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on an

An Inquiry into Financial Oversight and Financial Management Systems at Municipal Corporations

Fifth Session (2019/2020), 11th Parliament

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Of the

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ACRONYMS AND ABBREVIATIONS

ABBREVIATION	MEANING
ABC	Arima Borough Corporation
CBC	Chaguanas Borough Corporation
CTB	Central Tenders Board
CTTRC	Couva /Tabaquite/Talparo Regional Corporation
DMRC	Diego Martin Regional Ccorporation
FO	Financial Officer
MCs	Municipal Corporations
MOF	Ministry of Finance
MoRDLG	Ministry of Rural Development and Local Government
MRRC	Mayaro/Rio Claro Regional Corporation
OPR	Office of the Procurement Regulation
PDRC	Penal/Debe Regional Corporation
PFBC	Point Fortin Borough Corporation
PSRCC	Port of Spain City Corporation
PTRC	Princes Town Regional Corporation
SFCC	San Fernando City Corporation
SGRC	Sangre Grande Regional Corporation
SLRC	San Juan/Laventille Regional Corporation
SRC	Siparia Regional Corporation
TPRC	Tunapuna/Piarco Regional Corporation

LIST OF TABLES

TABLE 1: THE STAFF COMPLEMENT OF THE INTERNAL AUDIT UNITS 31
TABLE 2: INSTANCES OF FRAUD AT THE CORPORATIONS 37
TABLE 3: STORAGE ARRANGEMENTS 42

LIST OF APPENDICES

Appendix I……..56
Appendix II……..61
Appendix III……..63
Appendix IV……..65
Appendix V……..70
Appendix VI……..95
Appendix VII..……..131

TABLE OF CONTENTS

ACRONYMS AND ABBREVIATIONS 4

EXECUTIVE SUMMARY 9

SUMMARY OF RECOMMENDATIONS 11

The Ministry of Rural Development and Local Government 15

Internal Audit Unit of the MORDLG 17

Summary of Evidence Together with Findings and Recommendations 21

Objective 1: To Examine the role of the line Ministry and Executive Management of Municipal Corporations in promoting and facilitating accountability and transparency in the operations of Municipal Corporations 21

Role of the Line Ministry and Executive Management of the Corporation 21

The Role of the MORDLG 21

Reallocation of Funds by the Minister 22

The role of the Ministry in overseeing Contractors 22

The role of the MoRDLG in addressing improprieties within Municipal Corporations . 24

The role of the Municipal/City Council 24

The Creation of Financial Regulations 26

The role of CEOs at Municipal Corporations 26

The High turnover of CEOs 27

Recommendations 29

Objective 2: To Assess the Internal Control Systems within Municipal Corporations 30

Financial controls and audits 30

Human Resource Challenges 32

Training for Financial Officers/Comptrollers 33

Preparedness for the new Public Procurement Regime 34

Preparation of Annual Financial Statements 35

Litigation Claims 35

Fraud Policy 36

Instances of Fraud 37

Tenders Committee 39

Payments to Contractors 40

Methods of Receiving Routine Payments 41

Storage of Files 42

Recommendations 46

Objective 3: To examine the proposed local government reform initiatives associated with the management of finances with Municipal Corporations. 48

Legislative Review 48

Proposed Financial Revisions from the Miscellaneous Provision (Local Government Reform) Bill, 2019 49

Recommendations 51

Appendices 53

Appendix 1 54

List of Officials 55

Appendix 2 58

The Project Evaluation Process 59

Appendix 3 60

Recommendations Proffered by the Finance Committee of the Corporations 61

Appendix 4 62

The Status of the Financial Statements and Administrative Reports of the Corporations. 63

Appendix 5 68

Summary of Corporations' Information 68

Appendix 6 92

Minutes 93

Appendix 7 127

Verbatim Notes 128

EXECUTIVE SUMMARY

1.1 At its twenty-seventh meeting held on Wednesday 28th November 2018, the Committee resolved to conduct an **Inquiry into Financial Oversight and Financial Management Systems at Municipal Corporations** and agreed that the following three (3) objectives would guide the inquiry:

- **To examine the role of the line Ministry and Executive Management of Municipal Corporations in promoting and facilitating accountability and transparency in the operations of Municipal Corporations;**
- **To assess the internal control systems within Municipal Corporations; and**
- **To examine the proposed local government reform initiatives associated with the management of finances with Municipal Corporations.**

1.2 To this end, the Committee obtained evidence from the fourteen (14) Municipal Corporations and the line Ministry. Some of the major issues that were highlighted/identified during the course of the inquiry included:

- **The critical role of the Ministry in addressing internal inefficiencies within the Corporations;**
- **The need for the establishment of Internal Audit Units in all Corporations, as proposed under the Local Government Reform initiative;**
- **The role of the Council of Corporations in ensuring that allocated funds are utilized for the purposes outlined within the Act;**
- **The oversight role of CEOs and their responsibility to report to the PS of the MoRDLG;**
- **The high turnover of CEOs within Corporations which has stymied their efficient operations;**
- **The absence of critical staff within the Accounting Unit of Corporations, namely the Treasurer and the Financial Officer;**
- **The untimely drafting and submission of Financial Statements;**

- **The inconsistency in the level of the preparation of staff of the Corporations to implement the New public procurement regime;**
- **The need for a fraud policy within Corporations;**
- **The processes associated with storing important confidential files;**
- **The continued use of manual methods to collect revenue within the Corporations and the need to introduce/expand the use of electronic methods such as Linx /Debit cards.**
- **The impact of the Local Government Reform on the operations of the Municipal Corporations.**

1.3 Based on the evidence received and the conclusion derived from such evidence, the Committee has proffered recommendations which it believes will appropriately address the issues highlighted. A summary of these recommendations follow this Executive Summary.

1.4 We anticipate that the Parliament, the fourteen Municipal Corporations and the line Ministry would give due consideration to the findings and recommendations contained in this Report with a view to improving the operations of the Municipal Corporations. The Committee looks forward to reviewing the Ministry's response to this Report, which becomes due, sixty (60) days after it is presented to the Houses of Parliament.

SUMMARY OF RECOMMENDATIONS

The following is a consolidated list of recommendations proposed by the Committee:

The Committee recommended that the following be implemented in the short-term (3-6 months):

i. **Urgent attention should be given to addressing some of the major obstacles faced by the Ministry in attempting to exercise it oversight function of Corporations. This may be achieved by:**

   a. **Developing and implementing a policy to guide records management within Corporations. This policy must stipulate the digitization of records;**

   b. **Managers within Corporation must engender a cooperative culture among its staff as it relates to the importance of cooperating and partnering with the Line Ministry, the Auditor General and other external oversight/auditing bodies. Failure to comply with reasonable requests by any of these bodies must be treated as an act of indiscipline and the necessary disciplinary procedures should be invoked.**

ii. **In considering amendments to the local government legislation, the applicability and or relevance of Section 117 of the MCA should be assessed, since none of the Corporations have exercised the option of formulating such regulations.**

iii. **The Committee strongly recommends that the Corporation prioritise the creation of a fraud policy in order to establish clear guidelines which are in line with national and international standards.**

iv. **The Committee strongly recommends that the MORDLG assume a leading role in negotiating/ proposing an increase in the remuneration packages of the Financial Official. This should be supplemented by a proposal document highlighting the current market rates for the post of Financial Officer.**

v. **The Committee recommends that in order to ensure the post of FO is filled at all Corporations the MoRDLG should provide additional incentives to the existing remuneration packages in an attempt to retain its current staff.**

vi. **In the Interim the Corporation should mandate that the Accounting staff within Corporations without Internal Audit Units provide monthly reports on the operations of the Accounting Unit to the MoRDLG.**

vii. **In the Ministerial Response please provide the Parliament with a status update on the provision of Training for Financial Officers and the number of FOs who are expected to undergo said training.**

viii. **The Committee strongly recommends that the Ministry develop a fraud policy which should be applied to all Corporations. In the interim, there are laws that are applicable which should be strictly enforced.**

ix. **In its Ministerial Response to this report, the MORDLG should outline the proposed modifications to financial management, accounting and audit functions within Corporations that is contemplated under the new local government regime.**

The Committee recommended that the following be implemented in the medium term (7-12 months):

i. **Notwithstanding the externalities which influence the rotation of senior managers within Corporations, the Committee recommends that the procedure utilized to assign CEOs be reevaluated in order to increase the probability of**

longevity in the post. This process should commence with consultations involving the relevant Service Commissions, Mayors, Chairmen and other stakeholders.

ii. **That the Ministry examine the feasibility of placing all municipal corporations under the ambit of one service commission. This institution adjustment may result in greater efficiency and effectiveness in the movement of human resources among the Corporations. In this regard, consideration should be given to building the institutional capacity of the Statutory Authorities Service Commission to fulfill this responsibility.**

iii. **A suitable performance management system must be developed for CEOs of Corporations as a means of streamlining their placement with the Local Government Framework and developing their professional capacity. At the pinnacle of this system should be the Permanent Secretary, MoRDLG who should be vested with the authority to assess the performance of each CEO on an annual basis. This will be further facilitated through the submission of standardized output/ performance data by each CEO to the PS.**

iv. **The Committee recommends that all MC establish a Procurement Unit as mandated by the Act. The MoRDLG should ensure that the necessary steps are taken to hire and train staff. This unit would assist Corporations in increasing the levels of transparency and accountability in the awarding of contracts to contractors and other service providers.**

v. **A Special Audit of the procurement of Legal services at the Penal/Debe Regional Corporation should be undertaken to ensure that the Corporation engages in the required due process prior to the obtaining the services of a Law firm, especially in cases, where a senior official has utilized the service in a personal capacity.**

vi. In determining/prescribing the statutory arrangements and operational systems for Financial management and accountability in Municipal Corporations, careful consideration must be given to:

a. Ensuring that the necessary safeguards are instituted to preempt the various types of fraud and improprieties that were observed by this committee;

b. Upskilling/ human resource development of Corporation staff, especially those assigned to the accounts departments/units;

c. Enhancement of disciplinary measures for breaches of financial rules and procedures.

INTRODUCTION

Background

2.1 The Committee was cognisant of the ongoing local government reform activities including the drafting of the Miscellaneous Provisions (Local Government Reform) Bill, 2019 and the hosting of consultations. However, over the period July 2018 to November 2018 the media reported several instances of financial improprieties and breaches of proper administrative practices at the Corporations. The committee further noted that of the 14 municipal corporations only four (4) had an Internal Audit Unit. They are Port of Spain City Corporation, San Fernando City Corporation, Arima Borough Corporation and Point Fortin Borough Corporation**.**

2.2 Therefore, the Committee determined that it should examine the state of the financial management systems and procedures within the local government system with a view to identifying real and potential shortcomings.

Regulatory Framework

The Ministry of Rural Development and Local Government

2.3 The Ministry of Rural Development and Local Government (MoRDLG) functions as the coordinating agency which guides Municipal Corporations and Special Purpose Enterprises in assisting communities by pooling resources in targeted areas which include among others Infrastructure Development, Disaster Management, Public Health and Sanitation. The (MoRDLG) is also responsible for organizing, promoting and implementing rural development policies and strategies. Its primary roles and responsibilities include the following:

- Convey the policy perspectives and guidelines of Central Government;
- Monitor the finances and expenditure of Municipal Corporations;

- Render expert advice;
- Issue guidelines on administrative and statutory regulations;
- Supervise the execution of projects and programmes;
- Coordinate the activities of Municipal Corporations in order to ensure the efficient and effective delivery of services in a timely manner and also balanced growth development; and
- Act as an adjudicator in cases of disputes between Municipal Corporations.

2.4 The Local Government System comprises 14 Municipal Corporations, they are:

- Two (2) City Corporations:
  (i) Port of Spain City Corporation
  (ii) San Fernando City Corporation

- Three (3) Borough Corporations:
  (i) Arima Borough Corporation
  (ii) Chaguanas Borough Corporation
  (iii) Point Fortin Borough Corporation

- Nine (9) Regional Corporations:
  (i) Couva/Tabaquite/Talparo Regional Corporation
  (ii) Diego Martin Regional Corporation
  (iii) Mayaro/Rio Claro Regional Corporation
  (iv) Penal/Debe Regional Corporation
  (v) Princes Town Regional Corporation
  (vi) San Juan/Laventille Regional Corporation
  (vii) Sangre Grande Regional Corporation
  (viii) Siparia Regional Corporation
  (ix) Tunapuna/Piarco Regional Corporation

Internal Audit Unit of the MORDLG

2.5 The function and purpose of the Internal Audit Unit is to ensure that all business activities of the nine (9) Regional Corporations, the Borough of Chaguanas[2], and the Ministry of Rural Development and Local Government are carried out fairly and transparently in accordance with the requirement of the law and all relevant Statutory Regulations and Agreements. The Internal Audit Unit reports directly to the Permanent Secretary of the Ministry.

2.6 This Unit is responsible for conducting:

- Investigations;
- Verifications; and
- **Internal control checks on key systems using the comprehensive Audit approach.** Reports from these checks are submitted to all relevant Managers.

2.7 Investigations and verifications are carried out at these Regions under a federal type jurisdiction by the Internal Audit Unit of the Ministry upon the request of the Permanent Secretary.

Statutory Framework

2.8 The main legislation governing the activities of Municipal Corporations is the Municipal Corporations Act Chapter 25:04 hereinafter referred to as the MCA. The components of the Act which govern the financial activities of the Corporations are as follows:

Submission of financial information to the MOF

According to Section 108 of the MCA, the Council of a Corporation are required to submit capital expenditure and an income and expenditure budget to the Minister of

[2] These Regional Corporations do not have an Internal Audit Unit.

Finance for the financial year commencing January 1st. Amendments can be further made by the Minister of Finance.

Financial Accounting and Audit within Municipal Corporations

Section 113 prescribes that the accounts of every Corporation shall be subject to audit by the Auditor General in all respects as if the Corporation were a department of the Public Service. Furthermore, the Auditor General shall send one duly certified abstract of the accounts of every Corporation to its Council, and another duly certified abstract to the Minister.

Cheque Signatories

Section 116 prescribes that all cheques drawn upon the banking account of a Corporation shall be signed by not less than two officers authorised for the purpose by resolution of the Council with the approval of the Minister.

Provision that gives the Council the Authority to make its own Rules & Regulations regarding financial matters

Section 117 states that a Council may, by resolution, make Regulations as to all or any of the following matters:

(a) the custody of money, pass books, and cheques; and

(b) all matters necessary for the proper keeping of its accounts.

Section 118 further states that all matters of a financial nature relating to the affairs of a Corporation and all vouchers for the payment of any moneys to be disbursed by the Corporation except petty disbursements not exceeding a sum to be fixed by resolution shall be submitted for approval to the Finance and Planning Committee appointed in accordance with section 69.

Every Treasurer shall cause vouchers to be made out for all payments out of the Corporation Fund save in the case of petty cash disbursements not exceeding such

sum as is fixed by resolution of the Council; and the Treasurer shall be responsible for all vouchers and the correctness thereof.

All vouchers shall be signed by such officers of the Corporation as the Council may authorise for that purpose with the approval of the Minister.

Conduct of the Inquiry

2.9 The Committee proceeded to utilize a survey approach by disseminating the same questions to all Corporations. This facilitated the receipt of comparative data which was further analysed into statistical data.

2.10 The systems and procedures of the local government bodies are primarily informed by a standard statutory framework, that is, the Municipal Corporations Act. Therefore, the Committee posed common questions to all Municipal Corporations pertaining to the relevant statutory rules and procedures prescribed by the Act. The Committee then interrogated the written responses received from the Corporations to established trends and differences.

2.11 Oral evidence was captured through the convening of four public hearings. The first public hearing was held with representatives of Arima Borough Corporation, Port of Spain City Corporation, San Fernando City Corporation, Point Fortin Borough Corporation and the Chaguanas Borough Corporation on Wednesday January 23rd, 2019.

