff integrity and honesty and trust, you extend to purchase material. That is not done in a modern enterprise. There is a procurement policy and you do not do these things that you are doing at YTEPP. And you know what is more serious, Madam Chair, whilst all these shenanigans seem to be taking place, your mandate to train and retrain citizens of this country, young people who are crying out for a chance, we are seeing where every year the numbers are decreasing.

So in 2016 you had 3,728 persons being trained, but by 2017, it has been reduced to 2,164 and in 2018, it is around 2,542. So we are decreasing, in some instances decreasing by a few hundred as it relates to youth training and retraining. So we have to check ourselves. Something is wrong with YTEPP and we have the responsibility at the Parliament to really enquire and investigate what is going on in that company.

As I said, now is 12.23 p.m. We will decide among ourselves at the end of this meeting if we will recall you, that is the YTEPP, the Ministry of Education and the Ministry of Finance. But for the time being I will ask the hon. Minister, Jennifer Baptiste-Primus, to ask the final question in this round before we can bring the proceedings to a close because there is a sitting of the House of Representatives in a short while. Mrs. Baptiste-Primus.

**Mrs. Baptiste-Primus:** Thank you kindly, Mr. Chairman. Madam Chairman, I am quite sure having sat here and occupying a bird's eye view, you must be very unsettled by now. This Committee, we are very concerned. Madam Chair, you have a lot of cleaning up to do at YTEPP. You have to be courageous and be very focused. And that is all I would say on that issue.

Mr. CEO, could you advise who are the officers who approve these staff loans, who approved these loans in the company?

**Mr. Forgenie:** The process would have been the director of finance and myself.

**Mrs. Baptiste-Primus:** And is there a criteria against which these loans are granted?

**Mr. Forgenie:** The criteria would usually be where the individual has no previous loans outstanding.

**Mrs. Baptiste-Primus:** No, I asked, is there a criteria that is used?

**Mr. Forgenie:** Once the loans are for educational purposes, we would usually—

**Mrs. Baptiste-Primus:** So that is the only criteria that is required. Once it is for educational purpose.

**Mr. Forgenie:** That and once the course of study relates to their job and once the amounts could be paid back during the duration of the period of training. Usually the period of training is for a year.

**Mrs. Baptiste-Primus:** Are these loans applicable, are all members of staff able to access these loans?

**Mr. Forgenie:** Yes, Ma'am. All members of staff.

**Mrs. Baptiste-Primus:** How long has this arrangement been in place?

**Mr. Forgenie:** Probably for the last 20 years.

**Mrs. Baptiste-Primus:** For the last 20 years. And you have been there for the last 12 years?

**Mr. Forgenie:** Yes, Ma'am.

**Mrs. Baptiste-Primus:** Mr. CEO, your responses to this Committee are very unacceptable. It is amazing that you are presiding over a company that loans to staff, grants loans to staff. You have first lien on their salaries and you have taken absolutely no steps to recover these moneys owed. That certainly does not reflect well on your management capabilities as the CEO.

Madam Chair, I would strongly advise you ensure that immediate steps are taken to ensure that those staff members who benefited by way of these staff loans that those loans are recovered once they are still employed with the organization. Mr. Chairman, I just want to ask a question. Under Appendix 9, August 2017 audit report, through you, Mr. Chairman, I would like to ask Mr. Leonard Nimblett, are you the author of this document?

**Mr. Nimblett:** Yes, I am the author.

**Mrs. Baptiste-Primus:** Mr. Chairman, I want to seize the opportunity to commend Mr. Nimblett for the kind of courageous attempts he has made in ensuring that proper procedures are followed within the company. But it would appear that Mr. Nimblett has been literally bouncing his head against the proverbial wall. Apparently no one is listening to him. I would like to ask, I would want to indicate on page 17 of this report, it is very worrying, the entire report, Mr. Chairman, is a worrisome report, but on page 17 of the report, what is stated here with regard to staff benefiting from items that have been deemed to be no longer salvageable. What is stated here is that without notifying staff on the whole that items remain from the donation, the release of items to certain employees continued after April 25, 2017, thereby putting at risk fair access to donation. But what is of utmost concern is this, Mr. Chairman: Six employees benefited from the continuation, four of whom worked at the very warehouse.

How do you respond to that Mr. CEO? And what have you done to implement the recommendations made by your internal auditor? I mean, if all companies had internal auditors like your internal auditor, you are supposed to be operating, you know, within proper governance standards.

**Mr. Forgenie:** Usually when we receive the report from the internal auditor, we gave it consideration and we move towards closing the gap. Since that time what we have done is we have stopped the sale of items to staff. We have begun a process or we continue the process of categorizing and cataloging items and we have moved to the way of having public auction or public sale of the items on hand.

**Mrs. Baptiste-Primus:** And have you taken step to reduce your warehousing space as recommended?

**Mr. Forgenie:** We have, some items are unable to be moved and they have to be disposed of. Some of the items are from 1988, from World Bank days.

**Mrs. Baptiste-Primus:** Chairman, there is so much more—I recommend we will have to call back YTEPP.

**Mr. Chairman:** May I bring, as I am about to bring the proceedings to a close, Mr. CEO, there is an arresting story, I think, written by a gentleman back in America, maybe a century or two ago, maybe a century ago. It is about a fella called, "Rip Van Winkle". That is a chap who went in the mountains and he slept for 20 years and all kinds of activities were taking place around him and

he was not aware of it. It appears to me that YTEPP, like “Rip Van Winkle”, seems to have been sleeping and you are still sleeping on the job. I would want to ask you Chairman to please awake YTEPP because we will. We are not happy with what we are seeing, what we have been reading, what we have been digesting at YTEPP. So I serve notice that you may have to return here, but the Committee will decide that.

In closing, I would ask you if you would like to make any brief—seeing that you would have to come back at any rate, it is now 12.31 p.m. I would ask you to reserve your comments for your second round. But on behalf of the Committee, I would like to thank the Investments Division, I would like to thank officials from the Ministry and I want to tell the Ministry of Education as well, please do your job. I want to ask the Investments Division to please do your job in overseeing this organization. I want to thank you members of the Ministry of Finance, Investments Division, and also members of the Ministry of Education for being here with us. I want to thank members of the public, members of the media for following these proceedings and we look forward to a possible resumption very shortly of this YTEPP team so that we can continue our enquiry. With these few words, I would like to suspend these proceedings and to thank you very much for being here.

**12.32 p.m.** *Meeting adjourned.*

**VERBATIM NOTES OF THE THIRTY-FIRST MEETING OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE HELD IN THE ARNOLD THOMASOS (EAST) MEETING ROOM, LEVEL 9, (in camera), AND THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR, (IN PUBLIC), OFFICE OF THE PARLIAMENT, TOWER D, THE PORT OF SPAIN INTERNATIONAL WATERFRONT CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON WEDNESDAY, JULY 04, 2018 AT 10.11 A.M.**

**PRESENT**

Mr. Wade Mark           Chairman  
Mrs. Jennifer Baptiste-Primus Member  
Mr. Fitzgerald Hinds   Member  
Mr. David Small         Member  
Mr. Foster Cummings   Member  
Ms. Keiba Jacob         Secretary  
Ms. Hema Bhagaloo     Assistant Secretary  
Ms. Melanie Chin        Research Assistant

**ABSENT**

Dr. Tim Gopeesingh    Member  
Dr. Nyan Gadsby-Dolly   Member  
Mrs. Cherrie-Ann Crichlow-Cockburn Member

**Mr. Chairman:** Good morning and welcome to all. Let me welcome officials from the Ministry of Finance - Investments Division, the officials from the Ministry of Education, the Youth Training and Employment Partnership Programme (YTEPP) and, of course, members of the media and members of the public. My name is Wade Mark and I am the Chairman of the PA(E)C. May I advise the following? This 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 *ParlView*. Viewers and listeners can send their comments related to today's topic via email [parl101@tpparliament.org](mailto:parl101@tpparliament.org), [facebook.com/tpparliament](https://www.facebook.com/tpparliament), [twitter@tpparliament](https://twitter.com/tpparliament).

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 Youth Training and Employment Partnership Programme (YTEPP) Limited for the period 2008—2014. The Committee is desirous of hearing the challenges being faced by the key stakeholders at the YTEPP in an attempt to determine some of the possible solution or solutions to these challenges. The role of the Committee is to help—may I repeat, to help the YTEPP improve its delivery of services in an efficient, effective and economic manner. At this time, I would like to ask officials of the Ministry of Finance - Investments Division to introduce themselves, followed by Ministry of Education and the YTEPP team in that order. Ministry of Finance.

*[Introductions made]*

**Mr. Chairman:** Thank you very much to all of you. May I ask members of our Committee to introduce themselves, and I will start with my colleague on my immediate right.

*[Introductions made]*

**Mr. Chairman:** Thank you very much, members. At this time I will invite the Chairman of the YTEPP to make brief opening remarks. Madam Chair?

**Ms. Best:** Thank you, Chairman. Just to say that on the last occasion when I made my opening remarks I stated that the performance of YTEPP could only improve after these hearings. I am pleased to say that since then we have started to work to strengthen all the weaknesses identified and I hope that all our written answers have met with your satisfaction, and if you would allow me, I will pass on to my CEO, if that is all right with you.

**Mr. Chairman:** All right. Well, before you pass on to your CEO, I would like to invite the Permanent Secretary, Acting, to make a few opening remarks.

**Mr. Meyer:** Mr. Chair, members, on behalf of the Ministry of Education, thank you for this opportunity to answer questions. After the last session we have reviewed some of our internal processes, and the Ministry of Education has embarked upon a process to review exactly how we look at the governance of not only YTEPP, but all the other agencies under our charge. Thank you.

**Mr. Chairman:** We will ask the CEO to participate during the exchanges that we are going to have in a short while. So thank you at this time. May I once again welcome everyone to this meeting of the Public Accounts (Enterprises) Committee, and I would like to begin by recognizing the fact that the matters that we raised at the last meeting and which required written responses, we did receive those written responses and I want to compliment the team for responding in the way that they have to the request of our Committee. So thank you very much, Madam Chair, and to the CEO as well.

I would like to begin by asking the CEO, when we last met you did bring to our attention, or it was brought to our attention, that a number of persons in the employment of YTEPP were in receipt of several loans, we did not know medical was part of it until you submitted your written response. So we have medical loans, we have study loans I understand, and there is as third category, salary, where they get advances. Could you tell us since we last met what action has been taken to address this breach of the manual that governs state enterprises? Mr. CEO, can you brief this Committee?

**Mr. Forgenie:** With regard to—Sorry, morning again everyone. With regard to the situation involving loans to employers, the organization reviewed its processes as well as reviewed the number of loans that were outstanding to ascertain whether or not there were any loans that were not being paid, and if there were, to make recommendations for change. In terms of the performance monitoring manual, the performance monitoring manual provides information and guidance with regard to government policy, and YTEPP is always guided by government's policy especially circulars coming out from the Ministry of Finance.

However, in areas where the policy is silent, YTEPP utilizes its Memorandum and Articles of Association which was provided to it by Corporation Sole and has outlined 10 areas under section 94 which has asked the organization to seek permission for and those include areas on investment in projects over \$1 million, creating any debt in excess of \$1 million; any long-term debt more than three years; dissolution or sale, or transfer, or mortgage; merger or consolidation; capital assets; approval for capital operation budgets; establishment of reserves and amounts; and negotiating any foreign loans. Outside of that, the company's memorandum and articles provide for the ability for the company to provide loans in certain circumstances. The company has an education policy as well as policies that govern loans, and those policies came forward between the period of 1990 and 1988 when the organization was governed by the World Bank.

**Mr. Chairman:** So you are advising this Committee—in the absence of any clearly outlined rules under the state manual on enterprises or the state enterprises performance manual, you are saying where those things are absent you are going to revert and refer to your Memorandum and Articles of Incorporation?

**Mr. Forgenie:** Yes.

**Mr. Chairman:** That is what you are advising us?

**Mr. Forgenie:** Yes, Sir.

**Mr. Chairman:** Okay. Well, we are advising you that you cannot do that. Where things are silent, you seek your line Minister's approval. You submit a document seeking approval of the line Ministry for whatever measures you would like to effect in addressing those issues that you would like to deal with. Remember, YTEPP receives allocations from the Parliament on a yearly basis, and those allocations are released through the Ministry of Education at this time because it was under the Ministry in the period 2008—2014. So my advice to you is that that practice that you have executed you need to revisit, and we will so recommend to the Parliament and you when we are submitting our findings and recommendations.

I also would want to ask as well, you did provide to us, the last period we met, the terms and conditions; transport allowance was one of them; and cellular phone allowance. We received correspondence from you indicating that the CPO had in fact approved a number of positions, along with certain terms and conditions. We did not have sight, however, of the letter that was issued by the CPO to that effect. Do you have a copy of that letter; and if you do, can you circulate that to this Committee?

**Mr. Forgenie:** What we do have, Chairman, is a copy from the Ministry of Tertiary Education and Skills Training which accompanied the document which we sent.

**Mr. Chairman:** No, no, no, no. I think I spoke very clearly, and I said that if the CPO has approved terms and conditions for certain categories which you have attached to a letter by the Permanent Secretary, Ministry of Science, Technology and Tertiary Education. I want to indicate to you the final sentence in that letter dated the 10<sup>th</sup> of January, 2013, says, and I read:

Finally, you are reminded that the prior approval of the ministerial committee responsible for monitoring remuneration arrangements in the public sector is to be sought and obtained before instituting new compensation arrangements.

Could you advise this Committee if you sought, and whether you obtained the approval of the ministerial committee on this matter?

**Mr. Forgenie:** I cannot recall if we wrote directly following that letter from the Ministry.

**Mr. Chairman:** So you have a letter, Mr. CEO, dated the 10<sup>th</sup> of January and it is as the former Prime Minister used to say, pellucidly clear in the final paragraph and final sentence, before you, as CEO, can embark on instituting new remuneration arrangements, you must—I emphasize, must—obtain the approval of the ministerial committee, of which the CPO is Secretariat to, before you can move forward and you have to obtain that approval, and you are saying that you cannot recall. It is either you did or you did not, because you were there for 12 years. So could you advise this Committee whether you actually sought or you did not seek the approval of the ministerial committee?

**Mr. Forgenie:** The organization would have submitted documentation through the Ministry of Tertiary Education and Skills Training to be sent to the Chief Personnel Officer. The organization

never had direct relations with the CPO's office, but always worked through the line Ministry with regard to matters of compensation.

**Mr. Chairman:** I recognize Mrs. Baptiste-Primus and then Mr. Hinds, and then I will come back.

**Mrs. Baptiste-Primus:** Thank you kindly, Mr. Chairman. Mr. Chairman, it is normal—Mr. CEO in reference to the statement that you just made to this Committee, you have advised that you did not receive along with this letter that came from the then Ministry of Tertiary Education and Skills Training dated January the 10<sup>th</sup>, 2013, on the behalf of Permanent Secretary, titled, “Revised remuneration arrangements to be applicable to month paid positions that Youth Training and Employment Partnership Programme”. You are saying that with this document, you did not receive a copy of the letter that the CPO would have sent to the then Ministry?