2.12 The following stakeholders appeared before the Committee on the indicated dates:

January 23rd 2019

1. Ministry of Rural Development and Local Government
2. Port of Spain City Corporation
3. San Fernando City Corporation
4. Point Fortin Borough Corporation

5. Arima Borough Corporation
6. Chaguanas Borough Corporation

February 13th 2019

1. Ministry of Rural Development and Local Government
2. Diego Martin Regional Corporation
3. Siparia Regional Corporation
4. San Juan / Laventille Regional Corporation
5. Penal/Debe Regional Corporation

March 27th 2019

1. Ministry of Rural Development and Local Government
2. Diego Martin Regional Corporation
3. Siparia Regional Corporation
4. San Juan / Laventille Regional Corporation
5. Penal/Debe Regional Corporation

April 24th 2019

1. Ministry of Rural Development and Local Government
2. Diego Martin Regional Corporation
3. Siparia Regional Corporation
4. San Juan / Laventille Regional Corporation
5. Penal/Debe Regional Corporation

2.13 A list comprising the names of the officials who appeared is at Appendix I.

2.14 The Minutes and Verbatim Notes are attached as **Appendix 6** and **Appendix 7** respectively.

Summary of Evidence Together with Findings and Recommendations

Objective 1: To Examine the role of the line Ministry and Executive Management of Municipal Corporations in promoting and facilitating accountability and transparency in the operations of Municipal Corporations

Role of the Line Ministry and Executive Management of the Corporation

The Role of the MORDLG

3.1.1. The Ministry of Rural Development and Local Government in its oversight responsibility to local government bodies is guided by the Municipal Corporations Act No. 21 of 1990, and its amendment, Act No. 8 of 1992. Its mandate is also guided by the established regulatory framework, that is *inter alia*, the Exchequer and Audit Act Chapter 23:01, the Public Service Employees (Pensions and Gratuities) Act No.9 of 1987, the Civil Service Act Chapter 23:01, the Central Tenders Board Ordinance 22 of 1961, as well as circulars issued by the Chief Personnel Officer, the Director of Personnel Administration, Comptroller of Accounts and the Ministry of Finance as stated in its submission dated January 18th 2019.

3.1.2. Further to this, Municipal Corporations are required to submit the following to the MORDLG in fulfillment of their reporting mandate:

- Financial reports/statements (Monthly/Annually);
- Development Programme – Public Sector Investment Programme Status Reports (Monthly);
- Administrative Reports (annually);

- Minutes of Statutory Meetings of Council (Monthly to the Minister);
- Attendance/Punctuality Reports on Monthly Paid Staff;
- Disaster Management Situation Reports (Daily);
- Reports on Regional Coordinating Committees Attendance (Monthly);
- Routine reporting on miscellaneous matters via formal memos, email, telephone, and social media (WhatsApp, Facebook, etc.).

3.1.3. The Municipal Corporations Act provides for the Minister of Rural Development and Local Government (RDLG) on the application of Council to approve the allocation of monies for purposes other than those to which such monies were allocated. Recommendations for the Virement of Funds are approved by Council and forwarded to the Minister of RDLG for approval. Request for the Transfer of Funds, approved by Council must be recommended by the Minister of RDLG prior to being forwarded to the Minister of Finance for approval.

Reallocation of Funds by the Minister

3.1.4. Section 120 of the MCA states that the Minister has the authority, on the application of the Council, to approve the allocation of monies to purposes other than those to which such monies were allocated. The process of which involves recommended virement of funds as approved by the Council, which is forwarded to the Minister of RDLG for approval. A further request for the Transfer of Funds is approved by the Council is recommended to the Minister of RDLG and further forwarded to the Minister of Finance for approval.

The role of the Ministry in overseeing Contractors

3.1.5. The Committee was advised that the role of the MoRDLG in evaluating contractors offering to provide goods and services to Municipal Corporations was very limited. During the third public hearing on March 27th 2019, the Deputy

Permanent Secretary stated that contractors submit their applications as well as their statutory documents and are interviewed at the Ministry. After which the information is forwarded to the MOF. The DPS, MoRDLG underscored that the registration of contractors falls under the purview of the Ministry of Finance.

3.1.6. Furthermore, the operation of contractors must be in line with the Central Tenders Board Act until the new public procurement Act is fully proclaimed. Therefore, any issues can be submitted to and addressed by the Central Tenders Board.

3.1.7. **During the public hearing however, several Committee members expressed concern at the fact that the process outlined in the Ministry's submission did not accurately represent what occurs in the day-to-day operations at the Ministry**.

3.1.8. During the hearing on March 27th 2019, the Committee queried whether the contractor approval process that is documented was actually being adhered to. A member further suggested that the list of contractors had not been updated since 2015.

3.1.9. The current system used by the Corporation to monitor the implementation and execution of projects is as follows:

a) The Council identifies priority projects to be undertaken;
b) Members of Council are accompanied by the Engineer to visit all projects;
c) The Engineer would then prepare detail estimates that would inform the preparation of Draft Estimates for Development Programme;
d) When the Budgetary allocation is announced, the Council would then re-prioritize projects and a final submission would be made to Council to approve projects for the fiscal year based on allocation.

3.1.10. Further to this, the Project/Planning Unit of the Ministry undertakes the examination, monitoring and evaluation of the Development Programme (DP) - PSIP projects of all Municipalities. The MoRDLG ensures that the project is Council approved. Furthermore, the MoRDLG ensures that the estimate is a true representation of the work to be undertaken through a series of oversight mechanisms, mainly site visits.

3.1.11. A detailed outline of this process may be found in Appendix 2.

The role of the MoRDLG in addressing improprieties within Municipal Corporations

3.1.12. The MoRDLG plays a critical role in addressing the improprieties in Municipal Corporations. Allegations of improprieties against MCs can be submitted by any member of the public. The process associated with addressing these improprieties involves requesting a report from the respective CEO, followed by a Special Audit by the Ministry's Internal Audit Unit. The Internal Audit Department of the MORDLG examines the Financial Systems and Records of the Corporations through an assessment of the Vote Book, Bank and Cash Statements as stated in their written submission. Further to this, the MORDLG can conduct further investigation as requested by the Corporation.

3.1.13. Interestingly, during the public hearing on January 23rd 2019, the Ministry stated that it was unaware of instances where the actions of the CEO of the Municipal Corporations were considered or reported as suspicious.

The role of the Municipal/City Council

3.1.14. Several of the submissions made by the Municipal Corporations underscored the role of the Council or political arm in the financial management and financial

oversight of Municipal Corporations. The financial procedures and practices are guided primarily by part VI- (Financial Provisions) of the Municipal Corporations Act. The Municipal Corporations Act also provides for the appointment of a Standing Committee to deal with matters of Finance, Planning and Allocation of Resources. The Council first considers the Draft Estimates of Revenue and Expenditure for Recurrent Expenditure.

3.1.15. The Council has direct responsibility for the review of Revenue and Expenditure Reports, Recurrent Expenditure, Status Reports on Development Programme, Receipts and Disbursement- Mayor's Fund, Internal Auditor's Report and Schedule of Vouchers. All of which are submitted to the Council for their review and oversight. The Council also examines and approves Financial Statements prior to submission to the Auditor General's Department.

3.1.16. Payments to suppliers, monthly financial reports/ revenue and expenditure statements are approved by the Council before being forwarded to the Budget Division of the Ministry of Finance.

3.1.17. In this regard, the Chief Executive Officer supported by the Chief Financial Officer, Accountant II and Check Staff examine and monitor vouchers and schedules before payments are authorized.

The role of the Finance Committee of the Council

3.1.18. All 14 Corporations indicated that their Finance Committee was active. The evidence received by the Joint Select Committee suggested that these Finance Committees recommended changes to the accounting and administrative practices employed by the administrative arm of the Corporations. The recommendations made included decreases in overtime, mandating that all financial matters be submitted to the Council for approval, recommending an

expansion of duties for the Internal Audit Unit to go beyond the computation of salaries, arrears, overtime and increments but to instead engage in system audits. In cases where the Finance Committee is inactive Corporations may face issues such as the inability to obtain their budgetary allocation as was the case in the Chaguanas Borough Corporation in fiscal 2018/2019 as stated in their submission.

3.1.19. A detailed list of the recommendations proffered by the Finance Committees of various Corporations can be found in Appendix 3.

The Creation of Financial Regulations

3.1.20. Section 117 of the Municipal Corporations Act empowers the Council of a Municipal Corporation to create regulations as it pertains to:

a) the custody of money, pass books, and cheques; and

b) all matters necessary for the proper keeping of its accounts.

3.1.21. By submission dated February 13th 2019, only the Diego Martin claimed to have drafted regulations in accordance with Section 117 of the MCA.

3.1.22. However, the Committee was informed that its records had suffered water damage and were compromised. Unfortunately a soft copy was not available. In response, the DMRC collaborated with Nalis to obtain two (2) mobile containers. In the interim, these records are being treated for mold damage.

The role of CEOs at Municipal Corporations

3.1.23. The CEOs of the Municipal Corporations (MC) are the Accounting Officers and are given the responsibility to report to the Permanent Secretary (PS), MoRDLG. As such CEOs oversee the operations of the Corporations.

The High turnover of CEOs

3.1.24. The line Ministry indicated that CEOs may be changed upon request by the Council, upon retirement and by personal request of the CEO. The Committee noted with concern that specifically within the San Juan/ Laventille Regional Corporation (SJRC), there was a high turnover of CEOs at the Corporation. This Corporation also recorded incidents of alleged fraud and improprieties in its operations. During the public hearing on February 13th 2019, it was stated that the turnover of CEO's at any corporation would destabilize the operations of the Corporations as it would require readjustment.

3.1.25. The SJLR Corporation's Chairman indicated that the previous CEO was removed upon request by the Council. In the other **six** instances, the CEOs were removed under the directive of the MoRDLG.

Findings

Based on the evidence set out in this section, the Committee concluded the following:

i. In terms of Ministerial Oversight of Municipal Corporations, the efficient operations of the Internal Audit Unit at the Ministry is crucial. The committee detected that the Ministry may be under-resourced to effectively perform adequate oversight of the financial management of the 10 Municipal Corporations who do not have an internal audit unit. In this regard, the Committee concluded that urgent attention should be given to addressing some of the challenges the Ministry encounter including:
   a. inconsistent and inadequate records management within Corporations;
   b. a lack of cooperation by Staff at the Corporation in treating with requests made by officials of the Ministry;
   c. Inadequate and unqualified accounting staff at some Corporations create a serious challenge in the preparation of financial accounting records.

ii. It was interesting to have learned that the Permanent Secretary and other executive managers of the MoRDLG were unaware of any improprieties involving CEO of any of the Corporations (in recent times). This position appears paradoxical given the high turnover of CEOs at Corporations which at times was due to performance issues.

iii. Given the frequent turnover of CEOs within the Local Government System, it may be beneficial for the line Ministry to hold consultations with the relevant Service Commissions and other stakeholders with the aim of developing guidelines for the promotion and transfer of persons to and from this office.

iv. Councils of Corporations are required to actively provide direction and oversight of the use of funding with Corporations. It was evident that these responsibilities were being executed at different levels of efficiency within the municipal corporation system. There was a general absence of Council Regulations which are provided for by Section 117 of the Act. However, a majority of Corporations appear to hold the view that the other internal procedures and practices have evolved over time to compensate for the lack of these written rules. Notwithstanding, the Committee is of the strong view that written rules may eliminate inconsistencies in financial management practices within the local government system.

v. Finance, Planning and Allocation Committees appeared to be generally active across the Corporation. However, the extent to which the administrative arm of the Corporation has applied/ implemented the recommendations of these Committees was dubious. Section 68 (4) of the Act should be more strictly honoured.

Recommendations

i. **Urgent attention should be given to addressing some of the major obstacles faced by the Ministry in attempting to exercise it oversight function of Corporations. This may be achieved by:**

   a. **Developing and implementing a policy to guide records management within Corporations. This policy must stipulate the digitization of records;**

   b. **Managers within Corporation must engender a cooperative culture among its staff as it relates to the importance of cooperating and partnering with the Line Ministry, the Auditor General and other external oversight/auditing bodies. Failure to comply with reasonable requests by any of these bodies must be treated as an act of indiscipline and the necessary disciplinary procedures should be invoked.**

ii. **Notwithstanding the externalities which influence the rotation of senior managers within Corporations, the Committee recommends that the procedure utilized to assign CEOs be reevaluated in order to increase the probability of longevity in the post. This process should commence with consultations involving the relevant Service Commissions, Mayors, Chairmen and other stakeholders.**

iii. **That the Ministry examine the feasibility of placing all municipal corporations under the ambit of one service commission. This institution adjustment may result in greater efficiency and effectiveness in the movement of human resources among the Corporations. In this regard,**

consideration should be given to building the institutional capacity of the Statutory Authorities Service Commission to fulfill this responsibility.

iv. **A suitable performance management system must be developed for CEOs of Corporations as a means of streamlining their placement with the Local Government Framework and developing their professional capacity. At the pinnacle of this system should be the Permanent Secretary, MoRDLG who should be vested with the authority to assess the performance of each CEO on an annual basis. This will be further facilitated through the submission of standardised output/ performance data by each CEO to the PS.**

v. **In considering amendments to the local government legislation, the applicability and or relevance of Section 117 of the MCA should be assessed, since none of the Corporations have exercised the option of formulating such regulations.**

Objective 2: To Assess the Internal Control Systems within Municipal Corporations

3.2.1 All Corporations stated that their Corporations were guided by the Financial Provisions of the Municipal Corporations Act. This guides the Council's role in approving the Draft Estimates of Revenue and Expenditure as well as Development Programme Expenditure for the upcoming year, within the first quarter of the year.

Financial controls and audits

3.2.2 An Internal Audit Unit is a critical unit which seeks to assist in managing the financial improprieties which may occur within a Municipal or City Corporation. The Internal Audit Units in Municipal Corporations are required to report directly to the CEO.

3.2.3 The establishment of the Port of Spain, San Fernando City Corporations, the Arima and Point Fortin Borough Corporations include Internal Audit personnel. These Corporations fall under the Statutory Authorities Service Commission. However, on the establishment of the nine (9) Regional Corporations and the Chaguanas Borough Corporation that fall under the purview of the Public Service Commission, does not include Internal Audit personnel.

3.2.4 In these Corporations, the Internal Audit Unit of the Ministry provides direct oversight for the nine (9) Regional Corporations and the Chaguanas Borough Corporation.

3.2.5 The Internal Audit function is essential for *inter alia* evaluating and improving the effectiveness of risk management, control, and governance processes. The Committee expressed its disappointment and concern that all Corporations did not have an Internal Audit Unit and the failure of the line Ministry to seek to mandate the establishment of these Units. Efforts were being made to establish an Internal Audit Units at each Municipal Corporation, a Cabinet Note addressing this issue was produced, the details of which was not provided. During the public hearing on 23rd January 2019, the MoRDLG stated that it had assigned roving Audit teams to Corporations without Internal Audit Units for monthly intervals to assess their operations and provide audit support.

Table 1: the staff complement of the Internal Audit Units

Name of the Corporation	San Fernando City Corporation	Port of Spain City Corporation	Point Fortin Borough Corporation	Arima Borough Regional Corporation
Internal Audit Unit	Yes	Yes	Yes	Yes

Name of the Corporation	San Fernando City Corporation	Port of Spain City Corporation	Point Fortin Borough Corporation	Arima Borough Regional Corporation
Accounting Staff	• City Treasurer	• City Treasurer; • Financial Comptroller (vacant as at Jan 2019)	• Financial Officer	• An Internal Auditor; • Audit Assistant; • Financial Officer (short term) • Treasurer at the establishment (post was vacant as at Jan 2019)

3.2.6. It is especially critical that Corporations that have their own Internal Units are adequately staffed with critical officers such as a Treasurer and / a Financial Officer in order to ensure that the financial operations of the Corporation are carried out in a timely manner and to ensure that the financial integrity of the Corporation is not compromised through a lack of financial oversight.

Human Resource Challenges

3.2.7. Several Corporations cited a lack of adequate human resources as a major contributor to the inefficient administrative practices. These deficiencies were connected to the lack of an Internal Audit Unit and financial control systems. This was further exacerbated by inadequate staffing, frequent staff changes, lack of qualified and experienced Auditors / staff, poor remuneration packages to attract and retain qualified and experienced auditing staff and promotion based on seniority instead of qualifications

3.2.8. It was reported that the San Juan/ Laventille Regional Corporation where the Accountant II, who heads the Accounting Unit, had only entry-level qualifications. In

defense of this, the PS of the MORDLG stated that that individual did possess considerable work experience. A significant human resource challenge is the absence of a Financial Officer/Comptroller within six (6) Corporations.

3.2.9. The Financial Officer serves to maintain the financial, accounting, and personnel services in order to meet legislative requirements and support compliant operations of the Corporations. Notwithstanding its importance, a prevailing contributor to the high rate of attrition associated with this position is the inadequate remuneration package of $14, 000 per month. A revised remuneration package is to be considered for the new the Local Government Reform. In the interim, Accountant I and IIs perform the duties of the Financial Officer.

3.2.10. Within the Penal/Debe Corporation, the CEO advises the Council on financial matters in the absence of a Financial Officer. The overlapping of fiduciary responsibilities without the proper financial oversight and lack of procedure was another cause for concern by Members of the Committee.

3.2.11. As at January 23rd 2019, the MORDLG stated that in October 2018 interviews were conducted for the post of Financial Officer. The MoRDLG is engaging the Service Commissions Department (SCD), Chief Personnel Officer (CPO) and the Public Management Consulting Division (PMCD) in order to fill vacancies for monthly paid Accounting Officers in Municipal Corporations.

Training for Financial Officers/Comptrollers

3.2.12. During the public hearing on March 27th 2019, the Ministry reported that a forum for Financial Officers was established, the commencement date was not provided. This forum convenes meetings on the second Monday of each month. These meetings allow for discussions on the inefficiencies within the Corporations and on standardized approaches to accounting procedures. Accountants II attend the forums on behalf of Municipal Corporations which currently do not have Financial

Officers. The Ministry intends to provide training, through the Comptroller of Accounts, to Financial Officers during the forum meetings.

Preparedness for the new Public Procurement Regime

3.2.13. During the public hearing on April 24th 2019, the Ministry stated that the Procurement Regulator recently met with the MoRDLG, Chief Executive Officers (CEOs) and Chairmen of the MCs to provide guidance on the practices required under the impending procurement legislation.

3.2.14. Communication from the Central Tenders Board (CTB) in March 2019 suggested that the MoF did not approve new contractors for MCs since 2015 in anticipation of the impending procurement legislation. The CTB indicated that MCs can utilize open tendering until the procurement legislation is fully implemented.

3.2.15. The Ministry has been involved in training exercises connected with the implementation of the new Public Procurement Regime. It was also reported that staff members of the Tunapuna/Piarco Corporation were recommended to attend training on the impending procurement legislation at the Public Service Academy. As at March 27th 2019, no staff members have participated in this training.

3.2.16. A special committee was established in the Sangre Grande Corporation to review the Public Procurement and Disposal of Property Act 2016. The committee intended to produce draft guidelines within the next three months for the creation of a procurement unit.

3.2.17. The Mayaro/Rio Claro Regional Corporation produced an Annual Procurement Listing as was required by the procurement legislation. The MRC Corporation intends to institute an internal Procurement Committee to oversee contractual arrangements for goods and services. A committee was established to treat with

the requirements of the impending procurement legislation. The committee is comprised of the CEO, FO, Chief Technical Officer and the County Superintendent. The Corporation is seeking assistance from the MoRDLG to provide procurement training to the relevant officers.

Preparation of Annual Financial Statements

3.2.18. According to a submission made by the MORDLG, the responsibility for the preparation of financial statements is entrusted to the Treasurer and by extension the CEO. It is incumbent on the Treasurer to ensure that accounts are closed and the records are secured to facilitate the timely preparation of financial reports and statements however many Corporations were inadequately staffed which affected the preparation of these reports.

3.2.19. Details on the status of the financial statements and annual reports may be found in Appendix 4.

Litigation Claims

3.2.20. The Committee sought to determine the status of any legal proceedings that were connected to the inappropriate use of funds and poor financial management among the Corporations.

3.2.21. In this regard, the situation at the the Penal /Debe Regional Corporation appeared to be the most alarming/concerning due to the fact that the PDRC has been sued in five (5) separate matters at the High Court for complaints related to drainage issues and other infrastructural issues. Harrikissoon & Company has represented the Corporation for approximately one year in matters at the High Court.

3.2.22. The CEO stated that he has been at the Corporation for one year and he admitted that he has utilized the services of Harrikisson & Company in his personal capacity in the

past. The Committee noted with great concern that it is alleged that the CEO procured legal services via a sole select system and the fact that the CEO appeared to have had prior personal business relations with the law firm.

3.2.23. The Committee also closely examined the situation in the Mayaro/Rio Claro Corporation. It was reported that the cost of litigation at the High Court over the last three years amounted to $95,000 within this Corporation. The High Court matters involved two instances in which scavenging contractors failed to fulfil the terms of their contracts. The Court awarded the Corporation a sum of approximately $1 million.

Fraud Policy

3.2.24. Neither the Ministry nor Corporations have an Internal Fraud Policy and are therefore guided by various statutes and directives; namely, the Exchequer and Audit Act, Financial Regulations, Financial Instructions, Circulars and Memoranda issued by the Ministry of Finance and the Ministry of Rural Development and Local Government. The POS and Point Fortin Corporations hinted at incomplete attempts at drafting a fraud policy.

3.2.25. The Ministry acknowledges that early detection reduces risk associated with irregular or fraudulent activities. It is in this regard that the following controls are implemented to mitigate the risk of fraud:

i. Supervision of Staff;
ii. Segregation of Duties;
iii. Checks and Balances;
iv. Reconciliation;
v. Staff Rotation; and
vi. Internal Audit.

3.2.26. However, the extent to which these "anti-fraud" practices are adhered to is dubious due to limitations with the quality and quantity of staff within the line Ministry and the Corporations.

3.2.27. In instances where alleged improprieties are brought to the attention of the Ministry, the Permanent Secretary requests a report from the CEO and instructs the Auditor III resident at the Ministry to conduct an investigation. The lack of an internal fraud policy has been a significant contributor to the lack of oversight at the Corporation. At the public hearing on April 24th 2019, the Ministry stated that it has a clear policy on the protocol and disciplinary action to treat with public officers under police investigation. However, the policy does not specifically treat with daily paid officers under investigation.

Instances of Fraud

3.2.28. Many Corporations recorded many instances of fraud. A summary of these instances are included in the table below.

Table 2: Instances of Fraud at the Corporations

Name of the Corporation	Description of Fraud
Arima Borough Corporation	The instances of fraud included fraudulent cheques which occurred in August 2017. The Corporation also recorded instances of the unauthorized issuance food badges in September 2018.
Chaguanas Regional Corporation	The unauthorized issuance of job letters as revealed during the first public hearing on January 23rd 2019.
Couva/ Tabaquite/Talparo Regional Corporation	The Fraud Squad was investigating a case of alleged fraudulent activity which

Name of the Corporation	Description of Fraud
	involved the preparation of two cheques valued at a total of $150,000 in 2015 for works on Development Projects that were not completed.
Diego Martin Regional Corporation	A significant instance of fraud occurred when 300 unauthorized employment letters were issued. As well as the disappearance of a cheque valued at $4.7 million in 2017.
Mayaro/Rio Claro Regional Corporation	A driver employed at the Corporation, misappropriated donated bales of toilet paper on 27th November 2017. The driver is still employed at the Corporation and is currently under disciplinary action for an unrelated matter regarding reckless driving.
Penal/Debe Regional Corporation	During the public hearing on February 13th 2019, CEO reported that an unspecified person used a building inspector's signature without authorization in a land dispute.
Point Fortin Borough Corporation	During the public hearing on January 23rd 2019, there was an incident of theft which included the disappearance of 32 bags of cement
Port of Spain City Corporation	No instances of fraud reported.

Name of the Corporation	Description of Fraud
Princes Town Regional Corporation	Company cheque of eighteen hundred dollars ($1,800.00) returned by the bank in January 2019
San Fernando City Corporation	During the public hearing on January 23rd 2019, the San Fernando City Corporation had to investigate 16 cases of fraudulent cheques in the sum of $3000 each.
San Juan/ Laventille Regional Corporation	In 2017, a cheque in the sum of Four Million Seven Hundred and Eighty Six Thousand Three Hundred and Twenty One Dollars and Thirty Six Cents ($4,786,321.36) was presented to FCB by an individual to be cashed. Allegations of overcharging of fees and payment of fees for work that was not rendered to the Corporation.
Sangre Grande Regional Corporation	No instances of fraud reported.
Siparia Regional Corporation	No instances of fraud reported.
Tunapuna/ Piarco Regional Corporation	In 2016, there were instances where persons not employed with the attempted to cash numbered Corporation cheques with forged signatures

Tenders Committee

3.2.29. The Corporations Tenders Committee is responsible for reviewing the applications from prospective contractors and provides an official list which is to be used by the Corporation. During the first public hearing, the Committee was advised that projects were advertised publicly but the estimated cost is not

publicized. Council members propose projects, then site visits are usually conducted by the CEO, if not his representative with the City engineer or a Senior Engineer other Councilors may be invited and lastly the Council will approve final payments. Projects are supervised by Council and Engineers. After approval, funds are released to the contractors.

Payments to Contractors

3.2.30. The Committee was mindful that the area of contract administration within state agencies including Municipal bodies was a contentious matter. In exploring this area, the Committee took note of the procedures observed by the Corporations. These appeared to be the same among the corporations. The stages involved are as follows:

i. Project implementation files created for each project and relevant documents filed and forwarded to the Engineer with directive to implement, monitor execute and report on completion;
ii. The Engineer appoints his representative to supervise the implementation of the projects, notifies the contractor and issues the notice to proceed;
iii. The contractor then proceeds to take possession of the site and commences the project under the instruction and direct supervision of the Engineer's representative;
iv. Members of Council also visit projects but are discouraged from giving any instructions to the contractor;
v. Upon completion, as notified by the contractor, a final inspection will be undertaken to determine full compliance and claim for payment submitted by the contractor;
vi. Claim for payment is certified and file forwarded to the Accounting Officer (CEO) for review. File then forwarded to the Accountant II for processing of payment;

vii. List of vouchers prepared after check staff checks and verifies that all supporting and source documents are in order and properly certified; and

viii. Payment Cheque Prepared and sent to cheque dispatch. The contractor is contacted by the cheque dispatch clerk. Payment disbursed;

3.2.31. Under the tendering process, the Award of Contract approval levels are as follows:

Up to	$300,000	-Chief Executive Officer
$300,001	$500,000	-Special Ministerial Tenders Committee
$500,001	$1,000,000	-Corporation Tenders Committee
$1,000,001	Over	-Central Tenders Board

Methods of Receiving Routine Payments

3.2.32. The Committee examined the systems and procedures used by the corporation to manage the collection of cash or revenue. It was noted that most Corporations still utilized paper-based manual payment methods. In an attempt to upgrade their system a request for a LINX payment for the collection of market rental fees was made by the San Juan Laventille Regional Corporation and the Siparia Regional Corporation. As at February 13th 2019, the request was awaiting approval from the Comptroller of Accounts in the MOF.

3.2.33. Alternatively, the SJRC Council intends to implement the "Easy Pay" system for salary payments. A request was sent to the MoRDLG and MoF to implement the iGovTT system. There are also plans to upgrade the manual system for collecting market rental fees to electronic payments using the LINX system. Final approval is within the purview of the Ministry of Finance.

3.2.34. In the Penal/Debe Corporation and the Diego Martin Regional Corporation a LINX machine is used to collect payments. LINX payment machines are currently used at one

office to collect fees. However, a cash system is maintained for collection of market rental fees.

Storage of Files

3.2.35. The Corporations utilized the following methods to store its files:

i. Storage within the Office of the CEO;
ii. Storage within the Accounts Department;
iii. Computerisation of the Vote Book and Cash Book
iv. Filing of Payment Vouchers, Vendor Invoices, payroll registers and timesheets;
v. Storage within Vaults

3.2.36. The document storage arrangements for the Corporations are as follows:

Table 3: Storage Arrangements

Name of the Corporation	Storage File Arrangement
Arima Borough Corporation	Financial Statements and Bank Reconciliation Statements are printed and stored in fireproof cabinets in the Office of the Financial Officer.
Chaguanas Regional Corporation	The financial and administrative records are stored in vaults in the Accounting, Registry and Labour units.
Couva/ Tabaquite/Talparo Regional Corporation	The Corporation mainly utilises a manual record and filing system. The Corporation intends to introduce a system to digitize its records.
Diego Martin Regional Corporation	A quantity of files were damaged by water seepage at their previous storage location. The Corporation engaged the assistance of the National Library and Information Systems

Name of the Corporation	Storage File Arrangement
	Authority (NALIS) in an attempt to restore the hard copies of damaged records. The soft copies were damaged during the water seepage.
Mayaro/Rio Claro Regional Corporation	Utilises both manual and digital record keeping. Only goods and services payment vouchers from 2012-2018 have been digitized. The Corporation is working with the Information Technology staff of the Ministry in order to extend digitization to all financial and legal documents.
Penal/Debe Regional Corporation	Financial records are stored on the Corporation's Server. Access is limited to users on the server or employees.
Point Fortin Borough Corporation	Purchased equipment for digitizing financial records but were not utilized
Port of Spain City Corporation	The financial records of the POS Corporation are not digitized. Discussions were being held with the MOF regarding the digitizing of financial records.
Princes Town Regional Corporation	Utilises a manual recording system due to financial constraints there are no immediate plans for adopting an electronic record system.
San Fernando City Corporation	Files are stored in a dedicated room in labelled cabinets.
San Juan/ Laventille Regional Corporation	All closed files are organised and stored by the Vault Attendant at the Vault Department

Name of the Corporation	Storage File Arrangement
	located at the Transport Compound of the Corporation
Sangre Grande Regional Corporation	Requested funding to introduce a system of digital filing
Siparia Regional Corporation	Attempts were made to maintain a financial management software. Challenges included human resource shortages which made it difficult to assign data entry staff.
Tunapuna/ Piarco Regional Corporation	Commenced the conversion of physical files and records to soft copy files. Requested funding to introduce a system of digital filing.

Findings

Based on the evidence set out in this section the Committee concluded as follows:

i. Pending the implementation of the new local government regime, the MORDLG must implement methodical and innovative strategies to increase its oversight of the financial management and accounting practices within the Corporations (in particular those without an internal audit unit).

ii. A detailed examination of the reports prepared by the Internal Audit Unit of the Ministry on the various Corporation highlighted a range of procedural and administrative irregularities. Some of these shortcomings were common to multiple corporations. The Committee was most concerned by: a) late entries in the vote book, b) discrepancies in pay sheets and c) inaccurate and unreliable records.

iii. The Committee noted with concern that the staff member accused of a criminal offence was not transferred from the Corporation but was reprimanded for a totally unrelated offence. There is a need to reexamine the disciplinary procedures taking into consideration the powers of the relevant Service Commission.

iv. The Committee was alarmed to note that the CEO of the Penal/Debe Corporation engaged the services of a legal firm through a sole tendering process. This was further exacerbated when the Committee was informed that this CEO had utilized this firm in his private capacity. The Ministry and the Minister should be concerned that the processes and procedures utilized to award contracts to service providers have facilitated this type of unethical conduct.

v. The absence of an Internal Audit Unit within a large number of Corporations is a key contributing factor to the financial improprieties which exists within the Corporations.

vi. The lack of properly trained staff in the Accounting Department has placed all of the Corporations at a disadvantage since good financial control rely on an efficient and strategic disaggregation of responsibilities and an internal check and balance. However, if some officers do not possess adequate qualifications the internal checks and balances will be compromised.

vii. The absence of a Financial Officer within any Corporation is a significant hindrance to the efficient drafting and timely submission of financial statements. The absence of such a critical post has compromised accountability systems within Corporations which has created the conditions which facilitate improprieties and mismanagement.

viii. Filling the crucial post of Financial Officer should be prioritized within the MCs in order to assiduously produce Financial Statements and efficiently manage the accounts of the Corporation.

ix. The committee observed that some effort was made towards preparing for the implementation of the new public procurement regime. However, when examined collectively, there appeared to be no consistency among the corporations.

Recommendations

i. **The Committee strongly recommends that the Corporation prioritise the creation of a fraud policy in order to establish clear guidelines which are in line with national and international standards.**

ii. **The Committee strongly recommends that the MORDLG assume a leading role in negotiating/ proposing an increase in the remuneration packages of the Financial Official. This should be supplemented by a proposal document highlighting the current market rates for the post of Financial Officer.**

iii. **The Committee recommends that in order to ensure the post of FO is filled at all Corporations the MoRDLG should provide additional incentives to the existing remuneration packages in an attempt to retain its current staff.**

iv. **A Special Audit of the procurement of Legal services at the Penal/Debe Regional Corporation should be undertaken to ensure that the Corporation engages in the required due process prior to the obtaining the services of a Law firm, especially in cases, where a senior official has utilized the service in a personal capacity.**

v. **In the Interim the Corporation should mandate that the Accounting staff within Corporations without Internal Audit Units provide monthly reports on the operations of the Accounting Unit to the MoRDLG.**

vi. **In the Ministerial Response please provide the Parliament with a status update on the provision of Training for Financial Officers and the number of FOs who are expected to undergo said training.**

vii. **The Committee strongly recommends that the Ministry develop a fraud policy which should be applied to all Corporations. In the interim, there are laws that are applicable which should be strictly enforced.**

viii. **The Committee recommends that all MC establish a Procurement Unit as mandated by the Act. The MoRDLG should ensure that the necessary steps are taken to hire and train staff. This unit would assist Corporations in increasing the levels of transparency and accountability in the awarding of contracts to contractors and other service providers.**

Objective 3: To examine the proposed local government reform initiatives associated with the management of finances with Municipal Corporations.

Legislative Review

3.3.1 During the public hearing on January 23rd 2019, the MORDLG stated that it is envisaged that under the proposed new Local Government system that Audit Departments are to be established in all Municipal Corporations to improve their financial management and accountability systems.