**Mr. Forgenie:** That is correct, Ma'am.

**Mrs. Baptiste-Primus:** So if that is so, Mr. Chairman, through you, I would like to ask Mr. Kurt Meyer, who is the Acting Permanent Secretary, would the Ministry be in a position to produce a copy of the CPO's authorization for these terms and conditions?

**Mr. Meyer:** We will check the files and see if we have a copy of that document.

**Mrs. Baptiste-Primus:** Mr. Chairman, through you again, I would like to ask the Permanent Secretary to provide this Committee with a copy of the authorization from the Chief Personnel Officer. It is normal when these revised remunerations are being sent out that a copy of the CPO letter is also attached. Similarly, if positions have been sent to PMCD, once PMCD approves certain positions, they will instruct the Ministry that when the document is being sent to Cabinet that their document must be attached, and there is a reason for doing that, that it is proof of the authenticity of the information being placed before Cabinet. So that we will await the certification from the Ministry that these are valid directions or approvals from the Chief Personnel Officer.

**Mr. Chairman:** And Mr. Meyer, may I ask, having regard to the 2008 to 2014 financial statements, and having regard to what you have just heard from Mr. Forgenie, CEO, you cannot recall or would you be able to recall at this time whether the Ministry of Education would have any recollection of this matter?

**Mr. Meyer:** At that time YTEPP would have fallen under science and technology. As I said, we will have to peruse our files and see if the documents—the document should be there. When the realignment was done we should have gotten the documents. So we would have to check the file.

**Mrs. Baptiste-Primus:** Or revert to the Chief Personnel Officer herself.

**Mr. Meyer:** That would probably be the simplest task, but we should get the document once it exists.

**Mr. Chairman:** I recognize Mr. Hinds.

**Mr. Hinds:** Thank you very much, Mr. Chair. My issue is a little more fundamental, and to some extent procedural. Mr. Forgenie, this letter to which reference was made a moment ago was submitted by you in answer to our request for further information for today. Is that correct?

**Mr. Forgenie:** That is correct.

**Mr. Hinds:** You would have overseen the presentation or the contents of the documents coming to us. Am I correct?

**Mr. Forgenie:** That is correct.

**Mr. Hinds:** I presume you would read the letters in that package. Am I correct?

**Mr. Forgenie:** That is correct.

**Mr. Hinds:** And you have seen the paragraph to which the Chairman just made reference. Is that correct?

**Mr. Forgenie:** That is correct.

**Mr. Hinds:** Did it not occur to you that you should come here with some proof that that last paragraph was satisfied for this morning? Did it?

**Mr. Forgenie:** Again, Mr. Hinds, we never received correspondence from the Chief Personnel Officer.

**Mr. Hinds:** Mr. Forgenie, just hold please. Just hold on.

**Mr. Forgenie:** We always receive correspondence from line Ministry.

**Mr. Hinds:** Mr. Forgenie, you say so a while ago and that is clear to me. I do not need any further persuasion on that. The question I just asked you was having read this for submission to us for this morning, did it not occur to you that you should have also have attached to this any proof that the ministerial committee's approval was sought? Did that occur to you? That is the question.

**Mr. Forgenie:** No, Sir, it did not.

**Mr. Hinds:** It did not?

**Mr. Forgenie:** No.

**Mr. Hinds:** And further, you did not answer the Chairman's question. He asked a very, very, very simple question which I am now forced to repeat. The question is and remains: Did you, Mr. Forgenie, write seeking the approval of the ministerial committee? Your answer was about the organization. That was not the question. So my question to you now is, in repeat: Did you write seeking the approval of the ministerial committee?

**Mr. Forgenie:** No, I did not write the committee.

**Mr. Hinds:** Thank you very much.

**Mr. Small:** Thank you very much, Mr. Chairman, for recognizing me and giving me the opportunity. Good morning to everyone again. Mr. Chairman, I am almost hesitant to get involved in what I sense—my read is that there is a complete breakdown of good order and proper governance at this institution. That is my assessment. I have a couple of simple questions I want to ask the CEO. Mr. Forgenie, are you aware of phrase called “tone at the top”? I see you have a Masters so I just want to make sure you are “tone at the top”.

**Mr. Forgenie:** I have never heard the term, but I can, you know, guess what it means.

**Mr. Small:** Well, let me help you. “Tone at the top” generally is a term—management lexicon,—that suggests that the persons at the top of the organization, the tone they set tends to be driven through the rest of the company. So that if the people at the top at the organization are doing good things, in general they are mirroring the kind of things that the organization wishes to see and those things flow, and the reverse also applies. Let me ask another straight question, Mr. Forgenie. Would you agree that if an employee of any company is found abusing the company's resources, that stern disciplinary action or even termination could be warranted?

**Mr. Forgenie:** Yes.

**Mr. Small:** Would you also agree that in terms of, if someone at the head of an organization is setting a positive tone that subordinate staff may be likely to follow that tone? Would you agree with that?

**Mr. Forgenie:** Yes.

**Mr. Small:** Good. I just wanted to make sure—I am laying the groundwork for my presentation, Chairman, because I have had a couple of weeks in between sessions to really dive deep. I have a couple of questions for the Acting Permanent Secretary, Mr. Meyer. Mr. Meyer, what is your understanding of the policy regarding state enterprises and having official vehicles—regarding the identification of those vehicles with a signage on the outside of the vehicle? Is there any requirement of the state enterprise?

**Mr. Meyer:** My understanding is all Government vehicles are supposed to be marked.

**Mr. Small:** Good, and that has been communicated to YTEPP?

**Mr. Meyer:** I believe the Circular Memorandum from the Ministry of Finance would have been to all Permanent Secretaries and state enterprises, but I would have to confirm that.

**Mr. Small:** Okay. Well, I just want clarity because before I ask the question I want to seek clarity. So I go back to the CEO. Could you advise this Committee whether all of YTEPP's official vehicles are properly marked as YTEPP vehicles?

**Mr. Forgenie:** All except one.

**Mr. Small:** Which is?

**Mr. Forgenie:** Which is the one assigned to the Office of the Chief Executive Officer.

**Mr. Small:** I do not understand the exception. You have to explain to the Committee, from our understanding—our understanding of the role is that every vehicle—official vehicle—has to have the signage of the company. So you are saying that all except one, the one assigned to you?

**Mr. Forgenie:** Yes.

**Mr. Small:** Why is that so?

**Mr. Forgenie:** The vehicle assigned to me is part of our compensation package where the company provides a fully maintained vehicle up to the value of \$400,000 plus—

**Mr. Small:** Mr. Forgenie, you are confusing me. Who is the owner of the vehicle?

**Mr. Forgenie:** The owner of the vehicle is YTEPP.

**Mr. Small:** Good. That is all we need to know. So that you are saying to this Committee that you know the owner of the vehicle is YTEPP, it may be assigned to you, but according to the Permanent Secretary, and this Committee is well aware that every vehicle owned by the entity should be properly marked as an YTEPP vehicle.

**Mr. Forgenie:** Okay.

**Mr. Small:** So that you—and who took the decision to have that exception?

**Mr. Forgenie:** I would have.

**Mr. Small:** And who did you confirm that—did you indicate such to the Permanent Secretary or through your board?

**Mr. Forgenie:** No.

**Mr. Small:** A unilateral decision of the CEO.

**Mr. Forgenie:** Pardon. Could you repeat?

**Mr. Small:** I can assume that it is a unilateral decision of the CEO?

**Mr. Forgenie:** Yes.

**Mr. Small:** Good. Mr. Permanent Secretary—this is why I am talking about “tone at the top”—what is your understanding of when we are in a place as an entity and you have persons in charge of resources, what is your understanding of the need for overseas travel by officers of YTEPP?

**Mr. Meyer:** Overseas travel.

**Mr. Small:** I would like your understanding or anybody from your team of the need for overseas travel by staff at YTEPP.

**Mr. Meyer:** It definitely would be board approval and it would have to probably—in most cases, I would get Cabinet’s approval for that especially given the stringent financial times we are under.

**Mr. Small:** Because I have looked in the accounts submitted and I have seen a line item that reflects some overseas travel every year averaging \$800,000 a year over the five-year period for which they provided data. So I am not sure—that is why I am addressing you, the Permanent Secretary, because I am assuming that \$800,000 a year in overseas travel by YTEPP, there must be some correspondence or letting the PS know, keeping them in the loop, or at least at the end of the year, PS, this is part of the work plan and to achieve the work plan we need to attend these meetings or whatever.

**10.40 a.m.**

So I would at least assume that the Ministry is aware.

**Mr. Meyer:** If it is a budgeted line item, it may not necessarily be that travel would have taken place, it will probably just be put into the estimates for budgeting purposes, but the approval process definitely would have to come to the Ministry.

**Mr. Small:** Because we have it as reported as spent over a period so that this is why I am asking. So let me go back now; forgive me, I am going down a deliberate line here because I have a sense of what is going on in YTEPP and there is a complete breakdown. There seems to be—this unilateral approach, I am not enamoured of it with public funds. There may be logical reasons but often it is not what we do but how we do it. There is a process that should have been followed and that is all we are saying here. We are not against anybody having proper reasons for things but if you have a proper reason, you should go through the appropriate channel.

So let me address the CEO again. Could you advise us on what is going at the YTEPP or what has been going on with YTEPP in terms of overseas travel, travel to Singapore, travel to Japan for various—could you help us with what has been happening at YTEPP?

**Mr. Forgenie:** Certainly. First, I would like to correct the statement of \$800,000 per year in overseas travel; that is totally inaccurate.

**Mr. Small:** Okay.

**Mr. Forgenie:** So that is the first thing. The second thing is that in every instance where—

**Mr. Chairman:** Yeah, but could you indicate what is the average?

**Mr. Forgenie:** Overseas travel in 2008 was \$93,000; nothing in 2009; nothing in 2010; 193 in 2011; 584 in 2013; 633 in 2014.

**Mr. Small:** \$633,000?

**Mr. Forgenie:** Yes, in 2014; 200 in 2015; 53 in 2016. If I may, Chairman?

**Mr. Small:** Please proceed.

**Mr. Forgenie:** In every instance where there was overseas travel, as stated in the state enterprise policy manual, if a member of the board travelled, they sought permission from the Minister with responsibility; and in every instance where a member of staff travelled, permission was sought from the board of directors in conformance to the state enterprise review manual.

**Mr. Small:** Well, Mr. Forgenie, I want to thank you for the fulsomeness of your response because the line item that I found in your document here, it is lumped as Entertainment Including Overseas Travel. So it is still a large number and it covers that five-year period in this document that you

submitted to us. So we were not sure exactly how much of that was entertainment and how much of that was overseas travel. The average was about \$800,000 a year.

So that let me ask a question then. This overseas travel for staff for YTEPP, could you explain to the Committee what would be, just broadly, the purpose of staff attending meetings overseas?

**Mr. Forgenie:** The travel overseas was for a variety of reasons, mostly it was with regard to the company's increase or the company's attempt to increase the level of its offering based on the mandate we received. Before 2010 or 2011, YTEPP provided mostly Level I training which is what we call pre-craft. The labour market required persons who had higher levels of skills and so in response to what the labour market had required, the company took a decision to increase the levels at which certain courses are offered. To do that, it meant that we had to work with curriculum experts, both locally and abroad as well as look at best practices for several of the areas that we wanted to look at.

During that time, the organization felt, for example, that we wanted to increase access for persons with disabilities and so we worked with Lovay out of Finland because they had the best programme for such. Coming out of that, we were able to develop our site bus which is a bus for persons with disabilities and, to date, we have done 1,901 persons coming out of that.

We would have also travelled to Germany and travel to Germany was to participate in world skills which is a skills Olympics competition. YTEPP as well as COSTAATT had two representatives there. Our representative got a total of 453 points out of a possible 500 and received honourable mention. The work coming out of that programme, for example, showed areas where YTEPP had shortcomings in that in our cosmetology area, we were only catering for persons of a given hair type but if it is that we are going to meet the needs of industry, especially in terms of tourism, we need to give persons a wider range of experience under—

**Mr. Small:** Mr. Forgenie, I want to stop you and thank you for the expansive explanation at the expansive amount of travel that has been happening, including—I am aware in terms of the cosmetology bus, somebody had to go to Japan?

**Mr. Forgenie:** Yes.

**Mr. Small:** Okay, we are just trying to understand. And the use of the cosmetology bus, how is that working?

**Mr. Forgenie:** That is working fine. We have been able to do programmes in Enterprise, in Laventille.

**Mr. Small:** I am sure the Permanent Secretary would have all the information—

**Mr. Forgenie:** Of course.

**Mr. Small:**—from you in terms of all of these various things because the Committee just has a view that where Trinidad and Tobago is now and where we are likely to be for the next period, a frugal mindset is required.

**Mr. Forgenie:** Understood.

**Mr. Small:** A frugal mindset and approach is required. So that while these things may have happened in the past, we are hammering home the point about understanding, one, you are a state entity; two, we have a tight economic situation and that some of the practices that we have seen are not practices that we would like to see repeated going forward. Yeah?

**Mr. Forgenie:** Understood.

**Mr. Small:** I see that Madam Chair is shaking her head in agreement because Madam Chair understands exactly where this Committee—we are trying to help.

Mr. Chairman, if you permit me one last question in this round. I have only a couple dozen questions but I would not have enough time. Mr. Forgenie, would you be aware as to whether you will be able to inform this Committee whether at any time during your tenure, any relative of yours was employed at YTEPP?

**Mr. Forgenie:** I have no relatives employed at YTEPP.

**Mr. Small:** At any time during your tenure?

**Mr. Forgenie:** No relatives employed at YTEPP.

**Mr. Small:** Thank you very much, Mr. Chairman.

**Mr. Chairman:** Mr. Forgenie, before I go to the CEO, can we get some responses from the Investments Division as it concerns the oversight role of the Investments Division re: YTEPP, particularly in line of the question that was raised earlier where there appears to have been a unilateral imposition of your remuneration packages, but we await Mr. Meyer's documentation from the CPO. So I am asking the question: What kind of oversight responsibility does the Ministry of Finance, Investments Division, exercise in the context of matters like what I have identified? Could anyone guide us on that?

**Ms. Sookoo:** Well, through you, Chair, the manual provides guidance on government policy with respect to terms and conditions of employment for a state enterprise, state entities. The policy states that Government has established this committee, this ministerial committee to approve terms and condition of employment. The company will make representation through their line Ministry and the line Ministry will then take their proposal to the CPO for approval. So the Investments Division is not involved directly in that process.

**Mr. Chairman:** And in the instance of what we have been discussing, can you recall whether such was done?

**Ms. Sookoo:** Well like I said, it will not come directly through the Investments Division, it is clearly between the company, the line Ministry and the office of the CPO.

**Mr. Chairman:** All right. In the case of workers being given cellular phones, given travelling allowances, the policy of the manual does not permit that and I am just asking whether the Investments Division would have been aware of this particular development where some 82 workers were given cell phones and another 67 were given travelling allowances which ran contrary to the *State Enterprises Performance Monitoring Manual* policy on these matters. So I just wanted to know if the Investments Division, even though you may not have direct sight on this matter, you must have been brought—some information would have reached your desk on this matter.

**Ms. Sookoo:** To that, I will say that again, the correspondence does not come to the Investments Division. The terms and conditions are considered by the ministerial committee and they usually ask for very detailed information on the nature of the work. So that the companies should be able to justify what they are requesting for the employees.

**Mr. Chairman:** Mr. Forgenie, the last time we met, we asked the question of you whether the company had a fraud policy or a risk management policy. At the material time, you indicated yes and you went on further to say the board had approved same, but you subsequently indicated in writing that you were inaccurate in that particular submission. I would like to ask you, being there for 12 years as the CEO, before you put pen to paper or before you respond to questions that are

put to you, you ought to be at least aware of what occurs in the company. But for you to make a categorical statement that this fraud policy exists and that it was approved by the board and upon asking you to produce the evidence to support that submission, you now put in writing that you misled us and you were inaccurate.

Now, would you not agree with me that that is a matter that you ought to be at least a little more careful in articulating when a committee like ours, you know, puts questions like this to you? How would you respond to this?

**Mr. Forgenie:** I would say yes, I should be a little more careful. When we submitted the first series of documents in terms of the questions for answer, we would have indicated that we do not have one. It is a document that I would have read that I would have signed off on.

On the day in question in terms of the way in which the questions were coming, I was mistaken when I indicated that we had one; the policy that we have is still a draft policy that is before the board, it has not been signed off by the board.

**Mr. Chairman:** So that is what I am saying. That you are leaving and you are giving the impression that you are not in charge of your portfolio, because if you are in charge of your portfolio and you have been there for 12 years, you must be aware or you ought to be aware that there is no fraud policy and there is no risk management policy. But to tell this Committee, and to have this travel around the world, that you do have a fraud policy and you do have a risk management and it turns out not to be so, you are misleading this Committee and I think, you know, it is something that we take very, very seriously as a committee. So I am just advising you that that pattern of behaviour, you have to be very careful when you come before a joint select committee.

I want to ask an additional question. Do you have any internal security within YTEPP?

**Mr. Forgenie:** Yes, we have external security and internal security.

**Mr. Chairman:** Could you identify the external and the internal?

**Mr. Forgenie:** When you say “identify”?

**Mr. Chairman:** Well, you said you have internal security and external security. How is this manifested?

**Mr. Forgenie:** We have internal YTEPP security, we have about 10 or 12 officers who function at most of our locations and sites and we also have external security.

**Mr. Chairman:** Now, those 10 or 12 persons that are on site, they are paid by YTEPP?

**Mr. Forgenie:** They are paid by YTEPP.

**Mr. Chairman:** And are they trained and by whom?

**Mr. Forgenie:** Some of those officers would have received training over a period of time. The majority of officers have been there probably for as much as 15 or 20 years. We would have provided some updated training but I cannot say in terms of the kinds of training they would have received originally when they entered the organization.

**Mr. Chairman:** So you have 10 or 12 officers who are security officers but the company has no policy as it relates to a continuous programme of training to protect the assets of the organization. You do not have a policy for the security of your operation.

**Mr. Forgenie:** We provide training for them as we see necessary. Over the years, they would have received additional training, but I am not sure of the kind of training they would have received 10, 15 or 12 years ago.

**Mr. Chairman:** What about the external security, could you tell us what is the manifestation of that?

**Mr. Forgenie:** The external security came about as a result of a decision of the board in 2007 to reduce the complement of internal security. The board felt that YTEPP should not be in the business of providing security services as we did not have the resources or the skill, know-how, to do so. We did not have a security manager at that point in time. The trend was to move persons who were in the security area into the organization. So persons were retooled, reskilled and ended up as drivers or in the accounts or other departments and the decision was taken to outsource security for the areas that we covered.

**Mr. Chairman:** So you outsource security?

**Mr. Forgenie:** We outsource security.

**Mr. Chairman:** Could you identify the name of the organization that would have been engaged?

**Mr. Forgenie:** Yes, the organization is ProTec.

**Mr. Chairman:** How long that organization has been engaged?

**Mr. Forgenie:** They would have been engaged over the last seven or eight years.

**Mr. Chairman:** And could you tell us how many personnel were employed there?

**Mr. Forgenie:** I am not sure because the person—

**Mr. Chairman:** No, listen, you are in charge of YTEPP as CEO, you have been there for 12 years, you cannot tell this Committee that you are paying security through your funds that are allocated via the Ministry and you are not sure of these things. You are there 12 years now, you are coming before a committee which is a constitutional body, you ought to have information that can help us. So could you just tell us what this experience has been like? ProTec Security, how long has it been in existence under your watch at YTEPP and how many officers are engaged in that operation that you are aware of?

**Mr. Forgenie:** The organization has been providing services to YTEPP for around eight years. The services that they provide would be services to our head office where we have two officers. We have one officer at the south office; two officers at Waterloo. We have one officer that works in the night at the warehouse, another one that works in the night at Diego Martin—sorry, Maloney. We have two officers that work at Diego Martin and we have two officers in the night at Valencia.

**Mr. Chairman:** So we have parallel security operations. We have 10 to 12 security officers attached to YTEPP but we do not know what they are doing, they seem to be ghost workers.

**Mr. Forgenie:** That is not accurate, Sir.

**Mr. Chairman:** Well tell us, for instance, from what you have told us, it appears that there are over 20 security officers engaged under YTEPP on the one hand and ProTec Security on the other, so we have two sets of officers. But the first set, about 10 or 12, they are just providing security for YTEPP during the course of the day.

**Mr. Forgenie:** Yes, mostly.

**Mr. Chairman:** And then you have ProTec Security that would provide security in the evening into the morning.

**Mr. Forgenie:** Yes, Sir.

**Mr. Chairman:** So in all, you would say how many do you have employed on your payroll?

**Mr. Forgenie:** On our payroll, we have what we call YTEPP security. In terms of the outsource, that could change, given the occasion. So for example—I am just explaining. For example, if it is we have an additional event that requires more security, that could go up by an extra two or so. So on a monthly basis, depending on the needs of the organization, it would change.

The other thing, Mr. Chairman, if you would allow me, one of the things that the outsourced security also provides is what we call surveillance. We have a challenge at our centres with crime where our trainees are robbed in the evenings, sometimes after classes. Our classes on evenings go from 4.30 to 7.30 or eight o'clock and we provide security services, mobile security services to ensure that our trainees after class are— *[Inaudible]* In 2015, we experienced a situation where one trainee was robbed and killed in Arima and that is one of the reasons why we looked for outsourced security to be able to treat with those circumstances.

**Mr. Chairman:** ProTec Security, known as the YTEPP security, do they provide any personal security services to any members of staff, management?

**Mr. Forgenie:** No, no, they do not.

**Mr. Chairman:** They do not provide?

**Mr. Forgenie:** No.

**Mr. Chairman:** Okay. Could you indicate to us at this time, you have a company or a section of your operation called the Facilities Department?

**Mr. Forgenie:** Yes.

**Mr. Chairman:** Do you at any point in time recall, based on waste of scrap iron—you engage in that, right?

**Mr. Forgenie:** Yes, we sell scrap iron.

**Mr. Chairman:** All right, and when they are not sold, what do you do with the excess?

**Mr. Forgenie:** Scrap iron is usually cleared through sale.

**Mr. Chairman:** Right and whenever you have excess, what do you do?

**Mr. Forgenie:** We never have excess, we sell it to scrap iron dealers.

**Mr. Chairman:** Would you want to indicate whether, as CEO, you are aware of scrap iron being converted into gym equipment?

**Mr. Forgenie:** The moneys from scrap iron sales would be sent to the Accounts Department for the Accounts Department to account for. There is a situation where the company bought a treadmill for staff as part of our health and wellness campaign and the money that was used would have been from scrap iron sales, but it was called to account in the Accounts Department.

**Mr. Chairman:** Can you provide us with information on your relationship between—on the relationship I should say between Sagicor and YTEPP?

**Mr. Forgenie:** Sagicor is our insurance and our pension provider.

**Mr. Chairman:** And do you recall whether there was a major payout some time ago involving dividends?

**Mr. Forgenie:** Including dividends?

**Mr. Chairman:** Involving dividend payout.

**Mr. Forgenie:** Chairman, I would like to ask the Director of Finance to answer that because he is also a trustee on the pension plan.

**Mr. Chairman:** Yes.

**Mr. Grant:** Mr. Chairman, good morning. Any payments of dividends would have been by Sagicor and not to the beneficiaries of the pension plan.

**Mr. Chairman:** What is the state of the pension plan at this time?

**Mr. Grant:** The pension plan has been audited as at June of 2017. The last actuarial evaluation was done in 2016. Everything is up to date with the pension plan.

**Mr. Chairman:** Yeah, but is the pension plan viable at this time?

**Mr. Grant:** Yes, it is viable.

**Mr. Chairman:** Is there a surplus in the pension plan?

**Mr. Grant:** At the last actuarial evaluation, they actually recommended that the company contribute \$108,000, that is to cover the administrative fees and the company has done so.

**Mr. Chairman:** Is there a surplus in the pension plan?

**Mr. Grant:** At this point in time, we do not know because the next actuarial evaluation is at 2019. At the last actuarial evaluation in 2016, there was not a surplus because the company was required to contribute \$108,000 to cover the administrative fees.

**Mr. Chairman:** Yeah, I think Mr. Small and then Mr. Hinds after.

**Mr. Small:** Thank you, Mr. Chairman, for allowing me. I just want to do a quick follow-up. Does the company have a health plan for the staff?

**Mr. Forgenie:** Yes, the company has a health plan.

**Mr. Small:** And who is the health plan with?

**Mr. Forgenie:** The health plan is with Sagicor.

**Mr. Small:** So it is the same company providing services.

**Mr. Forgenie:** Yes.

**Mr. Small:** Could you help me? In your documents here, in one of your submissions—we have so much paper from you guys—there is a line item called Medical Consultation, what does that line item refer to?

**Mr. Forgenie:** That line item refers to staff who were sent for medicals. The company has a policy of sending staff—certain categories of staff for annual medicals and other categories for—

**Mr. Small:** Annual medicals?

**Mr. Forgenie:** Annual medicals. So for example, our welders, for example, receive annual medicals; our management receive annual medicals; other staff receive medicals every two years. This facility is—

**Mr. Small:** I want to work YTEPP so let me stop you there [*Laughter*] 'cause you have a range of benefits. Let me ask another question related to this. So you have a health plan. So if you have a health plan, how does the company then justify providing medical loans? Because I am listening to you here and I am tying all the pieces together. So you have a health plan. On what basis then, what is the justification for giving staff members medical loans because you have a health plan as you have just admitted? So the Committee continues to be nonplussed. There seems to be benefits upon benefits. I need to leave the Parliament and work at YTEPP. I have no medical plan here as you would be aware. So could you help us, please? We are confused.

**Mr. Forgenie:** In some instances, we have staff who may have medical emergencies which the health plan, in terms of the contribution, may not fully cover. The individual may be in need of immediate service and the company would usually—

**Mr. Small:** Mr. Forgenie, I understand what you are saying and that falls completely outside of your remit. I am struggling to understand a state enterprise that is completely dependent on taxpayers' money to run its operations. This should be in front of your brain every time you do something when you are approving expenditure. We are completely dependent on the men and women watching this programme, walking the streets, getting their PAYE taken from their salaries to service and keep you operating. Some of them out there do not have health plans, much less get health loans. Something is wrong. Something is wrong.

And I am not against trying to be helpful to workers but there is a process and I am not getting that the company is going through this process. So that I hear you, that you as a caring employer, people have situations that come up and you make a determination that, okay, we will give them a loan and I applaud that humanity in you. Okay?

**11.10 a.m.**

**Mr. Small:** But as a committee that is charged with trying to understand what is happening with the state resources, we cannot applaud that action, because that action is not defensible. It is not defensible. There is no policy or prescription approval that allows for that. So I understand what you are saying.

So, let me go back to an earlier question. Mr. Chairman, forgive me. I have a command of the data in front of me. I have a command of what is in front of me. So I recall when you said, what?—and then what happens later on. My last question in the last round, I asked you if anyone related to you was employed at the company and you indicated in the negative. Can I ask a different question? Was anyone related to you ever engaged by the company to do services?

**Mr. Forgenie:** No.

**Mr. Small:** No.

**Mr. Forgenie:** No, Sir.

**Mr. Small:** At no time?

**Mr. Forgenie:** No time.

**Mr. Small:** I just want it on the record because we have information that is otherwise. I am not going to pursue it further and I am going to give you the opportunity once here, to think through that question and revise your response. I am going to give you that opportunity.

**Mr. Forgenie:** No, Sir. No.

**Mr. Small:** No. If you are holding with “no”, that is fine.

**Mr. Hinds:** Let me ask the question.

**Mr. Small:** No, no, no, no. I try to do this the right way. So Mr. Forgenie has indicated “no”. I am accepting your response.

**Mr. Chairman:** Mr. Forgenie, I want to let you know before Mr. David Small continues, you are literally under oath when you are before this Committee and you cannot mislead or knowingly tell untruths to this Committee. There are consequences. So that is why he is giving you the opportunity to revisit your position.

So I am just—I think as Chairman, it is my duty to advise you of your responsibility and duty. This is a constitutional body. The Constitution of the Republic of T&T establishes this body. And, therefore, when you come before this body, you must speak the full truth, the whole truth and nothing but the truth. Because if you are found to be misleading this committee, the consequences, you alone will bear. So I just want to advise you. Proceed, Mr. Small.

**Mr. Small:** I have given Mr. Forgenie the opportunity to respond and he has responded in the negative. So you are holding to that?

**Mr. Forgenie:** Yes, Sir.

**Mr. Small:** Okay, good. Let us leave that. Mr. Forgenie, how many persons in YTEPP are assigned fleet cards?

**Mr. Forgenie:** Fleet cards are usually assigned to the vehicles. We have 16 vehicles, so there should be 16 fleet cards.

**Mr. Small:** So fleet cars are assigned only to the vehicles?

**Mr. Forgenie:** Yes, Sir.

**Mr. Small:** And the purpose of the fleet cards are to keep your vehicles running?

**Mr. Forgenie:** Yes, Sir.

**Mr. Small:** And then officers who are assigned travel allowance, are they using these vehicles?

**Mr. Forgenie:** No, Sir.

**Mr. Small:** They are not.

**Mr. Forgenie:** No.

**Mr. Small:** We just wanted that on the record. Yeah? Mr. Chairman, I will pause and allow at this time for my next round.

**Mr. Chairman:** Mr. Hinds.

**Mr. Hinds:** Thank you very much. Thank you very much. Mr. Forgenie, the vehicle of which you spoke earlier, that is unmarked, contrary to the Cabinet's and the Ministry's directive, that you decided will remain unmarked, do you have access to that vehicle outside of working hours and on the weekends?