3.3.2 Further to this, the draft Policy of the MORDLG coined Transitioning of Local Government recommends that the Ministry of Finance now be responsible for the financial oversight of the Municipal Corporations through an expansion of the monitoring capacity of the Ministry of Finance as presently exists for the State Enterprises and a well-designed Audit department relating to internal audit units at the Corporations. Internal accounting processes will be established to ensure that all Municipal Corporations adopt internationally acceptable accounting standards as well as the appropriate procurement procedures as outlined in the Procurement legislation.

3.3.3 In an effort to treat with instances of fraud, it is envisioned that severe penalties and sanctions will be established for breaches of tender procedures and financial regulations as well as any financial irregularities. Under this reform, it is expected that Government will establish and enforce stricter anti-corruption provisions to ensure integrity and equality in its procurement processes.

3.3.4 Under the Local Government Regime, Local Government Bodies will fall under the Ambit of the Procurement Regulator.

Proposed Financial Revisions from the Miscellaneous Provision (Local Government Reform) Bill, 2019[3]

3.3.5 The Committee took note of proposed revisions to the financial operations of the Corporations espoused in the Miscellaneous Provision (Local Government Reform) Bill, 2019. One notable provision was considered in Clause 3 (r) Section 35A (b) and (c) of the Misc Provision (Local Government Reform) Bill, 2019[4] which allows for the establishment of the following administrative divisions:

> *"…(b) finance, planning and allocation of resources;*
>
> *(c) internal audit;…"*

3.3.6 The Finance, Planning and Allocation of Resources division is responsible for undertaking budgetary and financial planning and timely and accurate reporting on all matters of a financial nature.

3.3.7 Section 69 of the MCA will further be amended to provide for the removal of the previous Standing Committees and the implementation of new Standing Committees. The amendment would specifically provide for the establishment of an Audit Committee, its composition, quorum and responsibilities.

3.3.8 The Audit Committee would have the responsibility for the following:

a) risk management;
b) internal control;
c) financial statements;
d) compliance requirements;
e) internal audit;
f) external audit; and

[3] http://www.ttparliament.org/legislations/b2019h13g.pdf
[4] http://www.ttparliament.org/legislations/b2019h13g.pdf

g) other relevant functions including review of a Corporation's governance arrangement, performance framework; relevant parliamentary committee reports and recommendation and portfolio responsibilities.

3.3.9 The Audit Committee is to be comprised of the following individuals:

a) two members appointed by the Mayor;
b) one member nominated from the minority members and, where there is no minority member, one member appointed by the Mayor;
c) two members from civil society or one from civil society and one from the Central Audit Unit of the Ministry of Finance.

3.3.10 The establishment of a specific Audit Committee will significantly reduce the challenges in Municipal Corporations that do not have an Internal Audit Unit. Furthermore, it reduces the oversight that is required by the Ministry, which have had to utilize its limited resources to service 10 municipal corporations.

Findings

Based on the evidence set out in this section the Committee concluded as follows:

i. The Committee noted that it is essential that the proposed modifications to the financial oversight arrangements of Municipal Corporations, take into account the organisational culture and the inherent administrative limitations within Corporations. The focus should be on ensuring that there are adequate independent audit processes.

ii. Although the proposed institutional strengthening and transformation of local government bodies seem theoretically feasible. A critical area that must be addressed for improved performance to be achieved is human resource

development. Introducing new systems and rules into an environment with major human resource deficits will be counterproductive.

Recommendations

i. **In its Ministerial Response to this report, the MORDLG should outline the proposed modifications to financial management, accounting and audit functions within Corporations that is contemplated under the new local government regime.**

ii. **In determining/prescribing the statutory arrangements and operational systems for Financial management and accountability in Municipal Corporations, careful consideration must be given to:**

   a. **Ensuring that the necessary safeguards are instituted to preempt the various types of fraud and improprieties that were observed by this committee;**
   b. **Upskilling/ human resource development of Corporation staff, especially those assigned to the accounts departments/units; and**
   c. **Enhancement of disciplinary measures for breaches of financial rules and procedures.**

The Committee respectfully submits the foregoing for the consideration of the Parliament.

Dr. Varma Deyalsingh
Chairman

Ms. Ramona Ramdial, MP
Vice-Chairman

Dr. Lovell Francis, MP
Member

Mr. Esmond Forde, MP
Member

Mr. Darryl Smith, MP
Member

Ms. Khadijah Ameen
Member

Mr. Nigel De Freitas
Member

Mrs. Jennifer Baptiste-Primus
Member

March 11, 2020

Appendices

Appendix 1

List of Officials

The following list of Officials appeared before the Committee.

January 23rd 2019

The following officials of the **Ministry of Rural Development and Local Government** appeared before the Committee:

- Mrs. Jennifer Daniel — Permanent Secretary
- Mr. Raymond Seepaul — Deputy Permanent Secretary
- Mrs. Esther Pilgrim-Soanes — Director, Finance and Accounts

The following officials of the **Port of Spain City Corporation** appeared before the Committee:

- Mrs. Annette Stapleton-Seaforth — Chief Executive Officer
- Mr. Jameel Ali — City Treasurer
- Mr. Dexter Quan Soon — Auditor I (Ag.)

The following officials of the **San Fernando City Corporation** appeared before the Committee:

- Alderman Junia Regrello — His Worship the Mayor
- Mr. Indarjit Singh — Chief Executive Officer
- Mr. Harry Singh — Auditor I (Ag.)

The following officials of the **Point Fortin Borough Corporation** appeared before the Committee:

- Councillor Abdon Mason — His Worship the Mayor
- Mrs. Donnamay Taylor — Chief Executive Officer
- Ms. Maria Smith — Financial Officer

The following officials of the **Arima Borough Corporation** appeared before the Committee:

- Councillor Lisa Morris-Julian — Her Worship the Mayor
- Mrs. Cheryl Sirju-Chong — Chief Executive Officer
- Mr. Sean Lamotte — Financial Officer

The following officials of the **Chaguanas Borough Corporation** appeared before the Committee:

- Mr. Jameel Chadee Ameeral — Chief Executive Officer
- Mrs. Kathleen Appoo — Accountant II (Ag.)
- Mr. Razeen Rahamut — Clerk II Ag. (Accounts Department)

February 13th, 2019

Ministry of Rural Development and Local Government

- Mrs. Jennifer Daniel — Permanent Secretary
- Mr. Raymond Seepaul — Deputy Permanent Secretary
- Mrs. Esther Pilgrim-Soanes — Director, Finance and Accounts

Diego Martin Regional Corporation

- Ms. Susan Hong — Chairman
- Ms. Shivastri Ramawadh — Chief Executive Officer
- Mr. Ken Calliste — Financial Assistant

Siparia Regional Corporation

- Alderman Dr. Glenn Ramadharsingh — Chairman
- Mr. Ravindranath Gangoo — Chief Executive Officer
- Ms. Kelly Bates — Financial Officer

San Juan / Laventille Regional Corporation

- Alderman Anthony Roberts — Chairman
- Ms. Dianne Lakhan — Chief Executive Officer
- Ms. Gabrielle Jones — Corporate Secretary

Penal/Debe Regional Corporation

- Dr. Allen Sammy — Chairman
- Mr. Motilal Ramsingh — Chief Executive Officer
- Ms. Neralla Rampersad — Corporate Secretary

March 27th, 2019

Ministry of Rural Development and Local Government

- Mr. Raymond Seepaul — Deputy Permanent Secretary (Ag.)
- Mrs. Esther Pilgrim-Soanes — Director, Finance and Accounts

Couva/Tabaquite/Talparo Regional Corporation

- Mr. Henry Awong — Chairman
- Ms. Satragie Maharaj — Chief Executive Officer
- Ms. Farzana Girwar — Corporate Secretary

Tunapuna/Piarco Regional Corporation

- Ms. Onika Myers Haynes — Vice Chairman
- Mrs. Betty Ramdass-Ali — Chief Executive Officer
- Mr. Clayton Burnette — Financial Officer

Sangre Grande Regional Corporation

- Mr. Martin Terry Rondon — Chairman
- Mrs. Ann Hosein — Chief Executive Officer (Ag.)
- Ms. Vedawatie Sookoo — Financial Officer

April 24th 2019

Ministry of Rural Development and Local Government

- Mrs. Jennifer Daniel — Permanent Secretary
- Mr. Raymond Seepaul — Deputy Permanent Secretary (Ag.)
- Mrs. Esther Pilgrim-Soanes — Director, Finance and Accounts

Mayaro/ Rio Claro Regional Corporation

- Mr. Glen Ram — Chairman
- Mr. Ashmead Mohammed — Chief Executive Officer
- Mrs. Rajendra Sawh — Financial Officer

Princes Town Regional Corporation

- Mr. Gowrie Roopnarine — Chairman
- Ms. Sheriffa Heru — Chief Executive Officer (Ag.)
- Mr. Mahabir Gheesan — Financial Officer

Appendix 2

The Project Evaluation Process

The project evaluation process entails the following:

1. Examination of DP estimates of all Municipalities, which involves checking for authorization of approval from Council; ensuring the required signatures of accounting officers are affixed.
2. Examination of the estimates for all relevant information in relation to location, description and measurements. Ensure that each estimate is an accurate representation of the work to be undertaken.
3. Visit projects to verify the information and location listed on the estimates.
4. Preparation of a detailed report of the findings based on the site visit conducted.
5. Conduct detailed checks and adjustments of proper estimates, where necessary and prepare targets and schedules for submission to the Ministry of Finance.
6. Projects are monitored over the project cycle through inspection of physical works and measurements of work in progress.
7. Examination of costing documents in the possession of the Checker and conduct roll call on the project
8. Inspection of Vote Books at Corporations in accordance with Financial Regulations
9. Prepare and submit reports based on the findings within seven (7) working days.
10. Special Ministerial Projects are also examined and sites inspected for document verification. Reports on findings and recommendations provided. Post contractual inspection is also conducted and findings reported.
11. Special Investigations are also undertaken if required and reports prepared based on findings.
12. Monthly status reports of projects, requests for release of funds, expenditure and commitments by the Corporations for their respective DP projects are prepared and updated by the Planning Officers assigned to the Municipal Corporations. These reports are submitted to the Project Planning and Reconstruction Division (PPRD), Ministry of Planning and Development on a monthly basis.

Appendix 3

Recommendations Proffered by the Finance Committee of the Corporations

The following recommendations were proffered by the Finance Committee of the Corporations:

- Establishment of a Mayor's General Fund;
- To reduce overtime in all areas;
- All financial matters to be submitted to the Council for approval;
- Computerise the payroll;
- Link the Rates Unit to the Assessment Unit;
- Computerise all property assessment records;
- Systems to measure productivity;
- Implementing Standard Operating Procedures;
- The expansion of the Internal Audit function to go beyond the routine computation of Salaries, Arrears, overtime, and Increments into other wider Auditing functions as systems audits;
- Authorised Signatures on Payment Cheques of the Point Fortin Corporation;
- A Motion for Corporation to increase Petty Cash Disbursement;
- To reduce overtime in all areas;
- All financial matters to be submitted to the Council for approval;
- Computerise the payroll;
- Link the Rates Unit to the Assessment Unit;
- Computerise all property assessment records;
- Systems to measure productivity;
- Implementing Standard Operating Procedures;
- Authorised Signatures on Payment Cheques of the Point Fortin Corporation;
- A Motion for Corporation to increase Petty Cash Disbursement

Appendix 4

The Status of the Financial Statements and Administrative Reports of the Corporations

NO.	Corporation	Last Financial Statement Submitted to The Auditor General	Last Financial Statement Audited	Financial Statement(s) To Be Audited	Last Annual Administrative Report Submitted to Parliament	Remarks
1	PORT OF SPAIN CITY CORPORATION	2017	2010	2011-2017	2016	Financial Statement for 2018 is currently being prepared to be submitted to the Auditor General's Department. All Annual Administrative Reports were submitted up to 2016. Years 2014 and 2015 were queried and returned for correction. Annual report for 2017 is being proofread.
2	SAN FERNANDO CITY CORPORATION	2017	2010	2011-2017	2016	Administrative Report for 2017 completed and is to be submitted. 2018 Report is being prepared.
3	ARIMA BOROUGH CORPORATION	2010	2007	2008-2010	2016	Financial Statements for 2011 and 2012 are currently being prepared. Administrative Report – 2017 is to be printed Administrative Report – 2018 is currently being prepared.

NO.	Corporation	Last Financial Statement Submitted to The Auditor General	Last Financial Statement Audited	Financial Statement(s) To Be Audited	Last Annual Administrative Report Submitted to Parliament	Remarks
4	POINT FORTIN BOROUGH CORPORATION	2016	2004	2005-2016	2015	The Administrative Report for 2016 is currently being vetted. 2017 and 2018 Financial Statements are currently being prepared.
5	CHAGUANAS BOROUGH CORPORATION	2011	2011	nil	2016	Financial Statements to be prepared for 2012-2018
6	DIEGO MARTIN REGIONAL CORPORATION	2008	2008	nil	2014	Financial Officers were appointed to the Corporation during June to December 2011 and August to December 2012. This was not sufficient time to have the Financial Statements prepared. A Financial Officer was appointed w.e.f. May 2018 and efforts are being made to prepare all outstanding Statements. Presently working on 2015 and 2016 Administrative Reports.

NO.	Corporation	Last Financial Statement Submitted to The Auditor General	Last Financial Statement Audited	Financial Statement(s) To Be Audited	Last Annual Administrative Report Submitted to Parliament	Remarks
7	SAN JUAN/LAVENTILLE REGIONAL CORPORATION	2017	2005	2006-2017	2014	
8	TUNAPUNA/PIARCO REGIONAL CORPORATION	2010	2010	nil	2017	Financial Statements for 2011 to 2015 to be submitted to Council for approval.
9	SANGRE GRANDE REGIONAL CORPORATION	2013	2013	nil	2016	Presently working on 2014 Financial Statement. Due to a lack of a Planning Officer at the Sangre Grande Regional Corporation, work was not conducted on the Administrative Report for years 2017 and 2018.
10	COUVA/TABAQUITE /TALPARO REGIONAL CORPORATION	2005	2005	nil	2015	The Financial Statements for 2006-2018 are currently being processed. The Annual Administrative Report for 2016 was queried by the line Ministry, amendments are being made to the

NO.	Corporation	Last Financial Statement Submitted to The Auditor General	Last Financial Statement Audited	Financial Statement(s) To Be Audited	Last Annual Administrative Report Submitted to Parliament	Remarks
						document and it will be re-submitted by 31/1/19. 2017 Annual Admin. Report is presently being prepared.
11	MAYARO/RIO CLARO REGIONAL CORPORATION	2017	2008	2009-2016	2016	Financial Statement for 2017 has been prepared and is to be submitted. The Administrative Reports for 2016-2018 has not been prepared due to lack of A. Planning Officer. B. Lack of Funding to Hire a Planning officer.
12	SIPARIA REGIONAL CORPORATION	2013	2013	nil	2015	The Corporation is currently working on 2014- 2018 Financial Statement. The Administrative Report is not up to date due to there being no Planning Officer.
13	PENAL/DEBE REGIONAL CORPORATION	2014	2014	nil	2015	Administrative Report for 2016 is currently being prepared. Financial Report of 2015 is currently being prepared.

NO.	Corporation	Last Financial Statement Submitted to The Auditor General	Last Financial Statement Audited	Financial Statement(s) To Be Audited	Last Annual Administrative Report Submitted to Parliament	Remarks
14	PRINCES TOWN REGIONAL CORPORATION	2017	2016	2017	2017	Financial Statement for 2018 is being prepared.

Appendix 5

Summary of Corporations' Information

The following table provides a summary of selected responses provided to the Committee by the five (5) regional corporations, which are to appear before the Committee on January 23 2019.