**Mr. Forgenie:** Yes Sir, I do.

**Mr. Hinds:** Who pays for the gas for that vehicle?

**Mr. Forgenie:** The company does.

**Mr. Hinds:** Is that one of the fleet cards to which you just spoke?

**Mr. Forgenie:** Yes, it is.

**Mr. Hinds:** So when Mr. Small asked you whether any personnel have a fleet card, that was not altogether? Your answer was not true? You have a fleet card for the vehicle that you have ascribed to yourself. Am I correct?

**Mr. Forgenie:** Yes.

**Mr. Hinds:** And YTEPP pays the gas bill?

**Mr. Forgenie:** Which is part of the compensation package, in terms of a fully maintained company vehicle.

**Mr. Hinds:** And no one else has access to that vehicle for its daily use other than you?

**Mr. Forgenie:** Correct.

**Mr. Hinds:** But you are also in receipt, by virtue of your self-appointed, without the approval of the ministerial committee's approval, you are also in receipt of a transport allowance, in addition to your lofty salary. You are in receipt of a transport allowance for a fully maintained company car.

**Mr. Forgenie:** It is either/or.

**Mr. Hinds:** It is either/or?

**Mr. Forgenie:** It is either/or.

**Mr. Hinds:** Do you receive this transport allowance?

**Mr. Forgenie:** No, I do not.

**Mr. Hinds:** You do not?

**Mr. Forgenie:** I pay a benefit in kind of \$3,000 per month to use the vehicle.

**Mr. Hinds:** Just a second. Take it easy. What did you say?

**Mr. Forgenie:** I pay a benefit in kind tax of \$3,000 per month for using the company's vehicle.

**Mr. Hinds:** Yes. It says here:

A fully maintained company car, valued at a maximum of \$400,000, exclusive of VAT, or in lieu a transport allowance of \$3,500 per month.

**Mr. Forgenie:** It is either/or.

**Mr. Hinds:** I know.

**Mr. Forgenie:** I do not have a transport allowance.

**Mr. Hinds:** So you use the vehicle?

**Mr. Forgenie:** Yes.

**Mr. Hinds:** And that is—but you are entitled to a company vehicle valued at \$400,000. Right? What type of vehicle is it?

**Mr. Forgenie:** It is a Prado.

**Mr. Hinds:** “Wha is de value ah de Prado?”

**Mr. Forgenie:** The value now is less than \$400,000. I took the vehicle when it was \$415,000. According to those terms, the value of the vehicle to be ascribed is \$400,000 plus VAT. I have only had that vehicle in use for the—

**Mr. Hinds:** And why is YTEPP paying for the gas then?

**Mr. Forgenie:** Because it is supposed to be a fully maintained company vehicle.

**Mr. Hinds:** But are you not now the owner of the vehicle? Mr. Forgenie.

**Mr. Forgenie:** The vehicle still belongs to YTEPP, Sir.

**Mr. Hinds:** You are confusing us, you know.

**Mr. Forgenie:** The vehicle belongs to YTEPP. I pay a benefit in kind for using the vehicle.

**Mr. Hinds:** You pay a benefit in kind?

**Mr. Forgenie:** Yes.

**Mr. Hinds:** And what is that?

**Mr. Forgenie:** Benefit in kind is a tax required by Inland Revenue, with regard to the percentage of the depreciable value of the asset.

**Mr. Hinds:** So the vehicle will ultimately be yours?

**Mr. Forgenie:** There is a provision, under the Transport Act, where after five years vehicles can be sold to employees of the company first before anyone else.

**Mr. Hinds:** PS?

**Mr. Forgenie:** So the vehicle could be anyone's after five years.

**Mr. Hinds:** PS, could you bring some clarification to this Committee on this very complex arrangement I am hearing about here? And I still want to know, why is YTEPP paying for the gas for weekend use, night use, whole day, whole night, unmarked vehicle.

Let me say for the record, the Cabinet issued a directive to all Ministries and Departments a long time ago, when we just came to office. Ministers of Government are unable to do that. We cannot and do not take state vehicles for our personal use, outside of work hours. That is why we get

transport allowance and loan facilities for vehicles. PS, could you explain to this Committee what I am trying to understand from Mr. Forgenie, in circumstances where I have convinced myself? I have concluded that YTEPP is not for the students—and I will come to that. YTEPP is for the benefit of the operatives in YTEPP. But, PS, could you help us please?

**Mr. Meyer:** I believe we need a very serious review of how state assets are being used at YTEPP. That is clear. In terms of the specific circumstance in this, regarding that vehicle, we need to review.

**Mr. Hinds:** All right. I will content myself with that for the time being. Mr. Chairman, one more thing. And when I speak, I direct these issues to Mr. Forgenie as the CEO who has been sitting around for 12 years in YTEPP. But this is to all of YTEPP. Madam Chairman, I hope you are taking close note. You are newly minted. You now have the responsibility, on behalf of the Government, to manage and to oversee the operations of this state entity and I hope that you are taking a close note on what we are dealing with here.

**Ms. Best:** Yes, Sir.

**Mr. Hinds:** Good. I see here in your follow-up responses to us, which we have in front of us—Mr. Chairman, this document, right? At page 35, the question was asked: What were the reasons for the increasing costs in this account during the period 2008 and 2014, cost of operations? And the answer we got was: Increase in salaries and wages, increase in rent, increase in security as a result of outsourcing security services, increase in utilities and telephone, increase in materials and inventories consumed, increase in insurance, increase in validation fees. But we have noted from previous submissions before this Committee that the one thing that did not increase was the number of students, participants, in the YTEPP programme. In fact, the figures show us that the number of participants reduced by about 50 per cent while everything else was increasing.

Mr. Forgenie, how do you explain that, against the background of my own conclusion that this thing called YTEPP has been operating for years now, not for the benefit of the trainees, but for the benefit of those who are blessed to work in it and supposedly for it? How do you explain that? Everything else has increased, except the number of young people in this country who are supposed to be benefiting from this programme. Explain that to us, please.

**Mr. Forgenie:** If you may, Chairman, I would like to pass it to two persons to answer.

**Mr. Hinds:** No, Mr. Forgenie, I would like—

**Mr. Forgenie:** I am asking the Director of Finance who has the information before him that can speak to the increasing cost. If that is okay, Mr. Chairman.

**Mr. Hinds:** Mr. Forgenie, we will come to the director in a little while. I would like you, as the head of the fountain for 12 years, in the face of all that we have heard around here, I would like you to explain that for the benefit of the record, on oath.

**Mr. Forgenie:** With regard to the increasing costs, we would have explained previously that costs would have increased when we would have changed our methods from mostly NEC certification to CVQ certification. CVQ certifications are a little more expensive.

The other thing in 2011, YTEPP took responsibility for the retraining programme. So we had an increase in staff. We had about 50—60 persons that were not on staff before, that became staff. Their programme is a programme that utilizes training providers. So we had training providers salaries as well. So the cost during that period would have increased, because we had responsibility

for another programme, which expanded our reach, which expanded our ability to provide services.

In terms of the decreasing numbers, the decreasing numbers would have occurred previous to 2011. We did two cycles, two six-month cycles, which gave us a student population of about 9,000 or more.

After 2011, we had one cycle because it was felt that we should focus more on CVQ, which ran for nine months. That reduced the number of persons involved in the programme. Over the years as well, from 2015 onwards, YTEPP had reduced a budgetary allocation, which continued to impact the number of persons that we could have attracted.

**Mr. Hinds:** Well typically, might I intervene to say, the way the budgeting process goes, they look to see what the performance was in the previous year or years and then decide how much to allocate. Anybody looking at your performance records, from a budgeting standpoint, would have seen the number of students going down. And I am not surprised that you would have had a cut, quite apart from the general economic problems we are facing.

But let me bring to your attention again, in your responses to us at page 39, we see here that legal and professional fees increased in 2010 from \$559-plus thousand to \$10 million in 2011, to \$9.7 million in 2012, \$7.2 million in 2013, and back up again at \$10.7 million in 2014. I want to point out to you as well, that the entertainment for the corresponding period moved from \$548,000 in 2011, entertainment eh—\$481,000, a small entity like YTEPP. How many personnel do you have now, altogether, remind me?

**Mr. Forgenie:** Altogether is about 600 persons.

**Mr. Hinds:** Entertainment moved in 2012 to \$719,000; in 2013, \$830,000; in 2014, \$1.2 million and climbing. Everything for the benefit and for the well-being and happiness and the gaiety of the personnel working in YTEPP, going up and up and up and the people in this country who are supposed to be benefiting the most are disappearing from YTEPP.

Madam Chair, I am not going to speak too much in advance of my colleagues, but things are rotten from our perspective. I have been sitting on this committee, just to conclude, for quite some years. I chaired it as well. And this is probably the worst I have seen, and my team, our committee will decide on the approach we will take. But this is clearly the worst I have seen.

**Mr. Forgenie:** Mr. Chairman, may I respond? May I?

**Mr. Chairman:** Yeah, go ahead. Yes, Sir.

**Mr. Forgenie:** In terms of legal and professional fees, that is where the training cost for training providers associated with the retraining programme resides. That programme uses persons who are experts in their various fields. They usually are persons who provide apprenticeship options for our trainees. And that is where that resides. So we have training providers, rather than instructors associated with YTEPP. That training is outsourced and we pay the training providers per trainee course for training.

In terms of entertainment, again it is a categorization. The note under which the hon. Member was reading, there is an explanation for entertainment. It says:

This includes mainly the cost associated with airfare and hotel accommodation for technical staff who are part of the quality assurance system of the programme. That is training specialists, curriculum specialists, technical supervisors and internal verifiers. The cost increased as a result of the retaining programme being merged with YTEPP.

**Mr. Hinds:** “All de training and retraining and de students disappearing.” That is my point. All the training and the costs, the students are disappearing from the programme. That is my problem. But before I close, in respect of these loans that you decided—along with your finance director—to grant, you said that since the State performance monitoring manual is silent on it, you would revert to the company's memorandum and Articles of Association. I would like you, promptly after these proceedings, to direct to us the particular Articles or clauses that would support that, in writing.

Secondly—

**Mr. Forgenie:** We submitted that before.

**Mr. Hinds:** You did?

**Mr. Forgenie:** We submitted it already, yes.

**Mr. Hinds:** All right. Good. We will pay some closer attention to that. And finally, I want a clear answer to this, since you decided that you would make loans available to members of staff chosen by you, in certain circumstances, for medical loans, and this is a follow-up to what my colleague and fellow committee member, Mr. Small raised with you, I would like you to indicate clearly to us, on what proper, lawful authority you founded that decision?

**Mr. Forgenie:** I would like to say that that policy has been in place for more than 20 years.

**Mr. Hinds:** I am not asking that.

**Mr. Forgenie:** It was not a policy that I founded.

**Mr. Hinds:** I am not asking that. I am asking you to tell this Committee, since you are at the helm and you have been for 12 years, I would like you to tell us with the responsibility that vests in you or is vested in you and rests in you, on what basis you decided to make loans available to members of staff in the circumstances as you described them?

**Mr. Forgenie:** Based on the policies that were there, the guidelines that were there when I became CEO. I did not make a change to what was already there.

**Mr. Hinds:** Thank you very much, Mr. Chair.

**Mrs. Baptiste-Primus:** Allow me, allow me. Thank you kindly, Chairman. Mr. CEO, I had raised on the last occasion the question of your authority in granting loans to staff. You responded that you were doing so based against a board decision. You were asked to submit the evidence. I have before me a submission by your good self, titled “Appendix VIII”. Do you have it before you?

**Mr. Forgenie:** Yes, I do.

**Mrs. Baptiste-Primus:** All right. Appendix VIII reads:

Copy of Board Minutes dated 19 March, 2003

Re: Funding for Educational Training by the company with recovery by way of salary deductions. I have read the two-page document, one of which states:

Meeting No. 3 held on Wednesday, 19 March, 2003, confirmed Minutes of Meeting of the Board of Directors of YTEPP held in the board room of the company's registered office 22—24 St. Vincent Street, Port of Spain, on the 19<sup>th</sup> of March.

Could you, Mr. Forgenie, direct me to the specific decision by the board on that day for the implementation of such a policy? I am unable to identify it, but perhaps my ability is not at the level. So could you please indicate which aspect of this two-page document clearly outlines that

the board on that day took a decision to implement an educational training policy, with recovery by way of salary deductions?

**Mr. Forgenie:** In the document that accompanied that Appendix, the organization would have indicated that we were unable to find the date at which the policy would have been approved by the board, and what we submitted was Minutes that we could have found from meetings that made reference to the board encouraging staff members to take advantage of the educational loan facilities. What I was told is that those policies, the administrative policies, came forward during the World Bank period, and that is the same policies we are using today.

**Mrs. Baptiste-Primus:** Mr. Chairman, if you would permit me? Mr. Forgenie, you operate at the level of Chief Executive Officer. That means that you have responsibility for the full operations of this company. Are you telling this Committee, and by extension Trinidad and Tobago and the world, that you have implemented what you want us to believe to be a policy, and you did not have sight of the policy document? Is that what you are telling us?

**Mr. Forgenie:** That policy has been in existence for almost 30 years. I do not have the information, with regard to when the policy was adopted by the board. What I also have is information in the Minutes, which relates to board's hiring of a consultant to update those policies. The board, during that period, did not approve that document. The board after that, did not approve the document. The new document is before the board. We have—

**Mrs. Baptiste-Primus:** Mr. Forgenie, let me stop you, please. I have to protect you from yourself because as a Chief Executive Officer you are not conveying an understanding of the principles that guide good governance. You have the responsibility. Anyone taking up a responsibility as Chief Executive Officer of an organization, the very first documents you call for are the policy documents, and you familiarize yourself with those policy documents. Because then and only then would you as the CEO have a basis for implementation of whatever practices that you may have met in the organization.

Mr. Chairman, through you, Mr. CEO, I want to express my profound disappointment that you have not. You have placed certain information before this Committee without evidence. We have requested you to supply us with the evidence and you have failed to do so. But you consistently respond by saying that is the policy in place. You cannot provide any documentation on the policy and, therefore, one is left with little before one, but to believe that you have been operating without proper authorization. Because what is stated in what you submitted to us, the Chief Executive Officer said, said that:

Employees are encouraged to improve their skills within the context of a company policy on training that provides 50 per cent reimbursement of fees upon the successful completion of approved courses and the funding of elected training by the company and recovery by way of salary deduction.

That is a statement. I cannot even say that is a statement of fact. It is a statement reflected in the Minutes, a statement ascribed as coming from the Chief Executive Officer. But there is no policy document. So, Mr. Chairman, that is one.

Two, what steps have you initiated as the CEO, based on the concerns that we would have raised with you on the last occasion, when you were here on the 20<sup>th</sup> of June? What concrete steps have you taken to ensure the recovery of all those outstanding bad debts from those persons employed with YTEPP?

**Mr. Forgenie:** In terms of the bad debts, we—

**Mrs. Baptiste-Primus:** I am talking about the loans to staff.

**Mr. Forgenie:** Right. We have no—

**Mrs. Baptiste-Primus:** Because they are bad debts—

**Mr. Forgenie:** We have no bad debts in loans for staff.

**Mrs. Baptiste-Primus:** Mr. Forgenie, you cannot speak over me.

**Mr. Forgenie:** Sorry.

**Mrs. Baptiste-Primus:** Okay? You may be coming a little hot under the collar, but you cannot speak over me. I will appreciate that. The question pertains to the loans granted by staff, for which you have not presented a policy to this committee. That policy remains outstanding. And my question is: What steps have you taken to recover the outstanding sums owed by the staff who are still employed with YTEPP?

**Mr. Forgenie:** First, there are no bad debts, in terms of the staff loan. The issue we had was where there was an overpayment, when we did our remuneration. That person was paying a limited amount over a period of time. As of last week, the individual paid the majority. The individual has just \$373 remaining.

**Mrs. Baptiste-Primus:** Madam Chair of the Board, I strongly advise that you ensure that the management of YTEPP does not proceed to grant further loans to staff until the policy is found. Because it seems as though the policy is lost somewhere.

**11.40 a.m.**

**Ms. Best:** That has been stopped, Madam, as of January. And I have been—at our last board meeting instructions were given to the Director of Finance to speak to all of those persons who had outstanding debts and that was done and the debt was recovered, or the greater portion of it.

**Mrs. Baptiste-Primus:** I am comforted. I just want to clarify an issue that my colleague asked you a few questions on, Mr. Forgenie. Having been in the business of negotiations for over 30 years, and understanding how terms and conditions are arrived at—it has to do with your remuneration package. And I am dealing with the documents submitted that was referred to earlier, a letter to you dated 10<sup>th</sup> of January, 2013; that document I am referring to. The salary stated—and then under “transport allowance”; you have transport allowance, you have a housing allowance, you have a cell allowance, you have an entertainment allowance. That is your remuneration package, would you agree?

**Mr. Forgenie:** Yes, Ma’am.

**Mrs. Baptiste-Primus:** Now, under transport allowance it states clearly:

A fully maintained company car valued at a maximum of \$400,000 exclusive of Value Added Tax or in lieu a transport allowance of \$3,500 per month.

You had an option; could you advise this Committee which of the two options you accepted?

**Mr. Forgenie:** I accepted the option of having a fully maintained company vehicle.

**Mrs. Baptiste-Primus:** You accepted that option. But if you accepted that option, how then—what is “benefit in kind” then and how does that relate to your terms and conditions of employment? Because, it is not stated here. It is very clear; one, a company—a fully maintained company vehicle or a transport allowance. So, that if you accepted the fully maintained company car, what is “benefit in kind”?

**Mr. Forgenie:** Could I ask the Director of Finance to—

**Mrs. Baptiste-Primus:** I am speaking to you, Mr. Forgenie. You are the Chief Executive Officer; these are your terms and conditions. You may consult with your Director, but I would like—it pertains to you, Mr. Forgenie. How could you direct somebody else to answer?

**Mr. Forgenie:** Because I had previously indicated that when you have a company vehicle, at least as far as it was explained to me, there is a payment that you make called “benefit in kind” for using the vehicle. It is calculated based on the annual depreciable value of that vehicle to which I pay \$3,000 per month to the Inland Revenue for. That is what “benefit in kind” is.

**Mrs. Baptiste-Primus:** I will pause on Mr. Forgenie. Mr. PS, I would like to hear your views on this issue?

**Mr. Meyer:** On that particular item I will have to review and revert.

**Mrs. Baptiste-Primus:** Pardon me.

**Mr. Meyer:** I will have to review. I am not—I, myself am not clear.

**Mr. Chairman:** Would you be able to put that—with the review, could you submit that in writing to us?

**Mr. Meyer:** I would.

**Mr. Chairman:** Yeah.

**Mrs. Baptiste-Primus:** That is a formula, Mr. Chairman that, I am not familiar with at all, at all! And therefore, I would like to ask the CEO to provide all information to this Committee with regard to the transport allowance, the arrangement that he has in place and the authority for such arrangement. Because when the CPO determines terms and conditions, you either have this or you have that. You cannot be like, 90 per cent pregnant or 80 per cent pregnant, is either you pregnant or you are not. Having said that, I will await the additional information in that regard. Mr. CEO, you indicated earlier that the pension for staff, the provider is Sagicor?

**Mr. Forgenie:** Correct.

**Mrs. Baptiste-Primus:** The direct—we have also been informed that—not by yourself—that a valuation was done in June 2017—

**Mr. Grant:** 2016.

**Mrs. Baptiste-Primus:** 2016, and there was not surplus and the organization was required to pay \$108,000 to cover administrative fees. Could you explain to us the basis, why did the organization have to pay \$108,000 for administrative expenses on the pension plan?

**Mr. Grant:** Mr. Chairman, as part of the operating procedure of the pension plan, administrative charges are charged against the pension plan, and the organization is required to make those payments. When it was determined by the actuary that there was a short fall of \$108,000, we got board approval to approve the payment thereafter, and the payments were made.

**Mrs. Baptiste-Primus:** Is the pension plan a sound—what you can deem to be a sound pension plan?

**Mr. Grant:** Yes it is, Madam Chair.

**Mrs. Baptiste-Primus:** When the employees retire from the organization, are they paid their pensions on a timely basis?

**Mr. Grant:** As far as we know, yes, Madam.

**Mrs. Baptiste-Primus:** There is no employee from the organization who retired and had problems in seeking their pension benefits?

**Mr. Grant:** There were a few instances where Sagicor delayed in communicating to the actuary to calculate the benefits payable to the individuals. When those were eventually determined the payments were made to them.

**Mrs. Baptiste-Primus:** Mr. CEO, is there a situation in YTEPP where you have traveling officers who are in receipt of travelling allowances, but who use the company's vehicle in the performance of their duties?

**Mr. Forgenie:** No, Ma'am. We have no such instance.

**Mrs. Baptiste-Primus:** Did you ever have such an instance or instances in the organization?

**Mr. Forgenie:** Not that I am aware of, Ma'am.

**Mrs. Baptiste-Primus:** Do you know of any situation where any of your management, your top management's—including yourself—families had access to any of the company's vehicle?

**Mr. Forgenie:** No, Ma'am. No one ever had access to the company's vehicles.

**Mrs. Baptiste-Primus:** Do you have a Facilities Officer on the establishment of the organization?

**Mr. Forgenie:** Yes, Ma'am, we do.

**Mrs. Baptiste-Primus:** Is that officer involved in any aspect of the tendering procedures within the organization?

**Mr. Forgenie:** Yes, he is a part of the Tenders Committee.

**Mrs. Baptiste-Primus:** What is the responsibility of the Facilities Officer? What are some of his responsibilities?

**Mr. Forgenie:** Some of his responsibilities include ensuring that the facilities are maintained, that repairs to the facilities are provided. And also in terms of projects, he also functions as our Projects Officer and he advises the committee with regard to various projects—the Tenders Committee.

**Mrs. Baptiste-Primus:** So that your Facilities Officer, one of that person's responsibilities would be liaising with the providers?

**Mr. Forgenie:** Yes.

**Mrs. Baptiste-Primus:** If that is a—would you say that is a major function of the Facilities Officer?

**Mr. Forgenie:** Yes, it is.

**Mrs. Baptiste-Primus:** Well if that is so, why would you put your Facilities Officer in charge of your tendering procedures?

**Mr. Forgenie:** He is not in charge, he provides information to the committee.

**Mrs. Baptiste-Primus:** You just told us that he is. You just shared that with the Committee. That is why I am going along the line of my enquiry with you. It is based on what you have placed before us. Would you like to change what you placed before us?

**Mr. Forgenie:** I am—he is not in charge of the Tenders Committee. He is a member of the Tenders Committee; he provides information. And when I say provides information, he does not make decisions in terms of how the tender is awarded. He just provides technical information.

**Mrs. Baptiste-Primus:** He is a member of the Tenders Committee, yes? That is what you just said—Mr. Chairman, let me ask you for your assistance, because clearly I am incapable of extracting the correct information from Mr. Forgenie.

**Mr. Chairman:** Mr. Forgenie, could you—this facility manager that is being—

**Mrs. Baptiste-Primus:** Officer.

**Mr. Chairman:**—officer. I think the member is asking, first of all, you have a Tenders Committee?

**Mr. Forgenie:** Yes.

**Mr. Chairman:** Who is the Chairman of the Tenders Committee?

**Mr. Forgenie:** Previously the Chairman of the Tenders Committee was a board member—

**Mr. Chairman:** But right now, as we speak?

**Mr. Forgenie:** Right now. I am the person responsible for the Tenders Committee.

**Mr. Chairman:** So, you are the chairman of the committee?

**Mr. Forgenie:** Based on the procurement manual that we have, it is recommended that the Chief Executive Officer or the Financial Officer chair the committee.

**Mr. Chairman:** But the CEO—can you make a copy of that—you say it is a manual?

**Mr. Forgenie:** It is the manual sent to us under the new procurement legislation. So, in line with that what we did is that we disbanded the Tenders Committee of the board and we established a new Tenders Committee which is made up of the Chief Executive Officer, the Director of Finance and the Manager of Finance.

**Mr. Chairman:** All right. Can I ask the PS in the Ministry of Education whether this procedure is correct as far as you are aware, for a CEO to be the Chairman of a Tenders Committee? And he is saying consistent with the new procurement arrangement under the new procurement rules and law. Can you advise us? And I would like to get the views after of the Investments Division.

**Mr. Hinds:** I would just like to place on record. I mean, we, as a Parliament, dealt with procurement legislation, and then as a Cabinet, we oversaw the implementation throughout and we gave mandates throughout for its implementation. I have not seen anything specifically that suggests that the CEO must be or should be—I have not seen that. I know persons were mandated to establish procurement units, but it is just striking me a little strange that the CEO would be chairing or the head of the tenders committee. But, all I can say for the time being is, I recall seeing nothing in law nor in policy that suggests that and it does feel a little discomfoting. But we will get to the bottom of it.

**Mr. Chairman:** Can I ask the PS to guide us on this matter, please?

**Mr. Meyer:** There are manuals developed by the Ministry of Finance for all Ministries and Departments in terms of procurements. I know there was a special manual for state agencies. In terms of the specific composition of the Tenders Committee I cannot recall at this time. But I know there is a manual.

**Mr. Hinds:** Is Mr. Forgenie saying to this Committee that based on his reading of that manual—You know, the manual of which the PS just spoke?

**Mr. Forgenie:** Yes, Sir.

**Mr. Hinds:** Are you saying that it mandates that the CEO must head the Tenders Committee?

**Mr. Forgenie:** Yes—not that it mandates, but it makes recommendations as to who should head the committee and that was—this took place at the start of this year where upon receiving the documents from the Ministry of Education, what we did was we changed—

**Mr. Hinds:** You have a very fine way, excuse me, and forgive my apparent discourtesy, I am taking responsibility for that. You have a rather wonderful way of, you know—I asked a simple question. The question I asked for the benefit of those who are listening on—listening to that, a

very, very simple question. It is: From your reading of that manual, is it that it recommends that the CEO should head the Tenders Committee?

**Mr. Forgenie:** It says the CEO can be.

**Mr. Hinds:** Okay, thank you.

**Mr. Chairman:** Can I ask the Investments Division to give us some clarification on this?

**Ms. Sookoo:** We all know that there has been a Chairman—a Board appointed to the procurement regulator. And this person will be the person to make regulations to be adopted. In the interim—well, what is the practice now, is that the procurement policy—companies have a procurement policy that has been approved by the Minister of Finance and companies are required to abide by that policy until such time as the procurement regulator makes policy.

**Mr. Hinds:** Does it specifically treat with the matter I have just raised, from your knowledge?

**Ms. Sookoo:** It should.

**Mr. Hinds:** In terms of who should head it?

**Ms. Sookoo:** I am not au courant with who are the members of the committee.

**Mr. Hinds:** All right. Thank you.

**Mr. Chairman:** The matter that was referred to, are you—do you have those documents available in terms of the procurement policy? Those manuals that we were talking—that we brought up.

**Ms. Sookoo:** We should—we would have access to draft. There are draft documents. But the final document will be prepared by the Procurement Regulator.

**Mr. Chairman:** So those documents are purely draft documents? As far as you are aware?

**Ms. Sookoo:** They are.

**Mr. Chairman:** So, Mr. Forgenie, if those documents are draft documents, they are not final documents. How can you insert yourself as the Chairman of the Tenders Committee if those documents that we are being told are only draft? And before you answer, can I ask the Investments Division, have you issued instructions to the state enterprises in Trinidad and Tobago, to effect and operationalize those draft manuals as clear policy guidelines for procurement purposes? Has the Investments Divisions given such instructions?

**Ms. Sookoo:** No, we have not given such instructions because that is under the remit of the new procurement reform.

**Mr. Chairman:** And as far as you are aware, did the—are you aware whether the Procurement Regulator has done such?

**Ms. Sookoo:** No. I am not aware.

**Mr. Hinds:** How long has the Procurement Regulator been in office? Just remind us.

**Ms. Sookoo:** Early this year; January/February. I cannot remember the exact date.

**Mr. Hinds:** Yes, I seem to recall. You are right, sometime earlier this year.

**Mr. Chairman:** Yes. So, Mr. Forgenie—

**Mr. Cummings:** Chairman.

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

**Mr. Cummings:** I recall Ms. Sookoo saying a while ago that there is a draft document that companies are required to use until such time as the Procurement Regulator implements policy. Am I correct?

**Ms. Sookoo:** The Ministry has a procurement policy which is included in the manual that companies are required to adopt. If there are any amendments to that policy it has to be approved by the Minister of Finance.

**Mr. Cummings:** Mr. Forgenie, is this the document that you are referring to?

**Mr. Forgenie:** Not the state enterprises review manual. It is the document that was sent to us from the Ministry of Education, and more specifically, based on correspondence received from the Ministry indicating that the new procurement legislation is expected to be enacted and we are supposed to provide a gap analysis as to our readiness and that is what we did.

**Mr. Chairman:** Mr. Forgenie, could you provide to this Committee copies of the manuals that you have been using to inform your thinking, and insert your good-self in the capacity as Chairman. Could you provide those documents to this Committee?

**Mr. Forgenie:** Yes, Sir. I can, yes.

**Mr. Chairman:** Mr. Foster Cummings, please.

**Mr. Cummings:** Mr. Meyer, how long have you been at—acting as Permanent Secretary of the Ministry of Education.

**Mr. Meyer:** January.

**Mr. Cummings:** And before that?

**Mr. Meyer:** Before that, I was Deputy Permanent Secretary Education in charge of infrastructure.

**Mr. Cummings:** So, you have not been at the Ministry for a while.

**Mr. Meyer:** No, that is only from October last year.

**Mr. Cummings:** You started at Ministry of Education October last year?

**Mr. Meyer:** Yes.

**Mr. Cummings:** Are you familiar with the documentation referred to by the CEO?

**Mr. Meyer:** From the point of view that—yes, the procurements documents, yes. In terms of the—I am familiar with the document as it pertains to the Ministry in particular because that is what we are trying to do. We are trying to get the Ministry of Education in compliance with the Act, and we also—I believe we did send documents to all our agencies trying to get them in compliance with the procurement Act as quickly as possible.