Questions	Port of Spain City Corporation	San Fernando City Corporation	Arima Borough Corporation	Point Fortin Borough Corporation	Chaguanas Borough Corporation
Do you have an Internal Fraud Policy?	No	No	No	No	No
Have former or current employees been the subject of ongoing legal proceedings related to fraudulent activities?	No	No	No	No	No
Is there an Internal Audit Unit in your Corporation?	Yes	Yes	Yes	There is one Auditor on the establishment.	No

Questions	Port of Spain City Corporation	San Fernando City Corporation	Arima Borough Corporation	Point Fortin Borough Corporation	Chaguanas Borough Corporation
Is there a Financial Comptroller in your Corporation?	No	No	Yes (on three month contracts)	Yes (on contract from the Ministry of Rural Development and Local Government)	No
What are the procedures to detect inadequacies and the misappropriation of funds at the Corporations?	The Corporation is compliant with the Act through the use of the following: • Check Staff – verify vouchers • Internal Audit Unit- scrutinises financial reports	The following persons verify submitted financial information: • City Treasurer • Chief Executive Officer • Deputy Chief Executive Officer	Maintenance of the Cashbook, Vote book, Ledgers as guided by the Municipal Corporations Act. Through the segregation of duties within the Accounting Department. Approval of expenditure by Heads of Departments.	The following persons verify submitted financial information: • Chief Executive Officer • Financial Officer • Cashier • The Council at the Finance Planning and Allocation of	Verification of the Vote Book Clerk of the Head, sub-head and line item. The Invoice Order Clerk ensures that procedures that are in keeping with accounting standards

Questions	Port of Spain City Corporation	San Fernando City Corporation	Arima Borough Corporation	Point Fortin Borough Corporation	Chaguanas Borough Corporation
		• Committee – Evaluating Tenders.		Resources Committee Meeting	are adhered to by the Vote Book Clerk prior to the issuance of a purchase order.
Are there approved guidelines/ policies re: • Risk Management/ Mitigation; • Procurement Practices	No	Yes	Yes	No	No

Questions	Port of Spain City Corporation	San Fernando City Corporation	Arima Borough Corporation	Point Fortin Borough Corporation	Chaguanas Borough Corporation
• Conflicts of Interest and Ethics.					
Is the Finance Committee of the Council Active?	Yes. The following recommendations were proffered: • Establishment of a Mayor's General Fund; • To reduce overtime in all areas; • All financial matters to be submitted to the Council for approval;	Yes. The following recommendations were proffered: • Computerise the payroll; • Link the Rates Unit to the Assessment Unit; • Computerise all property assessment records;	Yes. The following recommendations were proffered: • The expansion of the Internal Audit function to go beyond the routine computation of Salaries, Arrears, overtime, and Increments	Yes. The use of the following documents were recommended- • Authorised Signatures on Payment Cheques of the Point Fortin Corporation; • A Motion for Corporation to increase Petty Cash Disbursement	Yes. However, there is a need for increased vigilance in supporting financial management at the Chaguanas Borough Corporation.

Questions	Port of Spain City Corporation	San Fernando City Corporation	Arima Borough Corporation	Point Fortin Borough Corporation	Chaguanas Borough Corporation
		• Systems to measure productivity; • Implementing Standard Operating Procedures;	into other wider Auditing functions as systems audits;		

The following table provides a summary of selected responses provided to the Committee by the four (4) regional corporations which are to appear before the Committee on February 13 2019.

Questions	San Juan/ Laventille Corporation	Siparia Regional Corporation	Diego Martin Regional Corporation	Penal/ Debe Regional Corporation
Has the Corporation drafted Regulations in accordance with Section 22 (117) of the	No	No	Yes	No

Questions	San Juan/ Laventille Corporation	Siparia Regional Corporation	Diego Martin Regional Corporation	Penal/ Debe Regional Corporation
Municipal Corporation Act?				
Is there an Internal Audit Unit in your Corporation?	No	No	No	No
Is there a Financial Comptroller/ Officer in your Corporation?	No	Yes – Financial Officer	No	No
Is there a Treasurer in your Corporation?	No, The Accountant II heads the department.	No.	No	No
When was the last Internal Audit conducted?	A report was not provided or conducted by the Ministry.	A report could not be provided however, an Internal Audit Query form was provided.	A report could not be provided.	A report was drafted in 2017.
Identify the main challenges and or	• Delayed preparation of	• Inadequate accounting staff;	Inadequate monthly paid staff to ensure	• Unqualified staff;

Questions	San Juan/ Laventille Corporation	Siparia Regional Corporation	Diego Martin Regional Corporation	Penal/ Debe Regional Corporation
shortcomings in your Corporation's internal audit and financial control systems.	financial statements; • Slow replacement of staff within the Accounts department; • Unqualified staff; • Need for requisite training of staff.	• Delayed preparation of financial statements; • Lack of written policies/regulations; • Use of a manual accounting system.	segregation of duties.	• Inadequate accounting staff; • Frequent staff turnover; • Manual paper based system; • Need for updated technology.
What are the procedures to detect inadequacies and the misappropriation of	• The Corporation's bank has an automatic	• Segregation of staff duties; • Rotation of staff;	No procedures have been drafted.	• Increased training of staff;

Questions	San Juan/ Laventille Corporation	Siparia Regional Corporation	Diego Martin Regional Corporation	Penal/ Debe Regional Corporation
funds at the Corporations?	clearing house system which only allows authorised staff personnel to access account information. • The use of an EZ Pay system. • Batching and storage of cheques.	• Daily bank reconciliation; • Approval of overtime by the CEO; • Authorization letter and ID required to collect cheques;		• Closer monitoring of contract agreements re: Garbage Collection; • Separating of Stores functions; • Submission of invoices to the Accounts Departments for pre-checking. • Engagement of qualified professionals

Questions	San Juan/ Laventille Corporation	Siparia Regional Corporation	Diego Martin Regional Corporation	Penal/ Debe Regional Corporation
				to design and evaluate projects;
Have fraudulent activities been perpetrated by external party during the past 5 years?	• Yes – Allegations of overcharging of fees; • Payment of fees for work that was not rendered to the Corporation;	• No	Yes- an attempt was made to cash a missing cheque in the sum of $4,786,321.36.	• No.
• **What are the storage arrangement for financial and**	• Files are stored and organised by a Vault Attendant.	• Documents are filed in an official Registry ; • Processed vouchers are stored in boxes;	The use of two mobile containers.	• The Corporation's files are stored on a server. Access

Questions	San Juan/ Laventille Corporation	Siparia Regional Corporation	Diego Martin Regional Corporation	Penal/ Debe Regional Corporation
administrative records?	• All current files are stored at the Registry Department located at the MTS compound in Aranguez; • The utilisation of a Web TMA system in 2017.	• Vault attendant is responsible for archived documents; • Use of a register of closed files;		is restricted to authorised persons. • Hard copy documents are stored in metal cabinets.
What is the most recent Annual Financial Statements/ Reports?	2013	2013	2008	2014

Questions	San Juan/ Laventille Corporation	Siparia Regional Corporation	Diego Martin Regional Corporation	Penal/ Debe Regional Corporation
Are there outstanding financial statements relevant to the past 10 years?	2014-2018	2014-2018	2009 – 2018.	2015-2018
Is the Finance Committee of the Council Active?	Yes. The following recommendations were proffered: • Establishment of a Mayor's General Fund; • To reduce overtime in all areas; • All financial matters to be submitted to the Council for approval;	Yes. The following recommendations were proffered: • Computerise the payroll; • Link the Rates Unit to the Assessment Unit; • Computerise all property assessment records; • Systems to measure productivity;	Yes. The following recommendations were proffered: • The expansion of the Internal Audit function to go beyond the routine computation of Salaries, Arrears, overtime, and	Yes. The use of the following documents were recommended- • Authorised Signatures on Payment Cheques of the Point Fortin Corporation; • A Motion for Corporation to increase Petty Cash Disbursement

Questions	San Juan/ Laventille Corporation	Siparia Regional Corporation	Diego Martin Regional Corporation	Penal/ Debe Regional Corporation
		• Implementing Standard Operating Procedures;	Increments into other wider Auditing functions as systems audits;	
List of prequalified contractors/vendors provided?	No	Yes	Yes	Yes
Has a Procurement Unit been created?	No	No	No	No
Is the Finance Committee of the Council active?	Yes	Yes	Yes	Yes

Questions	San Juan/ Laventille Corporation	Siparia Regional Corporation	Diego Martin Regional Corporation	Penal/ Debe Regional Corporation
Top 3 most expensive infrastructural projects	• Blasney Road - $210,165.25 • Hutton Road- $202,500 • Thomasine Street - $180,675.	• Palo Seco Market- $123,468.75 • Alexis Trace - $99,174.37; • Sobo Road- $146,250	• Upper Debe Road – $296,196 • Carenage Cemetery – $94,139 • Providence Estate - $92,000	• Scott's Road Recreational activity Centre - $185,073; • Fish Market Vendor Booth- $165,490; • Batchyia Cemetery - $147,000.
When was the last training workshop undertaken by the Corporation?	Accounts Department in September 2017. Training Vote – $18,000	27th February 2018. Training Vote - $8000	2011. Training Vote - $27,000	No date provided. Training Vote - $20,000

The following table provides a summary of selected responses provided to the Committee by the three (3) regional corporations which are to appear before the Committee on March 27 2019.

Questions	Couva/Tabaquite/Talparo Regional Corporation	Sangre Grande Regional Corporation	Tunapuna/Piarco Regional Corporation
Has the Corporation drafted Regulations in accordance with Section 22 (117) of the Municipal Corporation Act?	No	No	No
Is there an Internal Audit Unit in your Corporation?	No	No	No
Is there a Financial Comptroller/ Officer in your Corporation?	Yes– Financial Officer	Yes – Financial Officer	Yes– Financial Officer
Is there a Treasurer in your Corporation?	No.	No.	No

Questions	Couva/Tabaquite/Talparo Regional Corporation	Sangre Grande Regional Corporation	Tunapuna/Piarco Regional Corporation
When was the last Internal Audit conducted?	2019	2018/2019	2019
Identify the main challenges and or shortcomings in your Corporation's internal audit and financial control systems.	• Absence of an Internal Audit Unit. • Need for an on-going review of systems from an audit perspective. • Inadequate senior accounting staff. Slow replacement of staff within the Accounts department;	• Absence of an Internal Audit Unit. • Inadequate accounting staff and expertise.	• Absence of an Internal Audit Unit. • Need for an on-going review of systems from an audit perspective. • Inadequate accounting staff and expertise.
What are the procedures to detect inadequacies and the misappropriation of funds at the Corporations?	• Segregation of staff duties; • Adherence to the Estimates of Revenue and Expenditure of	• Dual authorisation in the processing of ACH payment in relation to daily rated employees	• No exceptional procedures were implemented or modified but the Corporation continues to adhere

Questions	Couva/Tabaquite/Talparo Regional Corporation	Sangre Grande Regional Corporation	Tunapuna/Piarco Regional Corporation
	Statutory Boards and Similar bodies. • Recording of revenue in the Vote Book and payments made are reflected in the Cash Book.	• Segregation of duties; • Rotation of staff on the payroll desk. • Salaries sent directly to employee bank accounts.	to the Exchequer and Audit Act.
Have fraudulent activities been perpetrated by external party during the past 5 years?	• No proven cases.	• No reported incidents.	• Yes- an attempt was made to cash a cheque in the sum of $3,000,000.
• **What are the storage arrangement for financial and administrative records?**	• Financial documents are stored in a vault and fire-proof cabinets where applicable.	• There is a large fire proof safe which is bolted and cemented to the wall of the Office of the Accountant II.	• Financial Documents are stored in a fire resistant safe with a double locking system.

Questions	Couva/Tabaquite/Talparo Regional Corporation	Sangre Grande Regional Corporation	Tunapuna/Piarco Regional Corporation
What is the most recent Annual Financial Statements/ Reports?	2005	2013	2016
Are there outstanding financial statements relevant to the past 10 years?	2006-2018	2014-2018	2017 – 2018.
Is the Finance Committee of the Council Active?	Yes.	Yes.	Yes.
List of prequalified contractors/vendors provided?	Yes	Yes	Yes
Has a Procurement Unit been created?	No	No	No

Questions	Couva/Tabaquite/Talparo Regional Corporation	Sangre Grande Regional Corporation	Tunapuna/Piarco Regional Corporation
Top 3 most expensive infrastructural projects	• JMA Transport Co. Ltd- $296,433.39 • Ramkissoon Construction Ltd- $254,758.50 • Ramkissoon Construction - $194,686.88.	• Durnata Gardens Box Drain. • Foster Road Box Drain. • Power Street Box Drain.	• No projects are currently being undertaken.
When was the last training workshop undertaken by the Corporation?	• March 2017. • Training Vote - $50,000	• June 2016 2018. • Training Vote - $46000	• January 2018. • Training Vote - $10,000

The following table provides a summary of selected responses provided to the Committee by the two (2) regional corporations which are to appear before the Committee on April 24, 2019.

Questions	Princes Town Regional Corporation	Mayaro/ Rio Claro Regional Corporation
Has the Corporation drafted Regulations in accordance with Section 22 (117) of the Municipal Corporation Act?	No	No
Is there an Internal Audit Unit in your Corporation?	No	No
Is there a Financial Comptroller/ Officer in your Corporation?	Yes– Financial Officer • The FO has 23 years experience in the Public Service. • Registered with ACCA and Institute of Charted Accountants. • Previous contract ended October 02, 2018. • New 2 years contract commenced on December 03, 2019.	Yes– Financial Officer • ACCA certified. • On contract for 2 years commenced on May 01, 2018.
Is there a Treasurer in your Corporation?	No	No
When was the last Internal Audit conducted?	2019	2019

Questions	Princes Town Regional Corporation	Mayaro/ Rio Claro Regional Corporation
Identify the main challenges and or shortcomings in your Corporation's internal audit and financial control systems.	• Absence of an Internal Audit Unit.	• Absence of an Internal Audit Unit.
What are the procedures to detect inadequacies and the misappropriation of funds at the Corporations?	• A list of all projects awarded under the Development Programme is laid before Council subsequent to the award being made. • A list of all vouchers to be paid is brought to Council at the Finance, Planning and Allocation of Resources Committee for approval. • Dual authorisation in the processing of ACH payment for personnel paid by the corporation.	• Continuous Internal Training • Creation of Desk Manuals.
Have fraudulent activities been perpetrated by external party during the past 5 years?	• Two reported cases.	• Two instances (one internally, one externally)

Questions	Princes Town Regional Corporation	Mayaro/ Rio Claro Regional Corporation
• **What are the storage arrangement for financial and administrative records?**	• Fire proof safe, two separate locks.	Cash, cheques and other financial documents are stored in a safe and fireproof cabinet.
What is the most recent Annual Financial Statements/ Reports?	2017	2017
Are there outstanding financial statements relevant to the past 10 years?	2018	2018
Is the Finance Committee of the Council Active?	Yes.	Yes
List of prequalified contractors/vendors provided?	Yes	Yes
Has a Procurement Unit been created?	Yes	No

Questions	Princes Town Regional Corporation	Mayaro/ Rio Claro Regional Corporation
Top 3 most expensive infrastructural projects	• Kangalee Trace Road Rehabilitation - Ramkissoon Construction Ltd- $196,920 • Corial Road – road rehabilitation A&L Roadworks Construction Ltd - $188,609.63 • Cottage Road – road rehabilitation – Danny's Enterprises Company Limited - $173, 430. 20	• Procurement of one (1) Excavator - $800,000 • The Mayaro Market (Phase 1) – $490,179.13 • Settlement Trace Road Paving - $279,943.88
When was the last training workshop undertaken by the Corporation?	• 2018 • Training Vote - $40,000	• Last training session was conducted five (5) years ago. • Training Vote - $75,000

Appendix 6

Minutes

MINUTES OF THE 29TH MEETING OF THE JOINT SELECT COMMITTEE APPOINTED TO INQUIRE INTO AND REPORT ON LOCAL AUTHORITIES, SERVICE COMMISSIONS, STATUTORY AUTHORITIES (INCLUDING THE THA) HELD IN THE A.N.R. ROBINSON ROOMS - EAST AND WEST, OFFICE OF THE PARLIAMENT, TOWER D, 1A WRIGHTSON ROAD, PORT OF SPAIN ON WEDNESDAY JANUARY 23, 2019

PRESENT

Members

Dr. Varma Deyalsingh	Chairman
Ms. Ramona Ramdial, MP	Vice-Chairman
Mrs. Jennifer Baptiste-Primus	Member
Mr. Nigel De Freitas	Member
Mr. Esmond Forde, MP	Member
Ms. Khadijah Ameen	Member
Mr. Darryl Smith, MP	Member

Secretariat

Mr. Julien Ogilvie	Secretary
Ms. Khisha Peterkin	Assistant Secretary
Ms. Terriann Baker	Graduate Research Assistant
Ms. Janelle Mills	Parliamentary Intern

ABSENT/ EXCUSED

Dr. Lovell Francis, MP	Member

THE FOLLOWING PERSONS WERE ALSO PRESENT:

The **Ministry of Rural Development and Local Government**

Mrs. Jennifer Daniel	Permanent Secretary
Mr. Raymond Seepaul	Deputy Permanent Secretary
Mrs. Esther Pilgrim-Soanes	Director, Finance and Accounts

The **Port of Spain City Corporation**

Mrs. Annette Stapleton-Seaforth	Chief Executive Officer
Mr. Jameel Ali	City Treasurer
Mr. Dexter Quan Soon	Auditor I (Ag.)

The **San Fernando City Corporation**

Alderman Junia Regrello	His Worship the Mayor
Mr. Indarjit Singh	Chief Executive Officer
Mr. Harry Singh	Auditor I (Ag.)

The **Point Fortin Borough Corporation**

Councillor Abdon Mason	His Worship the Mayor
Mrs. Donnamay Taylor	Chief Executive Officer
Ms. Maria Smith	Financial Officer

The **Arima Borough Corporation**

Councillor Lisa Morris-Julian	Her Worship the Mayor
Mrs. Cheryl Sirju-Chong	Chief Executive Officer
Mr. Sean Lamotte	Financial Officer

The **Chaguanas Borough Corporation**

Mr. Jameel Chadee Ameeral	Chief Executive Officer
Mrs. Kathleen Appoo	Accountant II (Ag.)
Mr. Razeen Rahamut	Clerk II Ag. (Accounts Department)

CALL TO ORDER

PUBLIC HEARING

6.1 The Chairman reconvened the meeting *(in public)* at 10:20 a.m. and welcomed both the listening and viewing audience[5].

6.2 The Chairman highlighted the objectives of the inquiry and introductions were made.

6.3 The Chairman then invited the stakeholders to each make a brief opening statement.

[5] The hearing was recorded for subsequent broadcast

6.4 The following are the main issues highlighted during discussions with the **Ministry of Rural Development and Local Government (MoRDLG)** *(for further details, please see the Verbatim Notes)***:**

i. The CEOs of the Municipal Corporations (MC) are Accounting Officers and report to the Permanent Secretary (PS);
ii. Under the proposed local government reform regime, Audit Departments are to be established in all 14 Corporations to improve their financial accountability;
iii. The challenges experienced in recruiting and retaining persons in the post of Financial Officers are primarily due to the poor remuneration package of $14,000, which is significantly lower to the equivalent position in the private sector;
iv. The remuneration package for Financial Comptrollers is one issue that is being considered under local government reform initiative. The PS indicated that further details could not be divulged at present;
v. In October 2018 interviews were conducted for the post of Financial Officer but not all of the positions were filled;
vi. The position of Financial Officer is vacant in four (4) MCs;
vii. Consideration was given to lower the entry qualifications for the position but this was not implemented;
viii. In the interim, Accountants I and II perform the duties of the Financial Officer;
ix. Internal Audit Units in MCs report directly to the respective CEO and not to the MoRDLG's Internal Audit Unit. However, the Corporations without an Internal Audit Unit report to the line Ministry;
x. Internal Audit Units and Financial Comptrollers are required on the establishment of each Corporation;
xi. The Ministry is making efforts to increase its Internal Audit Unit staff complement so that officers can be assigned to the Corporations without audit units;
xii. The Ministry addresses allegations of improprieties at MCs by first requesting a report from the respective CEO, followed by a Special Audit by the Ministry's Internal Audit Unit.
xiii. The Ministry investigates allegations of improprieties at MCs that are reported by persons who are unaffiliated with the Corporations;
xiv. The Ministry was not aware of any allegations of improprieties by the CEOs of the Municipal Corporations;

xv. Impending local government reform legislation would require the creation of an Audit Committee that would have the authority to conduct audits into allegations of improprieties against CEOs;
xvi. The position of City Treasurer is found on the establishment of all MCs except the Chaguanas Borough Corporation;
xvii. The Chaguanas and Arima Borough Corporations have outsourced the preparation of financial statements given its human resource limitations;
xviii. The Ministry stated that Municipal Corporations have the authority to outsource financial services and/or to hire officers on contract to prepare financial statements further to the approval of the Council;
xix. The Chief Personnel Officer has the responsibility for the terms and conditions of all contract workers within the public service, including those occupying the post of Financial Officers;
xx. The Ministry has requested that the CPO review the remuneration package of the Financial Officers and intends to follow-up on this request; and
xxi. The Ministry has been involved in training exercises connected with the implementation of the new Public Procurement Regime.

6.5 The following are the main issues highlighted during discussions with the **Port of Spain City Corporation** *(for further details, please see the Verbatim Notes)*:

i. The City Treasurer heads the Accounting Unit and advises Council on financial matters;
ii. The Corporation has not detected fraudulent activities;
iii. The CEO stated that the Corporation's legal advisor proposed the drafting of a fraud policy;
iv. The limit on the value of contracts the CEO can independently initiate is $300,000[6];
v. All projects are forwarded to the Council for approval[7];
vi. Employees in the Human Resource Unit, Tenders Unit and Stores Unit are currently attending training related to the implementation of the new public procurement legislation;
vii. Subsequent to an audit into payments of overtime to project supervisors, internal processes were reviewed and attempts are being made to recover overtime payments;

[6] This appeared to be applicable to all MCs.
[7] This appeared to be applicable to all MCs.

viii. There is one Acting Auditor, an Auditing Assistant and two clerks who provide scrutiny over the Accounts Department; and
ix. Presently, financial records are not digitally stored. Discussions are being held with the Ministry of Finance (MoF) concerning the digitalizing of financial records.

6.6 The following are the main issues highlighted during discussions with the **San Fernando City Corporation** *(for further details, please see the Verbatim Notes)***:**

i. The City Treasurer/Accountant heads the Accounting Unit and advises Council on financial matters;
ii. Accountants I (2 officers) and Accounting Assistants (5 officers) operate different sections within the Accounting Department and report to the City Treasurer Accountant;
iii. The Corporation currently has several vacancies in senior positions which are filled with acting officers;
iv. One staffing anomaly is that Officers are usually promoted based on seniority. In most cases the person with the longest tenure in the Corporation may not necessarily possess the relevant technical capabilities for the position;
v. The Corporation does not have an internal fraud policy;
vi. The Police is currently investigating 16 cases involving the printing of fraudulent cheques in the sum of (and over) $3,000 that were distributed in the Port of Spain area;
vii. The Corporation's Tenders Committee reviews the applications from prospective contractors and provides an official list to be used by the Corporation;
viii. The projects are advertised publicly but the estimated costs are not publicized;
ix. Council members propose projects, conduct site visits during implementation and then give final approval for payment;
x. The Tenders Clerk Department received training on the implementation of the procurement legislation;
xi. Clarification is needed on the protocols for the disposal of assets under the procurement legislation;
xii. Clarification is needed about the changes in the protocol for treating with unspent balances relative to the upcoming Local Government Reforms;
xiii. Previously, requests for releases were sent to the MoRDLG but under the proposed Reforms the requests would be sent to the MoF; and

xiv. The Council is open to digitizing financial records but lacks the necessary funding;
xv. The Council is satisfied with the current garbage disposal services.

6.7 The following are the main issues highlighted during discussions with the **Point Fortin Borough Corporation** *(for further details, please see the Verbatim Notes)***:**

i. There is a position on the establishment for City Treasurer but the post is vacant due to difficulties in recruitment;
ii. A Financial Officer was hired on contract by the MoRDLG;
iii. The staff complement is insufficient in the Accounting Section. It includes an Accountant II, Accountant I and two Chequing Staff;
iv. Within the past 2 years there was one incident of fraud involving the disappearance of 32 bags of cement. An internal committee was formed and investigations were conducted alongside the Municipal Police;
v. The Council is considering moving a motion to establish a fraud policy;
vi. In the past there was an established list of contractors but this list was not approved by the Ministry of Finance;
vii. At present, the Corporation uses an open tendering process for hiring contractors;
viii. The Council and Engineers supervise project implementation and the CEO conducts site visits;
ix. After the Council members are satisfied with the quality of the project, funds are released to the contractor(s). The CEO approves the contract completion form;
x. The Corporation has a Procurement Unit which is headed by a clerk;
xi. Staff is expected to attend an upcoming training on the new Public procurement regime;
xii. There is a need for additional resources to adequately outfit the Procurement Unit in accordance with the new legislation;
xiii. Equipment was previously purchased for digitizing financial records but was not used; and
xiv. The Council intends to include the purchase of additional equipment in the upcoming budgetary estimates.

6.8 The following are the main issues highlighted during discussions with the **Arima Borough Corporation** *(for further details, please see the Verbatim Notes)***:**

i. The position of City Treasurer is on the Corporation's Establishment but it remains vacant due to difficulties in recruitment;
ii. A Financial Officer was hired on short term contract by the MoRDLG with a salary of $14,000;
iii. The Financial Officer supervises Accounting staff;
iv. The CEO, Financial Officer and Accounting Officer II report to Council on financial matters;
v. The Council approved an external accounting agency, Sinanan Dass and Associates Chartered Accountants, to prepare the Corporation's financial statements;
vi. The CEO stated that she could not confirm if approval was also given by the Comptroller of Accounts or Auditor General (AG) for the outsourcing of the preparation of Financial Statements. No complaints about the use of the external agency were received from the Auditor General;
vii. For one financial year the cost of outsourcing the preparation of financial statements was $90,000;
viii. Three incidences of fraud were reported involving: fraudulent cheques, food badges and the payroll department;
ix. The fraudulent cheques incident prompted the intervention of the Fraud Squad and the accused is currently before the Court;
x. The internal system for verifying applicants for food badges was upgraded;
xi. Due to dissatisfaction with the performance of the Building Inspector Department and Town Superintendent, the Corporation hired a Town Engineer;
xii. Burgesses can submit complaints about projects to the Land and Building Committee;
xiii. The Corporation uses an open tendering process for the hiring of contractors;
xiv. Council members work alongside the engineers to conduct site visits and evaluations during project implementation;
xv. The Corporation currently utilizes the Central Tenders Board (CTB) regulations and not the procurement legislation; and
xvi. The Council is currently seeking to acquire equipment and a software licence under the Development Program for digitizing financial records.

6.9 The following are the main issues highlighted during discussions with the **Chaguanas Borough Corporation** *(for further details, please see the Verbatim Notes)***:**

i. There is currently no Chief Financial Officer at the Corporation;

ii. The current Acting Accountant II was recruited on January 2nd 2019;
iii. The lines of reporting in the Accounts Departments are as follows: Clerk II → Accounting Assistant → Accountant I → Accountant II → CEO;
iv. The Chaguanas Borough Corporation does not have an internal Audit Unit. As such, all audits of the Corporation's operations are conducted by the MoRDLG;
v. Payroll matters are handled separately, firstly by the Check Staff (Clerk II), and secondly by the Accountant I and Accountant II;
vi. The Accountant II is responsible for day-to-day financial operations. It is expected that the future Chief Financial Officer would be responsible for strategic direction of the Accounts Department;
vii. The Corporation engaged the services of an external accounting agency, Sinanan Dass and Associates Chartered Accountants for preparing financial statements for the financial year 2012-2013 at a cost of $167,900 VAT inclusive;
viii. There is no internal fraud policy;
ix. The CEO initially stated that the only incident of fraud involved suspension of one officer for the unauthorized issuing of job letters;
x. It was then brought to the CEO's attention that after the Ministry's February 2018 Internal Audit Investigation of the Open Tray Scavenging (both Contract and In-House) it was discovered that there were instances of fraud in area oof the Corporation's operations;
xi. The respective audit reports are under review and will be forwarded to the Council;
xii. The Ministry recommended that a forensic audit be conducted into the In-House Open Tray System. To date no action has been taken by the Corporation in response to the Ministry's request;
xiii. The CEO is not aware of any evidence to substantiate allegations of fraud within the Building Inspection unit;
xiv. The CEO initiates public tendering for hiring contractors;
xv. The CEO and technical officers conduct evaluations of projects, after which payments are released;
xvi. The Council distributes allocations equally among the various Council members for projects under the Corporation's development programme;
xvii. All Council members indicate their level of satisfaction with project implementation and may recommend a site visit before approving payment to contractors;
xviii. Guidance is needed from the Ministry on how to implement the provisions of the public procurement legislation;

xix. Tenders staff will participate in training on the new procurement regime at the end of January, 2019;
xx. The Corporation is open to digitizing financial records and intends to include the purchase of equipment in the upcoming budgetary estimates;
xxi. The Council is not satisfied with the current schedule of garbage collection services;
xxii. Due to financial constraints, the garbage collection schedule was reduced from three times per week to once per week;
xxiii. Negligent garbage collection contractors are served a rectification notice, after which their payments are reduced if the terms of the notice are not observed;
xxiv. An in-house team supplements garbage collection but this arrangement places a strain on the Corporation's allocations; and
xxv. A request to Council was made during the previous Public Health Community Meeting to increase the garbage collection schedule to twice per week.

Request for Additional Information

7.1 Based on the deliberations of the hearing, the Committee requested the following information from the Ministry and the Municipal Corporations:

i. The MoRDLG agreed to verify whether Corporations are legally allowed to outsource the preparation of financial statements.
ii. All Corporations are to submit in writing an explanation of the distribution of projects among multiple contractors within one region.
iii. All Corporations are to submit a list of the new contractors approved between 2015 and 2019.
iv. All Corporations are to submit a list of off-site locations for storage of documents, and any relevant policy guiding the off-site storage.

ADJOURNMENT

8.1 The Chairman thanked all present for attending.

8.2 The meeting was adjourned at 11:04 a.m.

I certify that the Minutes are true and correct.

Chairman

Secretary

February 06, 2019

MINUTES OF THE 30TH MEETING OF THE JOINT SELECT COMMITTEE APPOINTED TO INQUIRE INTO AND REPORT ON LOCAL AUTHORITIES, SERVICE COMMISSIONS, STATUTORY AUTHORITIES (INCLUDING THE THA) HELD IN THE ARNOLD THOMASOS ROOM (EAST), LEVEL 6 AND THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR, OFFICE OF THE PARLIAMENT, TOWER D, 1A WRIGHTSON ROAD, PORT OF SPAIN ON WEDNESDAY FEBRUARY 13, 2019

Members

Dr. Varma Deyalsingh	Chairman
Ms. Ramona Ramdial, MP	Vice-Chairman
Mrs. Jennifer Baptiste-Primus	Member
Mr. Nigel De Freitas	Member
Mr. Esmond Forde, MP	Member
Ms. Khadijah Ameen	Member
Mr. Darryl Smith, MP	Member

Secretariat

Mr. Julien Ogilvie	Secretary
Ms. Khisha Peterkin	Assistant Secretary
Ms. Janelle Mills	Parliamentary Intern

ABSENT/ EXCUSED

Dr. Lovell Francis, MP	Member

THE FOLLOWING PERSONS WERE ALSO PRESENT:

The **Ministry of Rural Development and Local Government**

Mrs. Jennifer Daniel	Permanent Secretary
Mr. Raymond Seepaul	Deputy Permanent Secretary
Mrs. Esther Pilgrim-Soanes	Director, Finance and Accounts

The **Diego Martin Regional Corporation**

Ms. Susan Hong	Chief Executive Officer
Ms. Shivastri Ramawadh	City Treasurer
Mr. Ken Calliste	Financial Assistant

The **Siparia Regional Corporation**

Alderman Dr. Glenn Ramadharsingh	Chairman
Mr. Ravindranath Gangoo	Chief Executive Officer
Ms. Kelly Bates	Financial Officer

The **San Juan / Laventille Regional Corporation**

Alderman Anthony Roberts	Chairman
Ms. Dianne Lakhan	Chief Executive Officer
Ms. Gabriel Jones	Corporate Secretary

The **Penal /Debe Regional Corporation**

Dr. Allan Sammy	Chairman
Mr. Motilal Ramsingh	Chief Executive Officer
Ms. Neralla Rampersad	Corporate Secretary

CALL TO ORDER

PUBLIC HEARING

6.1 The Chairman reconvened the meeting *(in public in the J Hamilton Maurice Room)* at 10:34 a.m. and welcomed both the listening and viewing audience[8].

6.2 The Chairman highlighted the objectives of the inquiry and introductions were made.

6.3 The Chairman then invited the stakeholders to each make a brief opening statement.

6.4 The following are the main issues highlighted during discussions with the **Ministry of Rural Development and Local Government (MoRDLG)** *(for further details, please see the Verbatim Notes)***:**

i. The Director of Finance and Accounts was unaware of the damaged records at the Diego Martin Regional Corporation. She agreed to verify whether the Ministry stores copies of the records.

ii. Newspaper advertisements are currently being used to recruit Financial Officers for the relevant Municipal Corporations. The application deadline is February 24th, 2019.

[8] The hearing was recorded for subsequent broadcast

iii. The PS was not aware that the Financial Officer at Penal/Debe Corporation had resigned.

iv. In response to the Committee's concern regarding the Accountant II who heads the Accounting Unit at the San Juan/Laventille Regional Corporation having CXC qualifications, the PS stated that candidates are also required to have considerable work experience to be hired.

v. A request was received from the San Juan/Laventille Regional Corporation in September 2018 to implement a LINX payment system for the collection of market rental fees. The request is awaiting approval from the Comptroller of Accounts in the Ministry of Finance (MoF).

vi. With reference to the high turnover of CEOs at the San Juan/Laventille Regional Corporation, the PS indicated that CEOs may be changed upon request by the Council, upon retirement and by personal request of the CEO.