**Mr. Cummings:** Can you assist this Committee—

**Mr. Meyer:** In terms of the—we can provide copies of the documents, but I cannot recall at this time, specifically the composition that was required for the committee. I cannot recall it at this time.

**Mr. Chairman:** The Investments Division, can you indicate to us, this *State Enterprise Performance Monitoring Manual*, is it still in effect? Or has it been superseded by these draft manuals that we have been informed about, in possession, and apparently some of those documents are in the possession of Mr. Forgenie? What is the state of play in terms of this state enterprise performance manual?

**Ms. Sookoo:** Chair. That state enterprise manual is still in effect, until such time as the Procurement Regulator makes new regulations to guide companies.

**Mr. Chairman:** So, if this is still in effect until the Procurement Regulator makes new guidelines, then under section 2 of this manual, appendix B, headed “Administration”, Item 2.3, it reads:

Composition of the Tenders Committee.

Let me read:

The committee shall comprise a minimum of five members, who shall be:

1. Two members of the board excluding its Chairman, one of whom shall be elected as Chairman of the committee.
2. The Chief Executive Officer, designate of the state agency, the Financial Comptroller and the legal officer.

Now this is what governs the tenders arrangement for state enterprises pending the regulator issuing final documents to state enterprises. And, of course, the Ministry of Finance, through the Investments Division will then issue those and indicate this is now policy. In the absence of that this is what you adhere to. So, we are trying to understand what inspired you to use draft manuals without referring to the Ministry of Finance or your line Ministry to determine whether you can do so in the absence of—conscious that this policy obtains under this manual. Could you guide us on this?

**Mr. Forgenie:** Before February of this year that is the process—the process as outlined in the manual that was followed. When we received correspondence from the Ministry indicating that we should get in alignment with the documents that were sent, that is when the change took place. The documents, as is stated, are draft documents. So in February we would have made the change in line with that.

**Mr. Chairman:** Could I ask Mr. Foster Cummings to continue?

**Mr. Cummings:** I would like to get some clarity because, I think we are discussing—we are mixing things up here. I am getting the feeling that—I am hearing manuals, and policy, and documents and there seems to be some mix-up. I am going to become to Ms. Sookoo. Earlier on you said that there was a manual that companies were expected to use until such time as the Procurement Regulator makes policy? I did not get the impression that you were referring to the manual just referred—the state performance manual. Could you clarify that for me please?

**Ms. Sookoo:** It is the *State Enterprise Performance Monitoring Manual*. Included in the *State Enterprise Performance Monitoring Manual* is the procurement policy.

**Mr. Cummings:** So you were specifically referring to the procurement policy as stated in the *State Enterprise Performance Monitoring Manual*?

**Ms. Sookoo:** Yes.

**Mr. Cummings:** I did not get that impression. Thank you for clarifying. You said subsequent to the submission by Ms. Sookoo that the Ministry was attempting to get the companies under its remit to prepare itself for the coming on stream of the new procurement legislation. That is what I got from your submission. Could you please clarify for the Committee what steps the Ministry took in connection with that?

**Mr. Meyer:** Since we have been informed that the regulator is going to be on board the Ministry has been taking a number of steps to bring the Ministry into compliance and to bring the agencies into compliance. As part of the whole thrust, we have been enquiring as to where they are; are they aware of the Act? We are providing them with documentation that has been provided to us because some of us have been on the procurement training. So the manuals, the draft manuals that have been prepared—because that is what you are supposed to do as a Ministry, you are supposed to customize the procurement handbooks in preparation for the coming of the legislation.

So, we have provided them with information. We have enquired as to where you are with procurement? And what is your plan? What is your time frame for implementation? Do you have everything that the Act will require, so, that when the Act is fully proclaimed, all entities will be compliant? Because what we did not want to happen was that the Act would be proclaimed and any entity under the Ministry of Education will not be in a position to be compliant because the Act has some rather stringent provisions, in terms of reporting to the public and we did not want that to happen.

**Mr. Cummings:** You as Permanent Secretary, in an attempt to prepare the companies, units under your purview, you have been sending out information?

**Mr. Meyer:** Yes.

**Mr. Cummings:** To advise them to prepare themselves? Is this just information that they must read and not adopt at this time or is it that they have to start to put certain things in place in preparation for the Procurement Regulator?

**Mr. Meyer:** In terms of best practice, the new Act deals with best practice procurement. So if your agency is already doing best practice procurement you will not have a problem. If you are not doing best practice procurement, it is time for you to tighten up. The information provided was to make sure that you are aware of the Act. Because a number of the agencies were not aware—they were aware of the Act, but they were not aware of how close you were to implementation. So that was something we needed to do.

In terms of time frame for implementation we needed to tell them this is coming. You need to put these things in place. Make sure your documentation is in place. Make sure you have a database that the Regulator can look into; to make sure you are prepared to publish what you will be procuring on an annual basis. Because as part of the Act you are required to prepare an annual procurement plan so that everyone can see what the agency is going to procure during the year. The Ministry is in the process of doing that and we wanted to make sure the state agencies were in the same position.

**12.10 p.m.**

**Mr. Cummings:** Now, you gather what I am getting at. I want to be sure that the agencies, and not only YTEPP, in the information that they received from the Ministry, these guidelines—whether they are drafts—somebody said it is just draft guidelines—whether it is expected that these—because this might be happening somewhere else—agencies under the Ministry will utilize the information received from the Ministry to start to put things in place in preparation for the Procurement Regulator, putting their own policies in place when the time comes.

**Mr. Meyer:** In terms of bringing your agencies to a position to do best practice procurement, yes because we should be doing best practice procurement right now. We should not have to wait for the Act to do that for us. In terms of the specifics to change compositions of committees, no, because at the end of the day the Regulator is not here yet, the guidelines have not been done.

**Mr. Cummings:** I get that. I am clear on that. You have several enterprises other than YTEPP under the Ministry. COSTAATT also. Can you tell us of a few—YTEPP, COSTAATT? Which other will fall under that? You do not have to go to any documents

**Mr. Meyer:** MIC, NESAC, NTA, NIHERST, UWI and UTI. All these agencies.

**Mr. Cummings:** Therefore, these organizations will have to report closely to you?

**Mr. Meyer:** Yes.

**Mr. Cummings:** Well directly to you, I should say.

**Mr. Meyer:** Well, yes.

**Mr. Cummings:** In terms of the information coming out in this enquiry, would you say that this is familiar to you in terms of the method of operation of the other agencies under the Ministry? Are you clear on what I am asking?

**Mr. Meyer:** Yes, I am clear. What I have heard here gives cause for concern. We have some issues with some agencies, yes but in terms of the governance, I think there is definitely a problem. I believe it has to do with the fact that for a long time no board was in place, and when a board is not in place—because the board is really the first line. If the first line is not in place, the Ministry is at a disadvantage. And the other issue I think is the fact that YTEPP appears to have moved from one Ministry's control to another Ministry's control. When that happens there is a tendency for things to slip, and it appears that that may have also occurred to some extent.

**Mr. Cummings:** So then I want to ask, as Permanent Secretary, what steps do you intend to take to address what you have indicated is of concern to you?

**Mr. Meyer:** What we are trying to do right now is to put into place a system of governance for not just YTEPP but for all agencies, in terms of reporting on board minutes, policies, procedures, readiness for the new procurement Act. We have a very small group that we are trying to give them the tools to be able to monitor because, for example, when board minutes come, reviewing of the board minutes has to be done within a context. The context would have to be whatever policy documents that you have. We are trying now to get from the entities under our control all policy documents, so that we can check that against what is to be done.

The procedure that we intend to put in place would be, perhaps, at this point in a time, a small group in terms of perhaps legal, finance internal audit so that it could be filtered before going to the Minister, so you can have a technical review of all documents from the agencies so that they can monitor.

**Mr. Cummings:** Which division in your Ministry will be responsible for something like that?

**Mr. Meyer:** That will be the Research Planning and Technical Services Division, which is experiencing some staffing constraints right now that we are attempting to fix.

**Mr. Cummings:** You have been there since January.

**Mr. Meyer:** September 2017 actually, but January as Acting Permanent Secretary, yes.

**Mr. Cummings:** So during that time, before this enquiry, have you had a good working relationship with YTEPP? And I am speaking specifically about CEO here. Have you been receiving reports, board minutes? You are aware of what is happening in YTEPP?

**Mr. Meyer:** Before January or after January?

**Mr. Cummings:** From the time that you have been acting as Permanent Secretary.

**Mr. Meyer:** In that period of time I think we had only received one board minute. Board minutes always come on time, and we have never had a problem with the board minutes from YTEPP.

**Mr. Cummings:** So let me just ask before I pass back to the Chairman. I am looking at the process. The agency reports to the Ministry through minutes, reports, et cetera, and some unit in the Ministry is supposed to be checking this information coming to flag things that do not fall within what the Ministry's expectation is. Has that been happening? Because, for me, for the Ministry to be surprised at things happening at any of the institutes, any of the organizations when we come to an enquiry like this, is unacceptable to me, because if there is a reporting relationship—

the management reports to the board, the organization is reporting to the Ministry—when we come to an enquiry like this, the Ministry through that reporting relationship, should be picking these things up as they arise and taking corrective action long before we come to an enquiry like this, and this is not personal to you. I am saying the process should be that these Minutes that are sent to the Ministry is not to put in a file to gather dust. It is the expectation that some unit is going to be perusing these documents to make sure that these things fall in line with what the Ministry's expectation is. So I am saying if that is not happening, that is an area I want to suggest that you seek to strengthen.

**Mr. Meyer:** It is happening at this point in time. Minutes are reviewed, for not just YTEPP, but for all agencies. Red flags are brought to the attention of executive and the Minister. The depth of it needs to be improved and hence our campaign to get as much documentation as possible from the agencies so we would be better placed to review Minutes, and not only Minutes, in terms of other reports that we may need to put in to get, because Minutes alone do not tell the entire story.

**Mr. Chairman:** Do you have, Mr. Meyer, a monitoring and evaluation unit in your Ministry consistent with what Mr. Cummings has revealed so that when minutes come in, reports come in, there is this particular unit that would be focused on analyzing, assessing, evaluating and taking action? Do you have such a unit?

**Mr. Meyer:** There is a unit in the Ministry tasked with reviewing compliance and reporting issues from all our state agencies.

**Mr. Chairman:** And what is the name of that unit?

**Mr. Meyer:** That would be Research, Planning and Technical Services.

**Mr. Chairman:** Research, Planning?

**Mr. Meyer:**—and Technical Services.

**Mr. Chairman:** No, we are talking about a specific unit because that Research Planning Unit that you mentioned would have other responsibilities within the Ministry. We are talking about a specialized unit called the Monitoring and Evaluation Unit that will deal specifically with state entities that fall under your remit. So what Mr. Cummings is saying, a lot of these things that are happening would not appear as a surprise to the Ministry. Would you agree with me, Mr. Meyer, that we need such an agency or unit?

**Mr. Meyer:** Yes, but to explain, the unit that we speak of, the Planning, and Technical Services Division, for want of a better word, that division came to the Ministry when the Ministry was merged with TEST and when that Ministry was in its former incarnation, its primary responsibility was the monitoring of the state agencies under the former Ministry. It continued that role.

With respect to monitoring and evaluation, the Ministry had a few M&U resources but their contracts have expired. The Ministry is attempting to renew those contracts and to get people. We are also reviewing the structure of a lot of these divisions with the intention of streamlining the operation.

**Mr. Chairman:** Mr. Meyer, I think that there is need for the Ministry of Education to strengthen the monitoring and oversight responsibility of those state entities that fall under your remit. I am seeing there is a weakness in that particular area of your operation.

Madam Chairman of YTEPP, could you explain to this Committee whether your board under your charge, in the last six months, seeing that that committee that Mr. Forgenie referred to, the

tenders committee, only under his chairmanship took effect in February, could you tell us whether your board had granted approval for the establishment of that committee with the CEO being chairman which is contrary to the state performance monitoring manual?

**Ms. Best:** I cannot say if we did. I cannot be sure, but if we did it would have been on the advice of the Management Committee and the CEO.

**Mr. Chairman:** No, but what I am saying is that the board has a very crucial responsibility for policy formulation and direction, and you cannot be depending on the management of YTEPP to direct your policy. You have to direct them. That is why you are a board. So, I am asking you whether under your stewardship you had granted permission to the management to establish this committee, this tenders committee with Mr. Forgenie as chairman.

**Ms. Best:** Yes, Sir.

**Mr. Chairman:** And what are you doing now to correct that, because that is improper.

**Ms. Best:** Well, at our next board meeting, we would look at that process and, of course, we would rescind that decision.

**Mr. Chairman:** Madam Chair, may I say before I ask Mr. Hinds to intervene—no, Mr. Small and then Mr. Hinds—may I suggest, with the greatest respect that what we have witnessed thus far at YTEPP, last time you were here and now, is the need for your board with some degree of urgency to establish a forensic audit dating back to 2008 to the current period into the operations of YTEPP, because something is fundamentally wrong with that organization and we need answers, and the only way we can get independent answers is through an independent forensic audit that will be commissioned and established by your board. Something is wrong.

So we ask you to take charge and not allow the management to be in charge, because it appears from what you have just said, the management is running the board. The board is supposed to be in charge of the management and not the reverse. So, please take charge otherwise the Government may have to discharge you. That is not your role to take instructions from the management. So please get your roles clearly, properly outlined and articulated and effected. Okay?

**Ms. Best:** Yes, Sir.

**Mr. Chairman:** I now call on Mr. Small and then Mr. Hinds, please.

**Mr. Small:** Thank you, Mr. Chairman. Before I begin my couple of last questions, I want to echo your point because I have a strong handle on governance. It is the duty of the board to interrogate the recommendations of management. We have seen on this Committee where management has been very creative. It is the responsibility of the board to interrogate any recommendation that the management brings. It is not that you are against the recommendation of the management, but it must demonstrate robustness. They must be able to provide the requisite detail and supporting information, because the board, at the end of the day, the board has that responsibility to take whatever blows comes with the action. So it is your responsibility and your team to say, yes your recommendation is interesting, please present to us and tell us why in the greatest detail, because that is your protection.

My first couple of questions is to the Permanent Secretary. Mr. Permanent Secretary, could you advise us probably from your files or from your time, when did YTEPP secede? Let me help you, because what we have been sitting here overseeing is the Republic of YTEPP, a new welfare state in Trinidad and Tobago, and I say that deliberately. If you are an employee of YTEPP, you have

access to salary, transport allowance, cell phone allowance, medical loan, educational loan, salary advances, health plan and pension plan. It is a complete welfare state, and for some employees you also get access to auction of spare materials and oversea travels. So that when you list all of these wonderful benefits, I am sure lots of people would love to work at YTEPP. I have a question for Mr. Grant who is the Finance person. How many persons at YTEPP have corporate credit cards?

**Mr. Grant:** The organization has one corporate credit card and the CEO has control of that.

**Mr. Small:** The CEO has control of that?

**Mr. Grant:** Yes. It is issued to Mr. Forgenie, the CEO.

**Mr. Small:** And it is for?

**Mr. Grant:** For the organization to acquire things online.

**Mr. Small:** Things online?

**Mr. Grant:** Purchases online. Airfare, et cetera.

**Mr. Chairman:** What is the limit?

**Mr. Grant:** \$20,000.

**Mr. Chairman:** Okay.

**Mr. Small:** Through the Chairman, we would like to understand the things that have been purchased online with this corporate credit card.

**Mr. Grant:** For instance, Mr. Chairman—

**Mr. Small:** You will provide it in writing, not for now, because we are starting to run on time. Through the Chair, the Committee will like to receive for probably the last couple of years, at least, the statements on that card and the items that have been purchased. All the details related to the card and then what has been happening with the use of that card. I was not aware that the company had a corporate credit card, but I ask and I got the response. So it is very interesting. I suppose the Permanent Secretary will also be a little surprised about that. Let me move on. I want to be deliberate with time.

**Mr. Chairman:** Yeah, before you move on. In whose name is this credit card issued in?

**Mr. Grant:** YTEPP Limited.

**Mr. Chairman:** YTEPP Limited.

**Mr. Small:** And who is the signatory to use the card?

**Mr. Grant:** The CEO. No one else.

**Mr. Chairman:** Could you provide in writing, Mr. Forgenie, all the online credit that you have been able to access over the last—how many years this has been going on for, the corporate credit card?

**Mr. Forgenie:** Since 2009 or 2010.

**Mr. Chairman:** Since 2009?

**Mr. Forgenie:** Yes.

**Mr. Chairman:** We want to get a list of all the purchases and the accompanying bank statements between 2009 and the present time, so we will be able to know exactly who is purchasing, what they are purchasing, the value they are purchasing at, the period of time that has been done and what exactly are they are purchasing. Because we are being told it is being done on behalf of YTEPP for whatever purposes. So we want some details on that, because Mr. Hinds said this is a question of us, as a Committee, protecting taxpayers' dollars and ensuring that we have value for

money for whatever we execute through these state entities. So, please provide those things as I have requested. Mr. Small, continue.

**Mr. Small:** Mr. Chairman, I apologize. I pull these little nuggets out of the documentation that has come to us. So let me ask again—I have another question for Mr. Grant. I am giving Mr. Forgenie a bligh on this question. The Money Market Fund, you have a Money Market Fund reported in your accounts. It has several million dollars in it, and at different times throughout the years I am seeing the fund fluctuating in value in terms of: one year it is \$9 million, the next year it is \$7 million and this year is \$5 million. I am not sure, one, what is the authority to establish this fund. Where is the source of the funds? Where do you get money to put in this fund? And I am sure the fund provides returns. How is that process managed? Could you help the Committee to understand?

**Mr. Grant:** Mr. Chair, the fund would have been established from income generated by YTEPP limited through its various income generating activities over the years. The Money Market Fund is a UTC account where the investment is held. The interest that is earned is accounted for in our accounts and the movement in the fund is accounted in the financial statements.

**Mr. Small:** So let me ask a question. So you have money there, so what do you do with it?

**Mr. Grant:** The monies have been withdrawn for various reasons including operational activities where we have short funding.

**Mr. Small:** Operational activities where you have short funding?

**Mr. Grant:** When we have short funding. When we do not get the required allocation from the Government, we utilize that fund to supplement our recurrent expenditure.

**Mr. Chairman:** Before you go on, Mr. Small.

**Mr. Small:** Certainly, Chair.

**Mr. Chairman:** Mr. Finance Director, is the Ministry of Education aware of the existence of this fund and could you tell us what is the balance in that fund as of today's date or last week? And is the Ministry, which is the line Ministry, responsible for releasing funds to YTEPP on a regular basis, quarterly basis, whatever that is? Is that Ministry aware of the existence of this fund? Can you advise us?

**Mr. Grant:** The Ministry has been—

**Mr. Small:** I am not done, please.

**Mr. Chairman:** No, no. Just clear that for me and then you will come back.

**Mr. Grant:** The Ministry of Education and the Ministry of Finance have been provided with our financial statements in which the existence and movement of those funds are recorded.

**Mr. Chairman:** So the Ministry of Finance is aware of the existence and they have given you authorization to establish that fund. Who gave your authorization to, first of all, establish that fund? And, secondly, is the line Ministry, in this instance, the Ministry of Education, aware of that fund? Do you report every year before releases are made to you that you have in balance, X amount of dollars in that fund so that Ministry will know when they are making their case to the Ministry of Finance on behalf of YTEPP for \$60 million for fiscal year 2017 in an account at YTEPP, there is X amount of dollars, so we can argue or negotiate downward and not upward? Could you tell us what is the arrangement, what is the relationship on this matter?

**Mr. Grant:** Mr. Chairman, the balance of funds in that account is about \$4,500.

**Mr. Chairman:** \$4,500?

**Mr. Grant:** That is right. Because over the years funds were withdrawn to supplement operational activities within the organization. All activities within the fund have been reported in our financial statements which have been reported to the line Ministries.

**Mr. Chairman:** Mr. Small, continue please.

**Mr. Small:** Just to be clear, Mr. Grant, when did you say this fund was started?

**Mr. Grant:** 2004.

**Mr. Small:** 2004. And you said it would have been funded from your enrolment fees and revenue you generate?

**Mr. Grant:** That is correct Sir.

**Mr. Small:** Well then that raises so many other questions for me, because when I go back, in 2009, according to your accounts, the fund had nearly \$9 million. So that from the period 2008 to 2014, the total enrolment fees and other income from YTEPP was \$7.5 million. So from 2004 to 2009, the fund was able to gather nearly \$9 million? These are questions and we will—Chairman, we will do this in writing, because what I am trying to get at is, is it that money from your subvention is going into the fund? That is what I am trying to get at, because from 2004 to 2009, as at your accounts here, the fund was \$8.94 million. So that if that came from enrollment fees, I do not see it, respectfully. And the trend is from 2008 to 2014, your total enrollment fees was \$7 million over that entire seven-year period. So that for the fund to have nearly \$9 million the money has to come from somewhere. Forgive me, I have a command of that material and this material suggests something is going wrong here.

A full audit is required into the use of public funds. People have been sitting on public funds and have been operating the Republic of YTEPP seeking the interest of the Republic of YTEPP, not necessarily seeking the interest of the people of Trinidad and Tobago. That is my respectful and humbly position, Mr. Chairman.

I have one more question before I close, because this, what I am looking at here, I have so many questions that would probably remain unanswered and we will probably submit in writing. I have a question about Mr. Mitra. I note that you have something called advanced learning—I have so many paper in front of me—you brought down a gentleman and subsequent to that, could you tell us what was the—and this I suppose is for Mr. Forgenie. This was around 2013, I believe. Mr. Mitra was brought in by YTEPP at what cost and to do what?

**Mr. Forgenie:** The cost was around \$90,000. The professors who got him, Mitra, came for a conference that YTEPP had called “The Future of Learning” that was held at the Trinidad Hilton in 2013.

**Mr. Small:** Interesting, Mr. Chairman. So then they are paying for overseas facilitators now, on top of the local ones. Just interesting. One last question, Chairman. Your Youth YTEPP for Future Leaders Programme, the centre, is the centre still operational?

**Mr. Forgenie:** No. That centre closed two years ago.

**Mr. Small:** Two years ago? And is there anything in its stead?

**Mr. Forgenie:** No. We have not put another future leaders programme in place.

**Mr. Small:** And, again, I am going to ask this question one last time before I close, Chairman. In terms of the YTEPP Future Leaders Programme, was any person who was engaged to provide services through that programme a relative of yours?

**Mr. Forgenie:** We would have had some persons to teach ballroom dancing and one of the persons would have been an in-law of mine.

**Mr. Small:** So I just want to go back, you know, Mr. Chairman. Mr. Chairman, you have to forgive me, because this is where I would respectfully posit to the Chairman of the Board of YTEPP and to the CEO, I gave opportunity for you to give full disclosure. The Committee, I asked, very politely: Did you have a member of any relative of yours working at YTEPP? Your response was no. I asked a second question: Did a relative of yours provide any services to YTEPP? Your response was, again, no. I gave you the opportunity to correct the record and place the facts on the public record. At the third time of asking now, you are saying that a relative of yours provided services to a part of YTEPP that is no longer functional.

What is the term that attorneys use, adverse inferences? I would not like to apply adverse inferences the way in which you responded to this. But let me say from me to you, as someone who has an oversight role in this Parliament, I am disappointed at that response. You had the opportunity. I gave you multiple opportunities to state the facts of the matter and you held back information, because this is why I asked at the beginning and at the third time of asking—and there may have been a nice clean process, but even though there was a nice clean process, you had the opportunity to give full disclosure and you did not. Mr. Chairman, I am going to stop there.

**Mr. Chairman:** One second. Mr. Forgenie, Mr. Hinds asked a question earlier about the trainees and they seemed not to be getting the better end of this operation called YTEPP. It seems like YTEPP have now been translated, transformed into what can only be described as a kind of arrangement that the management seemed to be drawing a lot of maybe advantages or benefits. I ask this against this question I am about to ask. When trainees graduate, what kind of business opportunities within YTEPP are they offered or can be offered to them? I raised this against the background of the amount of uniforms that are provided by a company whose name I would not call at this time, but you will know that company that received a contract. You know a company by the name of Janouras?

**Mr. Forgenie:** Yes.

**Mr. Chairman:** Right. Is that company contracted or has YTEPP contracted this company over the years to provide uniforms to the staff?

**Mr. Forgenie:** Yes.

**12.40 p.m.**

**Mr. Chairman:** Right. Do you have external companies that are recruited to provide sound engineering services?

**Mr. Forgenie:** Yes.

**Mr. Chairman:** Okay. Do you have, for instance, a company that also is contracted to provide catering services for you?

**Mr. Forgenie:** We have several companies that provide catering—

**Mr. Chairman:** Do you have one that seems to have—get preferential treatment over others?

**Mr. Forgenie:** I cannot say so, no.

**Mr. Chairman:** Do you know of an assistant to the Director of the EDSS, called Entrepreneurial Development and Support Services, and that Director, assistant to the Director of this Entrepreneurial Development and Support Services, sits on a board called Seepersad Catering that seems to be highly favoured by your company, YTEPP? Are you aware of this?

**Mr. Forgenie:** No, I am not, Sir.

**Mr. Hinds:** Ask Mr. Cave who is their Director.

**Mr. Chairman:** Now, the reason why I am asking these questions is because—who is the person?

**Mr. Hinds:** Mr. Cave is there, he could answer.

**Mr. Chairman:** Mr. Cave, can you help us?

**Mr. Cave:** Yes. Good afternoon. I am not aware that someone from my department sits on the board of Seepersad Catering. Seepersad Catering has in fact received contracts like other persons, other caterers, to provide for YTEPP Limited over the years.

**Mr. Chairman:** Mr. Forgenie, could you provide us in writing for the following; you do have catering services organizations that supply those services to YTEPP over the years that we are examining, 2008 to 2014, can you provide us with a list of the companies that provide catering services and the value attached thereto? And could you provide us with, for instance, at the same time, the amount of offerings that these various companies would have been provided with over the years in terms of being able to provide catering services to YTEPP, and, as I said, the value attached thereto? So we will have an appreciation of whether this company or that company is having an undue advantage over the others. That is what we are trying to determine. Okay? I think Mr. Hinds wanted to make a point.

**Mr. Hinds:** Thank you very much, Mr. Chairman. Just to get this in perspective for the benefit of the viewers and listeners to this hearing, for 2018 the subvention to YTEPP was in the tune of \$55 million. Is that correct?

**Mr. Grant:** That is correct, Sir.

**Mr. Hinds:** Good. And, of course, in following on what the Chairman has just raised, this EDSS division or department of YTEPP is a very critical one, critical because as a Member of Parliament, on a daily basis, including this morning, I receive calls and approaches in various ways, résumés from young people who are wanting to make their way in this competitive world. So YTEPP—and, you know, I have taken note—YTEPP, you know, may not be all together, although it does raise some money; at least it is supposed to. And just to support that, in 2014, and just as a backdrop to my question, enrolment fees, \$466,000-plus; direct cost of operations—well, minus, you know how the accountants do it in the bracket, \$113 million; gross loss of operations, \$112.6 million; operating income, \$4 million; expenses, \$13 million; deficit loss—in brackets as the accountants do it—operating loss, \$122.6 million; \$12 million in net finance charges income; loss before taxation, \$122.6 million; taxation charge, 10; loss after taxation, \$122.6 million.

Now, I went through these figures, that is 2014, the last of the accounts that are in front of us, because one understands that as a training institution, profit would not be the only motive. It is about developing the citizens of the country and making them employable and not be under-employable, so to speak. And many of these young people come to all of us as representatives and persons in public life asking for our help on a daily basis, including this morning from my own experience. So the EDSS, which has the responsibility for micro-entrepreneurship, teaching people to establish their own businesses, in recognition of the fact that this economy—and, in fact, no economy that I know of in the world could generate sufficient jobs to meet those coming on on an annual basis into the job market. So YTEPP teaches them through this programme to establish their own businesses, and rather than become an employee to become an employer, and

to grow these businesses. And I am only saying that to underscore the importance of Mr. Cave's responsibility in YTEPP, as Director of the EDSS.

And so micro-entrepreneurship, career enhancement, computer literacy, YTEPP future leaders, as it was referenced by the Chairman and my colleague, Mr. Small, a while ago; OSH training, Occupational, Safety and Health that is, employment bureau, YTEPP Alumni Centre, because you have these youngsters who would have trained and benefited and they come back to help and to direct their colleagues, younger colleagues, all of that, but we are advised that this department is floundering. It has not really developed within recent times any serious strategic plan or vision. You are going to have a chance to respond in a little while. No strategic meeting for the past few years, 10 years it is being reported to us.

And, by the way, these proceedings are public and the reason, part of the reason for that is to democratize what we are doing and to allow the public to participate. In fact, they send emails while we are here. So the public is saying, elements of the public, no strategic meeting of that critical department in the last 10 years or so, no input by staff in terms of budgeting, no review or evaluation of the work of that department, the IT corporate training has declined substantially, no training for the IT tutors in order to keep cutting edge and relevant, given the pace at which technology is evolving in today's competitive and IT-driven world, high attrition rate in the micro-entrepreneurship classes. Some people are forced into them or directed into them against their wish and desire and will. A so-called "five for five" with NEDCO was a total failure. The Minister of Labour and Small Enterprise Development might want to pay some attention to that and the reasons why. Not one microbusiness sphere under your watch, Mr. Cave, and the tracer studies, and the results of tracer studies have been wholly ignored.

Those are some of the elements of feedback that this Committee is getting exacerbating our concern that the beneficiaries, or the intended beneficiaries of this programme are not getting the best of it while—as the Chairman indicated a while ago, it seems as though the thing is now so skewed that it is the management of the company that is benefiting the most from YTEPP. If that is true, it is a very, very pathetic and sad state of affairs, another national blemish and failure. I hope it is not.