6.5 The following are the main issues highlighted during discussions with the **Diego Martin Regional Corporation** *(for further details, please see the Verbatim Notes)*:

i. The Corporation, sought the assistance of the National Library and Information Systems Authority (NALIS), to restore hardcopies of records damaged by water seepage at their previous storage location.

ii. It is expected that the record restoration process will be completed in four (4) months.

iii. The Corporation was unable to retrieve softcopies of records and regulations that were subject to water damage.

iv. The last audited financial statements were produced in 2008. The CEO attributed the backlog primarily to the challenges caused by the damaged records.

v. Draft financial statements for the period 2012 to 2018 have been produced, but the supplemental records were compromised by water damage.

vi. One challenge in revenue collection is that deposits to the Corporations' bank account are aggregated, presenting a difficulty in identifying the purpose of individual deposits.

vii. A Financial Officer was hired on contract in May 2018. Previously, the duties of this position were conducted by the Financial Assistant who has been employed on contract for five years.

viii. Six (6) instances of fraudulent activities were identified:

a) A week prior to the public hearing, the Council discovered unauthorized collection of burial fees by cemetery keepers. The matter is currently being investigated by the Corporation;
b) The TTPS is investigating the unauthorized distribution of six (6) cheques, valued at $50,000 each, by a former accountant in 2013;
c) Also under investigation is a vendor who received advanced payment for a tent city shelter but failed to supply the entire unit in 2016. The vendor's whereabouts are currently unknown;
    - The advanced payment to the tent city vendor was not aligned with the Corporation's usual practices. However, the Financial Officer could not explain why the exception in the protocol was allowed;
d) The Fraud Squad is investigating the disappearance of a cheque valued at $4.7 million on August 14, 2017;
e) Another case of fraud by internal parties involved the unauthorized distribution of job letters to 300 members of the public from October 2016. The case is being investigated by the Professional Standards Bureau.
    - The Financial Assistant was unable to provide an estimate of the total salaries paid to the 300 unauthorized workers, or their length of tenure.
f) The TTPS is investigating the recent theft of 6 truck batteries from the transport yard;
g) The TTPS investigated the theft of the former Chairman's jewelry, guns and ammunition *circa* 2010 – 2013 but no update was received by the Council.

ix. The Corporation does not have a Fraud Policy. However, the Council held discussions on drafting a relevant policy and would require the input of an Accountant I to proceed.

x. The CMOH department uses a LINX machine to collect payments. The Council intends to introduce similar machines in other departments.

xi. The increased population of Diego Martin has challenged efficient delivery of scavenging services by contractors.

xii. Allocations to councillors are distributed based on the needs of each electoral district.[9]

xiii. The value of accumulated unspent balances is approximately $18 million. An internal audit will be conducted to verify the amount.

xiv. The Corporation was last able to access its unspent balances in 2011.

xv. Staff of the Tenders Unit are participating in training on the new procurement legislation. The Corporation is also developing a procurement plan. Preparations for the legislation are expected to be completed in approximately three months.

6.6 The following are the main issues highlighted during discussions with the **Siparia Regional Corporation** *(for further details, please see the Verbatim Notes)***:**

xvi. The challenges faced by the Corporation include insufficient releases from the MoF and MoRDLG.

xvii. There is currently a Financial Officer employed by the Corporation. The Council wrote an appeal to the President of the Republic and lobbied the Ministry to fill the vacant position.

xviii. The Council intends to implement LINX payment systems for collection of fees.

xix. The Council has not received reports of any fraudulent activities perpetrated by external or internal parties within the last five (5) years.

xx. Due to the termination of scavenging services provided by Petrotrin to particular communities, the Corporation was forced to increase its in-house scavenging team notwithstanding its resource constraints.

xxi. Councillors are consulted in determining the distribution of allocations. There is also a distribution given to the Chairman's office.

[9] This also applied to San Juan/Laventille Regional Corporation and Penal/Debe Regional Corporation.

xxii. The current value of unspent balances is approximately $5.2 million. The MoRDLG will conduct an audit to verify the sum before the Corporation receives approval to utilize the funds.

xxiii. A financial management software was implemented *circa* 2012 and 2016/2017.

xxiv. Challenges to maintaining a financial management software included resistance from staff and human resource shortages which made it difficult to assign two (2) dedicated staff members to perform data entry.

xxv. The Financial Officer indicated that the Corporation intends to re-introduce the software, but this decision would require the approval of the Council.

xxvi. The Corporation has acquired additional staff on contract to complete a special project related to compiling the contractors and suppliers utilized from 2013 to present.

xxvii. A forensic audit on the Stores Department was prompted due to concerns regarding its internal processes and lack of oversight of internal requisitions. The Council is awaiting a report from a systems audit conducted by the MoF in 2018.

xxviii. Staff of the Tenders Unit are participating in training on the new procurement legislation.

6.7 The following are the main issues highlighted during discussions with the **San Juan/Laventille Regional Corporation** *(for further details, please see the Verbatim Notes)***:**

xv. There is currently no Financial Officer employed by the Corporation.

xvi. The Acting Accountant II was hired on July 27, 2017 with CXC level qualifications. The CEO indicated that assistance will be sought from the MoRDLG to recruit a more suitably qualified accountant.

xvii. To combat fraudulent activities, the Council resolved to, create an Internal Audit Department and to implement an asset management system.

xviii. Additionally, the CEO intends to invite qualified persons to commence a forensic audit at the Corporation.

xix. The Council intends to implement the "Easy Pay" system for salary payments. A request was sent to the MoRDLG and MoF to implement the IGovTT system.

xx. There are also plans to upgrade the manual system for collecting market rental fees to electronic payments using the LINX system. The Council is awaiting a response from the MoRDLG for permission to implement the LINX system. Final approval is within the purview of the Ministry of Finance.

xxi. There have been two instances of fraud that were suspected to involve both internal and external parties. One instance is currently under investigation related to a missing fraudulent cheque.

xxii. In one instance the alleged perpetrators were arrested and are being prosecuted.

xxiii. Scavenging contractors in Laventille may be denied payment when their performance is unsatisfactory. When this occurs, the Corporation dispatches internal personnel to maintain the relevant grounds.

xxiv. Unspent balances from 2012 to present in the sum of approximately $6 million have been audited. Another audit is outstanding for approximately $3 - $4 million unspent balances.

xxv. The Corporation's Chairman indicated that only one CEO was removed upon request by the Council between 2018 to present. In the other six instances the CEOs were presumably removed under the directive of the MoRDLG.

xxvi. The Corporation is awaiting feedback from the MoRDLG to guide the changes required by the new procurement legislation.

xxvii. The Chairman emphasized that he has serious concern regarding the competency of the accounting staff.

6.8 The following are the main issues highlighted during discussions with the **Penal / Debe Regional Corporation** *(for further details, please see the Verbatim Notes)***:**

xvii. It is expected that the local government reforms will result in additional financial and operational constraints on the Corporation.

xviii. The most recent Financial Officer reverted to his/her substantive position in the public service on November 7th, 2018. No reason was provided for the decision to leave the Corporation.

xix. It is difficult to attract suitable candidates for the Financial Officer vacancy due to the unattractive remuneration package.

xx. In the absence of a Financial Officer, the Corporation retained two qualified and experienced officers on part-time contracts to provide training and oversight of the Accounting staff.

xxi. The CEO may consider extending the contract periods of existing accounting staff so that the unit will be staffed during the upcoming preparation of budget statements.

xxii. The CEO advises the Council on financial matters in the absence of a Financial Officer.

xxiii. LINX payment machines are currently used at one office to collect fees. However, a cash system is maintained for collection of market rental fees.

xxiv. The CEO initially stated that there were no reported cases of fraud by internal or external parties.

xxv. The CEO subsequently noted that an unspecified person used a building inspector's signature without authorization. This incident is under investigation by the Fraud Squad.

xxvi. Assessments of operational systems were conducted by university students and On-the-Job Trainees. Their recommendations guided the separation of the Stores systems, and changing protocols for processing of invoices.

xxvii. The Corporation uses a system of daily checks to monitor the performance of scavenging contractors. However, the contracts expired and are being renewed on a monthly basis.

xxviii. The scavenging contract terms do not adequately address the garbage collection needs of the burgess.

xxix. Although the Corporate Secretary provides legal advice to the Council, external law firms are also hired to provide legal services when matters are urgent and/or complex.

xxx. The Corporation was issued three pre-action protocol letters. These matters were referred to the Harrikissoon & Company and Trilaw Chambers.

xxxi. The Corporation has been sued in five (5) separate matters at the High Court for complaints related to drainage issues and other infrastructural issues.

xxxii. Harrikissoon & Company has represented the Corporation for approximately one year in matters at the High Court.

xxxiii. At the Magistrates' Court the Corporation is involved in four (4) matters also related to drainage and infrastructure. Trilaw Chambers has represented the Corporation in these matters for approximately one year.

xxxiv. Legal services were procured through a sole select system by the CEO due to the urgency of legal matters.

xxxv. The CEO stated that he has been at the Corporation for one year and admitted that he has utilized the services of Harrikisson & Company in his personal capacity in the past.

xxxvi. The Corporation is in the process of equipping its Tenders Unit to become compliant with the new procurement legislation.

Request for Additional Information

7.1 Based on the deliberations of the hearing, the Committee requested the following information from the Ministry and the Municipal Corporations:

v. The Diego Martin Regional Corporation was requested to confirm the total value of salaries paid to the 300 persons who were fraudulently employed *circa* 2016;
vi. All Corporations are to indicate the total value of unspent balances;
vii. All Corporations are to provide a list of all new contractors that were registered with the Corporations from 2015 to present.

ADJOURNMENT

8.1 The Chairman thanked all present for attending.

8.2 The meeting was adjourned at 12:37 p.m.

I certify that the Minutes are true and correct.

Chairman

Secretary

March 18, 2019

MINUTES OF THE 31ST MEETING OF THE JOINT SELECT COMMITTEE APPOINTED TO INQUIRE INTO AND REPORT ON LOCAL AUTHORITIES, SERVICE COMMISSIONS, STATUTORY AUTHORITIES (INCLUDING THE THA) HELD IN THE A.N.R. ROBINSON ROOM (EAST), LEVEL 9, OFFICE OF THE PARLIAMENT, TOWER D, 1A WRIGHTSON ROAD, PORT OF SPAIN ON WEDNESDAY MARCH 27, 2019

Members

Dr. Varma Deyalsingh	Chairman
Ms. Ramona Ramdial, MP	Vice-Chairman
Mrs. Jennifer Baptiste-Primus	Member
Mr. Nigel De Freitas	Member
Mr. Esmond Forde, MP	Member
Ms. Khadijah Ameen	Member

Secretariat

Mr. Julien Ogilvie	Secretary
Ms. Khisha Peterkin	Assistant Secretary
Ms. Janelle Mills	Parliamentary Intern

ABSENT/ EXCUSED

Mr. Darryl Smith, MP	Member (Excused)
Dr. Lovell Francis, MP	Member

THE FOLLOWING PERSONS WERE ALSO PRESENT:

The **Ministry of Rural Development and Local Government**

Mr. Raymond Seepaul	Deputy Permanent Secretary
Mrs. Esther Pilgrim-Soanes	Director, Finance and Accounts

The **Couva / Tabquite/Talparo Regional Corporation**

Mr. Henry Awong	Chairman
Ms. Satragie Maharaj	Chief Executive Officer
Ms. Farzana Girwar	Corporate Secretary

The **Tunapuna/Piarco Regional Corporation**

Ms. Onika Myers-Haynes	Vice-Chairman
Mrs. Betty Ramdass-Ali	Chief Executive Officer
Mr. Clayton Burnette	Financial Officer

The **Sangre Grande Regional Corporation**

Mr. Martin Terry Rondon	Chairman
Mrs. Ann Hosein	Chief Executive Officer (Ag.)
Ms. Vedawatie Sookoo	Financial Officer

CALL TO ORDER

PUBLIC HEARING

6.1 The Chairman reconvened the meeting *(in public in the A. N. R. Robinson Room - East)* at 10:34 a.m. and welcomed both the listening and viewing audience[10].

6.2 The Chairman highlighted the objectives of the inquiry and introductions were made.

6.3 The Chairman then invited the stakeholders to each make a brief opening statement.

6.4 The following are the main issues highlighted during discussions with the **Ministry of Rural Development and Local Government (MoRDLG)** *(for further details, please see the Verbatim Notes)***:**

i. The Ministry interviewed candidates for the position of Financial Officer (FO) at the Municipal Corporations (MC) in Chaguanas, Penal/Debe and San Juan/Laventille. The FOs are expected to assume duties between April and May 2019.

ii. The Ministry established a forum for FOs which convenes meetings on the second Monday of each month. These meetings allow for discussions on inefficiencies at the Corporations and to standardized approaches in accounting procedures.

[10] The hearing was recorded for subsequent broadcast.

iii. The Ministry intends to provide training to FOs during the forum meetings. A request was sent to the Comptroller (of Accounts) to provide said training.

iv. Accountants II attend the forums meetings on behalf of MCs which currently do not have FOs.

v. The MoRDLG is engaging the Service Commissions Department (SCD), Chief Personnel Officer (CPO) and the Public Management Consulting Division (PMCD) in order to fill vacancies for monthly paid Accounting Officers in MCs. Until these vacancies are filled, daily rated Accounting Officers (Checkers) will be utilised.

vi. The MoRDLG has approached the CPO about the uncompetitive remuneration package offered to FOs.

vii. Efforts are being made to establish Internal Audit Units at each MC, a Cabinet Note addressing this issue was produced. In the interim, the MoRDLG intends to assign Audit teams to each MC for a period of one month to assess their operations.

viii. The Ministry acknowledged that a lack of appropriate staffing is one factor influencing the untimely submission of financial statements at some MCs.

ix. The MoRDLG has sourced some of the misplaced documentation required by the Couva/Tabaquite/Talparo Regional Corporation to prepare outstanding financial statements for the years 2010, 2012 and 2013.

x. The Ministry is continuing its search to retrieve outstanding documentation for financial years 2006-2009 and 2014 for the Couva/Tabaquite/Talparo Regional Corporation. The Ministry may have to source the relevant records at Trade Zone.

xi. The MoRDLG has a limited role in the hiring and monitoring of contractors employed at MCs. The Ministry of Finance (MoF) is responsible for registering contractors.

xii. The Central Tenders Board would be involved in taking action against errant contractors employed by MCs.

xiii. The Ministry intends to introduce a Digital Recording System that, when operational, will be available to the MCs.

6.6 The following are the main issues highlighted during discussions with the **Couva/ Tabaquite/ Talparo Regional Corporation** *(for further details, please see the Verbatim Notes)***:**

i. A Financial Officer is employed in the Corporation.

ii. During the one year tenure of the current CEO, no reports were received of missing cheques at the Corporation.

iii. The Corporation has not prepared its Annual Financial Statements for 13 years (2006-2018), the reasons for the delay include:

a) High turn-over rate in the position of Financial Officers;

b) shortage of accounting staff; and

c) inadequate training of accounting staff.

iv. To expedite the preparation of the outstanding financial statements, two officers were assigned to assist the FO. Additionally, the Council is considering hiring an additional officer to assist in this regard.

v. Although consideration was given to outsourcing the preparation of financial statements, financial constraints hindered this endeavour.

vi. The Corporation has not been able to access unspent balances due to its failure to prepare outstanding financial statements.

vii. The Fraud Squad is currently investigating a case of alleged fraudulent activity which involved the preparation of two cheques valued at a total of $150,000 in 2015 for works on Development Projects that were not completed.

viii. Two public officers, a contract worker and a daily paid employee are involved in the matter referred to the Fraud Squad.

ix. Over the past six weeks, six Clerk Is were assigned to the Corporation through the MoRDLG. Four of these Clerks were assigned to the Accounts Department, one each was assigned to the Payroll Unit, the Vote Books and Cheque Staff. These officers are engaged in ongoing training by the Financial Officer.

x. An Audit team from the MoRDLG was assigned to the Corporation for one month, in January 2019, to conduct auditing activities under the direction of the Chief Executive Officer (CEO).

xi. Currently, no action is being taken to establish a Procurement Unit. However, the Corporation is seeking training for officers with procurement duties.

xii. There is concern regarding the adequacy of contracts for scavenging contractors since the terms and conditions have not been updated since 2013.

xiii. There is concern that the current penalty to prorate payments for unsatisfactory work done.

xiv. The daily allocation for scavenging services is $81,624.

xv. No new contractors were approved by the MoRDLG since 2015.

xvi. There is need to review the tasks schedules and classification of tasks to allow for increased supervision of workers. This endeavour will require collaboration with labour Unions.

xvii. Currently, the Corporation relies mainly on manual records and filing system. The Corporation intends to introduce a system to digitize its records.[11]

xviii. The CEO could not confirm whether performance appraisals have been completed for the current FO.

xix. Following a 2019 Internal Audit Report which highlighted poor transparency and accountability in the vote book procedures, the Corporation intends to provide training to its accounting staff.