Mr. Cave, I would like your reaction to some of these matters here all under the watch of a very able CEO who imposes and implement things without ministerial, without board, without all kinds of authority. How could this be, if correct, would you like to tell us?

**Mr. Cave:** And I am very glad that we have come to reviewing the work of YTEPP Limited.

**Mr. Hinds:** Well, yes—

**Mr. Cave:** And the—

**Mr. Hinds:** Just a second. And the reason why we are only now coming to the work is because—the reason why we are only now coming to the core of YTEPP is because a lot that we have read and seen here about YTEPP is not what YTEPP ought to be.

**Mr. Cave:** And I apologize if it came out.

**Mr. Hinds:** Well, it did.

**Mr. Cave:** I do apologize to the Committee.

**Mr. Hinds:** So I just want, on behalf of this Committee, to make it very clear, it is our business to pay attention to all, and you have detained us with some of the wrongs and malpractices that we have found, and we want answers to those too.

**Mr. Cave:** And I am willing to provide—

**Mr. Hinds:** So now we have come to the core and the EDSS department, tell us.

**Mr. Cave:** So I can start with the entrepreneurial aspect of what we do. Our programme is the only programme of its kind in all the vocational training sectors. The entrepreneurial side of it was formed in collaboration with the ILO, the International Labour Organization. The manual that we have is one that we developed in collaboration with them. Our tutors and technical supervisors got training, and that is under my watch. We have formed several other partnerships, the computer training that you speak about. We have buses that were financed by USAid; and the tutors, their skills have continuously been upgraded. We provided training to several public sector Ministries that we have made hundreds of thousands of dollars, if not millions of dollars from.

We have also done—and if you reviewed the documents we sent to you, there are hundreds of small businesses that have been started under the EDSS department. We provided a list of 403 small businesses that are still in existence—since from 2008 we started. Based on the numbers that have been coming to us, the EDSS department does not treat with the entire YTEPP body. It treats with those persons who have signed up for entrepreneurship development, and those persons are exposed to six months of training based on the manuals we have developed and based on the systems that we have implemented. And when we do the tracer studies you would see that the international rate is 6 per cent for persons who actually get into businesses on their own. And our rate, based on the documents you have in front of you, is around 13 per cent, so it exceeds the international—

**Mr. Hinds:** In light of that, you, Mr. Cave, as Director of that EDSS unit or department, division of YTEPP, you are reporting to this Committee that you feel completely satisfied that it is fulfilling its mandate, doing well, and there is precious little room for improvement, is that what you are submitting?

**Mr. Cave:** There is never precious little room for improvement.

**Mr. Hinds:** What is your submission then?

**Mr. Cave:** My submission is that the work of the—especially the entire organization—is solid work.

**Mr. Hinds:** Let me give you a statistic.

**Mr. Cave:** This organization has continuously provided all—

**Mr. Hinds:** Let me give you a statistic for our benefit.

**Mr. Cave:** Sure.

**Mr. Hinds:** I have the stipend payments, meaning—tell me, what the stipend payment for the benefit of those—

**Mr. Cave:** A stipend is what trainees get from the organization when they come to do a training programme.

**Mr. Hinds:** Good. I have some data here on the stipend payments from 2008 to 2017. All right? In 2017 to 2018, in respect of youth training, I see we have 2,542 trainees. Now, of course, in 2008—2009, it was 6,549 trainees; 2009—2010, 6,566 trainees; in 2010—2011 it almost halved, 3,403 trainees; in 2011—2012, 3,004; in 2012—2013, 3,009; in 2013—2014, 3,033; in 2014—2015, 2,741, declined; in 2015—2016, well, it jumped to 3,728, very instructive. Look at the years, 2015—2016. In 2016—2017, it went down again to 2,164, and in 2017—2018, 2,542 trainees. The stipend for the youth training of those 2,542 trainees is just about \$6.3 million, and for the

retraining it is \$660,000. The average—and this is the interesting figure—in 2010 to 2011, the average stipend per trainee would have been \$6,742; in, for example, 2014—2015, \$6,215.11; in 2015—2016, \$4,753; and lo and behold, for 2017—2018 the average stipend per trainee for the youth training is a mere \$2,490.99; and for the retraining, \$2,301.45. So these statistics here tell a story.

**Mr. Cave:** They tell a story about stipend payment.

**Mr. Hinds:** It tells a story about attendance in the youth training programme; it tells a story about attendance in the retraining programme; and it tells a story about the stipend. And the other information we got here also tells us another story that YTEPP seems to be favouring those who manage it.

**Mr. Cave:** And I can say, categorically, that that is not true. That is not the picture that we have in the organization relative to what is happening in terms of beneficiaries. If you look at the computer training programme that we have, we have over 12,000 persons who have benefited from that from 2008 to now. If you look at the other international organizations that we have interacted with and what we have begun in terms of the IOC programme, if you look at the CDSL programme, which is the only one of its kind that we have right now in Trinidad and Tobago and up the entire Caribbean which speaks to shipbuilding and shipbuilding repair that we have several young men who have travelled from Guayaguayare, Mayaro, all over the place to come to that. If you look at what we have going in Metal X, if we examine the work of YTEPP Limited and the beneficiaries, if you look at the fact that this particular agency is probably one of the only ones that have continuously provided audited—so I wondered about the forensic audited—but audited financial statements, and we have an internal auditor who you commended as one of the best that you have seen, and he has been able to flag two instances of fraud.

**Mr. Hinds:** Mr. Cave, what you are saying there is what YTEPP ought to be.

**Mr. Cave:** But it is the fundamental thing that we do.

**Mr. Hinds:** And we are seeing evidence that there is a gap between the “ought” and the “is”, and it is our duty to interrogate those matters, and that is what we are doing.

**Mr. Cave:** Respectfully, Mr. Hinds—

**Mr. Hinds:** Now, in terms of the IT, for example, I just told you what the public—and that might very well be internal public, because the text that we got, the email I got coming into this programme suggested—it sounds intimate—

**Mr. Cave:** So is that one email?

**Mr. Hinds:** Just hold on, just hold on, Mr. Cave, please.

**Mr. Cave:** Sorry.

**Mr. Hinds:** I do not work in YTEPP. I have never had the benefit of YTEPP training, although maybe I should. But I will tell you this, it sounds like intimate information, and a member of your internal public is saying in respect of IT, the tutors are not being upgraded and trained and skilled, and the programme is not where it ought to be. So this ought to be an indication to you to pull it together and ensure that that cannot be justifiably said.

**Mr. Cave:** And I am saying to you, Sir, that at the last meeting we had information provided where continuously all tutors are upgraded with meetings. I am responsible for career enhancement—

**Mr. Chairman:** Mr. Cave, we are inching towards one o'clock, I want to ask— Mr. Hinds has raised a number of important matters that members of the public are asking, we are going to submit those to you and you can respond in writing, because we want to give everyone a fair chance. So we will submit to you in writing those areas that the members of the public are concerned about. You being the Director, you will get it and you will respond in writing. I want to give Mrs. Baptiste-Primus the floor. This will be the final question that we will be entertaining, and then I will call on the Chairman of YTEPP and the Permanent Secretary to make some closing remarks. Mrs. Baptiste-Primus, please.

**Mrs. Baptiste-Primus:** Thank you kindly, Mr. Chairman. My question focuses on the fund at the UTC. Mr. CEO, you indicated that the present balance in that fund is \$4,500?

**Mr. Forgenie:** Yes, the Director of Finance would have indicated that.

**Mrs. Baptiste-Primus:** So my question is, the withdrawals from that account over the years, for the period of time you were there, did you receive authorization from the board to make those withdrawals?

**Mr. Forgenie:** Yes, Ma'am. Deposits to the account and withdrawals from the account are authorized by the board.

**Mrs. Baptiste-Primus:** Madam Chairman, are you aware of the existence of this fund?

**Ms. Best:** Yes. I want to say, yes, from reports that we have been submitting to the board.

**Mrs. Baptiste-Primus:** So you are aware of the existence of the fund. Since you have been the Chairman have you authorized any withdrawals from the fund?

**Ms. Best:** No, I have not.

**Mrs. Baptiste-Primus:** When the fund was brought to your attention, what was the balance in the fund?

**Ms. Best:** I cannot say. I cannot remember.

**Mrs. Baptiste-Primus:** Permanent Secretary, Ministry of Education, is the Ministry of Education aware that funds were drawn down from this account to meet recurrent expenditure?

**Mr. Meyer:** No, we are not aware of specific transactions on the fund. We are aware of the fund.

**Mrs. Baptiste-Primus:** Now that you are aware of the fund, what kind of advice would you want to give the Chairman of the board and the CEO of YTEPP with regard to drawdowns from funds to meet recurrent expenditure?

**Mr. Meyer:** Well, before we even get to the point of recurrent, the initial authority to set up the fund and how the fund was, well, funded to begin with in the first place. That would be the first jump-off point. After that we will deal with whether the fund is even required at all.

**Mrs. Baptiste-Primus:** But we have a practical situation where the CEO has admitted within your hearing that funds were drawn down from this fund to meet recurrent expenditure, what advice would you want to give the Chairman of the board and the CEO with regard to drawdowns to meet recurrent expenditure?

**Mr. Meyer:** I think the Ministry has to be informed before we even carry out any transactions of that nature.

**Mrs. Baptiste-Primus:** So, Madam Chair, you are so advised, and the CEO, that is not a very—that is not acceptable. Funds are released from the Ministry for meeting the expenses of YTEPP. Mr. Chairman, there is so much more, but I will ask the CEO one final question. Is anyone of

your relative, or has anyone of your relative hired to conduct training at the YFL facility and was being paid under their maiden name?

**Mr. Forgenie:** Yes.

**Mrs. Baptiste-Primus:** And who was that person?

**Mr. Forgenie:** The person would have been my spouse.

**Mrs. Baptiste-Primus:** I have no further question, Mr. Chairman.

**Mr. Chairman:** May I—

**Mrs. Baptiste-Primus:** Note, Chairman, that the CEO indicated to me earlier on that no relative of his was ever employed to do anything at YTEPP. I have no further questions.

**Mr. Chairman:** Yeah. May I ask the Investments Division whether your division is aware of the existence of those funds, UTC—what do you call it?

**Mr. Small:** The Money Market Fund.

**Mr. Chairman:** The Money Market Fund, are you aware of such a fund? And if you are aware of such a fund, did the Investments Division through the Ministry of Finance authorize the establishment of such a fund? Are you aware and did you authorize that as a very important agency for monitoring state enterprises in Trinidad and Tobago?

**Ms. Sookoo:** We are aware of the establishment of a fund because it is recorded in the financial statements. As to the authority to establish a fund, I am not aware of the authority to establish the fund.

**Mr. Chairman:** But as an agency that is responsible, or division or a unit to monitor and to ensure that these enterprises, and so on, are carrying out their responsibilities properly, consistent with value for money, in the interest of the taxpayers and Corporation Sole, when we saw such a fund being established, did we not raise a red flag or seek to have some enquiry made as to who authorized this fund to be established, because you have just indicated that you are aware of such a fund but you do not know who, you know, how it was established or who authorized it? So was it not within your remit to enquire?

**Ms. Sookoo:** I would say, yes, but the fund has been in existence for quite a number of years, and if the Ministry notices that moneys that are invested in, let us say, some investment that may not be of a certain standard, then we will bring that to their attention. So, we may not have seen a need to enquire further into this investment.

**Mr. Chairman:** No, the reason why I am asking this is because we have been told that that money has been drawn down to the point where there is only \$4,000 remaining over the years for recurrent expenditure. And the simple point is, if you are coming to the Ministry via the Ministry of Education, or whichever Ministry was responsible for YTEPP at the material point in time, and they are requesting \$60 million to run their operations, would not the Ministry want to know that there is a fund under the YTEPP that contains \$9 million, as an example, and they are asking for 60, give them 51, because they have nine put away in a fund that you have authorized, or you are aware of? So I am just asking, you know, whether this was a secret fund, meaning that you had it there, YTEPP—they asked for \$70 million, they get \$60 million, and they are able to access this fund to do whatever they want with it for whatever they choose to invest that \$6 million or \$9 million for? I am just asking that, because I just find it curious that you could have an agency just accessing a fund and without authorization, and they can do whatever they want and you are not

aware fully, and the Ministry of Education is not aware. So something is fundamentally wrong with that arrangement.

**1.10 p.m.**

**Ms. Sookoo:** What I would say to that, is that YTEPP is provided funding by the Ministry of Finance via the line Ministry. They usually request for funding on a quarterly basis, or whatever, from the line Ministry. So the Ministry relies on the line Ministry—the Ministry of Finance relies on the line Ministry to do that due diligence to ensure that whatever funds you are requesting from the Ministry of Finance to fund the operations of the company—so the Ministry relies on that control from the line Ministry.

**Mr. Chairman:** Thank you so very much.

Madam Chairman, I will give you the last say. If you could give us some brief closing remarks in a few, maybe a minute, we will appreciate that very much.

**Ms. Best:** Thank you Mr. Chairman. I want to reiterate what I said before, after this hearing YTEPP can only get better. The processes in YTEPP can only get better. Our performance can only get better.

We have had some revelations here that this board—and I give you my word that this board will not only attempt, but will ensure that YTEPP comes out as one of the best organizations, one of the best operations in Trinidad and Tobago, because there has been some good work in YTEPP. We have testimonies from those who have passed through YTEPP. Yes, unethical practices you might say have crept it, or unauthorized practices—let me take back “unethical”—have crept in. I can assure you that we will do all in our power. My board will do all in its power to ensure that YTEPP comes out on top and is a paragon of virtue, if I may say so.

**Mr. Chairman:** May I, on behalf of the Public Accounts (Enterprises) Committee, express our profound thanks to everyone. The Ministry of Education, the Ministry of Finance Investments Division, the YTEPP team that have come here for the second time, we want to thank you along with members of the media, the listening public and the viewing public.

I want to make it very clear, Madam Chairman, our role and responsibility is to help you. But we cannot sit by and see any irregular practices emerge in any state enterprise that receives public money, that the Parliament of which I am a member, approves every year. We need to get a proper accountability for every cent that is given to every entity, Ministry, state enterprise, statutory authority and we want to get value for money. We want to see efficiency, efficacy and economy in the expenditure of public funds, and we will not tolerate and will not permit any misuse or abuse of the public purse by anyone in any state enterprise, or any Ministry that comes before us. We deal with state enterprises, and our responsibility is to improve.

So from our report there will be findings, there will be recommendations, all designed to improve the efficiency, the efficacy, the economy and the effectiveness of YTEPP as an institution. I cannot agree with you more when you said that YTEPP has done good work for the people of Trinidad and Tobago. A lot of young people have benefited from YTEPP, and there is evidence to show that. What has happened is that they have lost their moorings. They have shifted and drifted and we have to bring them back in line, and that is what we are about.

So I want to thank you very much for being here, and we look forward to seeing you when the rest of the financial statements come to us, '15, '16 and '17. When those come we will re-invite you so that we can look at those accounts.

Thank you very much members of the public, this meeting is now adjourned.

**1.14 p.m.:** *Meeting adjourned.*