6.7 The following are the main issues highlighted during discussions with the **Tunapuna /Piarco Regional Corporation** *(for further details, please see the Verbatim Notes)***:**

xxviii. Annual performance appraisals of the FO are conducted.[12]

xxix. A committee was formed to review the impending procurement legislation. The committee members include the FO, Administrative Officer II, Tenders Clerk, the Engineering and Survey Officer and the CEO.

xxx. Staff members were recommended to attend training on the impending procurement legislation at the Public Service Academy. To date, no staff members have participated in this training.

xxxi. The Corporation's allocation in 2019 for scavenging service is $53 million. However, there are serious concerns regarding the efficiency of the bulk waste

[12] This also applied to the Sangre Grande Regional Corporation.

Open Tray services in certain regions. The Corporation has prorated payment to contractors based on inefficient service.

xxxii. Concern was expressed about the low productivity of employees compared to the salaries provided.

xxxiii. The last annual financial statement prepared by the Corporation was prepared for 2015. A draft of the financial statements for the fiscal year 2016 was prepared.

xxxiv. In 2016 there were instances where persons not employed with the Corporation attempted to cash cheques with forged signatures and the Corporation's cheque numbers. To date four persons connected to these incidences were arrested.

xxxv. The Corporation has not determined whether an employee was involved in the aforementioned fraudulent activities.

xxxvi. Following the incidence of fraud, protocols related to record-keeping were reviewed, and segregation of duties and staff rotations were introduced.

xxxvii. The Financial Officer was aware that one employee was implicated in a fraudulent matter but resumed duties at the Corporation. This person currently does not work in the Accounts Department.

xxxviii. To date, the contractors involved in three projects which were voided for non-performance in 2019 have not been removed from the Corporation's list of contractors. The Corporation intends to review its process of selecting contractors.

xxxix. Under the Development Programme of a previous financial year, the Corporation requested funding to introduce a system of digital filing. Since this request was not being granted, the Corporation intends to re-apply for the relevant funding in this fiscal year.[13]

xl. The Corporation has started to convert physical files and records to soft copy files.

6.8 The following are the main issues highlighted during discussions with the **Sangre Grande Regional Corporation** *(for further details, please see the Verbatim Notes)***:**

[13] This also applied to the Sangre Grande Regional Corporation.

i. The last annual Financial Statements prepared by the Corporation was prepared for 2013.

ii. The Corporation does not outsource the preparation of financial statements.

iii. A special committee was established to review the Public Procurement and Disposal of Property Act 2016. The committee intends to produce draft guidelines within the next three months for the creation of a procurement unit.

iv. Concern was expressed about the low productivity of some employees compared to the salaries provided.

v. The Council intends to meet with the relevant Trade Union to discuss the concerns regarding work ethic and productivity.

vi. The Corporation's allocation in 2019 for scavenging services is $15 million.

Request for Additional Information

7.1 Based on the deliberations of the hearing, the Committee requested the following information from the Ministry and the Municipal Corporations:

viii. All Corporations are to indicate the total value of unspent balances;
ix. All Corporations are to provide a list of all new contractors that were registered with the Corporations from 2015 to present.

ADJOURNMENT

8.1 The Chairman thanked all present for attending.

8.2 The meeting was adjourned at 12:37 p.m.

I certify that the Minutes are true and correct.

Chairman

Secretary

April 8, 2019

MINUTES OF THE 32ND MEETING OF THE JOINT SELECT COMMITTEE APPOINTED TO INQUIRE INTO AND REPORT ON LOCAL AUTHORITIES, SERVICE COMMISSIONS, STATUTORY AUTHORITIES (INCLUDING THE THA) HELD IN THE ARNOLD THOMASOS ROOM (EAST), LEVEL 6 AND THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR, OFFICE OF THE PARLIAMENT, TOWER D, 1A WRIGHTSON ROAD, PORT OF SPAIN ON WEDNESDAY APRIL 24, 2019

PRESENT

Members

Dr. Varma Deyalsingh	Chairman
Ms. Ramona Ramdial, MP	Vice-Chairman
Mr. Nigel De Freitas	Member
Ms. Khadijah Ameen	Member

Secretariat

Mr. Julien Ogilvie	Secretary
Ms. Khisha Peterkin	Assistant Secretary
Ms. Janelle Mills	Parliamentary Intern

ABSENT/ EXCUSED

Mr. Darryl Smith, MP	Member (Excused)
Mrs. Jennifer Baptiste-Primus	Member (Excused)
Mr. Esmond Forde, MP	Member
Dr. Lovell Francis, MP	Member

THE FOLLOWING PERSONS WERE ALSO PRESENT:

The **Ministry of Rural Development and Local Government**

Mrs. Jennifer Daniel	Permanent Secretary
Mr. Raymond Seepaul	Deputy Permanent Secretary
Mrs. Esther Pilgrim-Soanes	Director, Finance and Accounts

The **Mayaro/ Rio Claro Regional Corporation**

Mr. Glen Ram	Chairman
Mr. Ashmead Mohammed	Chief Executive Officer
Mrs. Rajendra Sawh	Financial Officer

The **Princes Town Regional Corporation**

Mr. Gowrie Roopnarine	Chairman
Ms. Sheriffa Heru	Chief Executive Officer (Ag.)
Mr. Mahabir Gheesan	Financial Officer

CALL TO ORDER

PUBLIC HEARING

8.1 The Chairman reconvened the meeting *(in public in the J Hamilton Maurice Room)* at 10:42 a.m. and welcomed both the listening and viewing audience.

8.2 The Chairman highlighted the objectives of the inquiry and introductions were made.

8.3 The Chairman then invited the stakeholders to each make a brief opening statement.

8.4 The following are the main issues highlighted during discussions with the **Ministry of Rural Development and Local Government (MoRDLG)** *(for further details, please see the Verbatim Notes)***:**

xiv. Permanent positions for Chief Financial Officers (CFOs) were never established in any MC. Instead, a legal notice allowed for the creation of the contracted Financial Officer (FO) position.

xv. The Ministry is satisfied with the arrangement in which FOs are hired in lieu of CFOs.

xvi. There is one vacant Financial Officer (FO) position at a Municipal Corporation. This position is expected to be filled within a month.

xvii. The ability of MCs to attract FOs depends partly on the prospective candidates' location preferences.

xviii. The Chief Personnel Office (CPO) recently approved a salary increase for FOs. However, the Ministry intends to request a further increase as it is not satisfied with the approved figure.

xix. The Ministry considers the performance appraisals of FOs when deciding to renew their contracts.

xx. The Princes Town Regional Corporation was praised for its timely commencement and completion of projects within recent financial years.

xxi. Some contractors may choose to seek legal redress to recover outstanding payments owed to them by Municipal Corporations (MCs).

xxii. The Ministry has a clear policy on the protocol and disciplinary action to treat with public officers under police investigation. However, the policy does not specifically treat with daily paid officers under investigation.

xxiii. The most recent Auditor General Report for the Princes Town Regional Corporation was produced for the financial year 2016.

xxiv. The most recent Auditor General Report for the Mayaro/Rio Claro Regional Corporation was produced for the financial year 2008.

xxv. The 2017 financial statements for Princes Town and Mayaro/Regional Corporation were submitted to the Auditor General.

xxvi. MCs are legally permitted to establish a Mayor's Fund for the purpose of receiving monetary donations. This Fund is audited by the Auditor General.

xxvii. An amendment to the Municipal Corporations Act in 2018 allows for the Councils of MCs to withdraw and deposit fees, charges and money collected into the Mayor's Fund, as authorized by the Ministry of Finance (MoF).

xxviii. The MoRDLG has made three requests since January 2019 to the MoF for guidelines on the changes in use of the Mayor's Fund and Consolidated Fund as stated in the aforementioned amendment.

xxix. The Procurement Regulator recently met with the MoRDLG, Chief Executive Officers (CEOs) and Chairmen of the MC Councils to provide guidance on the practices required under the impending procurement legislation.

xxx. Communication from the Central Tenders Board (CTB) in March 2019 suggested that the MoF did not approve new contractors for MCs since 2015 due to that expectation of the impending procurement legislation.

xxxi. The CTB indicated that MCs can utilize open tendering until the procurement legislation is implemented.

xxxii. The MoRDLG will submit a request to the MoF for funding for critical areas identified at the Municipal Corporations.

8.5 The following are the main issues highlighted during discussions with the **Mayaro/ Rio Claro Regional Corporation** *(for further details, please see the Verbatim Notes)***:**

xx. The Corporation has not issued advanced payments to any contractors during the past two years.

xxi. There are three projects for which works were completed in 2018, but payment to contractors remains outstanding due to a delay in the release of funds from the MoF.

xxii. In financial year 2018 the allocation for the truck-borne water supply service was $1 million. However, in fiscal year 2019 the allocation was reduced to $400,000.

xxiii. No funds have been released from the MoF for the truck-borne water supply service for 2019. This has prevented delivery of the service to 13 areas under the Corporation's remit which is serviced by one water tender.

xxiv. Following one instance of a counterfeit bill received by the Corporation, a device to detect counterfeit cash will be purchased at an estimated cost of $1,000.

xxv. The most recent financial statement audited by the Auditor General was for financial year ending September 30th, 2008. However, statements have been submitted by the Corporation up to 2017-2018.

xxvi. A donation register was created to record donations received from the public in response to the major floods in 2018.

xxvii. The Corporation does not accept monetary donations from private individuals.

xxviii. Approximately one year ago it was suspected that a driver employed at the Corporation misappropriated donated toilet paper. However, delays in the investigation by the Municipal Police resulted in the expiration of the statutory period for prosecution.

xxix. The driver is still employed at the Corporation and is currently under disciplinary action for an unrelated matter regarding reckless driving.

xxx. The current Financial Officer has been employed since May 2018, prior to which the position was vacant for approximately six months.

xxxi. In preparation for the impending procurement legislation, Tenders Clerks received training in February and March 2019 on procurement practices.

xxxii. The Corporation produced an Annual Procurement Listing required by the procurement legislation.

xxxiii. The Corporation intends to treat with tenders by convening a committee whose membership will be determined by the department which is seeking the contracted goods/services.

xxxiv. Funding and other limitations present a challenge to compliance with Occupational Safety and Health standards when undertaking infrastructural projects.

xxxv. Since 2015 no new contractors have been approved by the MoF. The Corporation relies on the listing of contractors approved prior to 2015. The Open Tendering Process is not used.[14]

xxxvi. The Corporation uses both manual and digital record keeping. Only goods and services payment vouchers from 2012-2018 have been digitized.

xxxvii. The Corporation is working with the Information Technology staff of the Ministry in order to extend digitization to all financial and legal documents.

xxxviii. Financial documents are stored in a vault in the Corporation's premises.

xxxix. The cost of litigation at the High Court over the last three years amounted to $95,000.

xl. The High Court matters involved two instances in which scavenging contractors failed to fulfil the terms of their contracts. The Court awarded the Corporation a sum of approximately $1 million.

xli. In a third High Court matter, the Corporation was sued by a woman who claimed to have been injured by falling into an uncovered manhole.

xlii. There have been instances of stolen metal manhole covers, given that the material is valuable. As a result, the Corporation has used wooden covers and this has deterred removal.

[14] This also applied to the Princes Town Regional Corporation.

xliii. Due to the ongoing build-up of Sargassum seaweed on the beaches, the Corporation permitted overtime payment to workers to remove the seaweed.

xliv. No technical or financial support has been provided by the Ministry of Tourism (MoT) to treat with the seaweed problem, despite the MoT's responsibility for maintaining beaches.

xlv. Funding was requested through annual expenditure estimates to address the ongoing build-up of seaweed on the beaches. To date no funding has been received for this purpose.

8.6 The following are the main issues highlighted during discussions with the **Princes Town Regional Corporation** *(for further details, please see the Verbatim Notes)***:**

xli. The Corporation has been fortunate to have the same person employed as the Financial Officer for the last ten years.

xlii. Following a directive from the Minister of Finance, funds from the promenade were redirected to the Consolidated Fund from January 2019.

xliii. The Council is seeking approval from the MoF to resume deposits from the promenade to the Chairman's fund.

xliv. The Corporation does not accept monetary donations from private individuals.

xlv. No major issues hindered the completion of projects under the Development Programme or release of payments to contractors.

xlvi. There have been no instances of counterfeit cash received by the Corporation. Earnings from the Princes Town promenade were initially deposited into the Chairman's Fund, which was established in 2016.

xlvii. The Corporation has not issued advanced payments to contractors.

xlviii. Although the allocation for the truck-borne water supply service was $400,000 during the previous financial year, no releases were received. Contractors were paid using the releases received for 2019.

xlix. Following the late payments to contractors for services rendered in 2018, the funding for water truck services for 2019 was reduced to approximately $100,000. Consequently, contracts were awarded for only a two week period during 2019.

l. The Corporation's three water tenders are further strained by an increased geographical area required to be serviced by the Corporation. This is primarily due to underperformance by the Water and Sewage Authority (WASA).

li. In January 2019 an application to the MoF was made for supplementary releases for the water trucking service. However, no releases were received to date.

lii. The performance of water truck contractors is monitored by Public Health Officers who submit a report every fortnight to the Corporation's Council.

liii. The tendering process for water truck services involves inspections of water trucks to evaluate their suitability before contracts are awarded.

liv. To ensure that the FO position was continuously filled, the Council approved monthly contracts until longer-term contracts were approved.

lv. To deter future instances of fraud perpetrated by external parties, the Corporation decided to only accept cash payments and certified cheques.

lvi. There have been no cases of missing financial documents at the Corporation.

lvii. A contractor who submitted a "bounced" or invalid cheque was subsequently prohibited from submitting tenders for projects.

lviii. A committee was established to treat with the requirements of the impending procurement legislation. The committee is comprised of the CEO, FO, Chief Technical Officer and County Superintendent.

lix. The Corporation is seeking assistance from the MoRDLG to provide procurement training to the relevant officers.

lx. The Corporation currently uses a manual recording system due to financial constraints there are no immediate plans for adopting an electronic record system.

lxi. Financial documents are stored in a fireproof vault in the Corporation's premises.

lxii. The Corporation's void cheques file that was previously not submitted to the Internal Auditors of the MoRDLG has been prepared and will be forwarded to the Ministry.

lxiii. A list of unpresented cheques for 2018 that was previously not submitted to the Internal Auditors of the MoRDLG has been completed.

lxiv. No funding 2019 has been received for the payment of rents for Councillors' offices for fiscal 2018/2019, and for the provision of stipends to Councillors for the management of their offices.

Request for Additional Information

9.1 Based on the deliberations of the hearing, the Committee requested the following information from the Ministry and the Municipal Corporations:

x. All Corporations are to indicate the total value of unspent balances;
xi. All Corporations are to provide a list of all new contractors that were registered with the Corporations from 2015 to present.

ADJOURNMENT

10.1 The Chairman thanked all present for attending.

10.2 The meeting was adjourned at 12:32 p.m.

I certify that the Minutes are true and correct.

Chairman

Secretary

May 13, 2019

Appendix 7

Verbatim Notes

VERBATIM NOTES OF THE TWENTY-EIGHTH MEETING OF THE JOINT SELECT COMMITTEE APPOINTED TO ENQUIRE INTO AND REPORT ON LOCAL AUTHORITIES, SERVICE COMMISSIONS AND STATUTORY AUTHORITIES (INCLUDING THE THA) HELD IN THE A.N.R. ROBINSON (EAST) MEETING ROOM, TOWER D, INTERNATIONAL WATERFRONT CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON WEDNESDAY, JANUARY 23, 2019 AT 10.25 A.M.

PRESENT

Dr. Varma Deyalsingh	Chairman
Ms. Ramona Ramdial	Vice-Chairman
Mrs. Jennifer Baptiste-Primus	Member
Mr. Nigel De Freitas	Member
Ms. Khadijah Ameen	Member
Mr. Esmond Forde	Member
Mr. Darryl Smith	Member
Mr. Julien Ogilvie	Secretary
Ms. Khisha Peterkin	Assistant Secretary
Ms. Terriann Baker	Graduate Research Assistant

ABSENT

Dr. Lovell Francis	Member

MINISTRY OF RURAL DEVELOPMENT AND LOCAL GOVERNMENT

Mrs. Jennifer Daniel	Permanent Secretary
Mr. Raymond Seepaul	Deputy Permanent Secretary
Mrs. Esther Pilgrim-Soanes	Director, Finance and Accounts

PORT OF SPAIN CITY CORPORATION

Mrs. Annette Stapleton-Seaforth	Chief Executive Officer
Mr. Jameel Ali	City Treasurer
Mr. Dexter Quan Soon	Auditor I (Ag.)

SAN FERNANDO CITY CORPORATION

Alderman Junia Regrello	His Worship the Mayor
Mr. Indarjit Singh	Chief Executive Officer
Mr. Harry Singh	Auditor I (Ag.)

ARIMA BOROUGH CORPORATION

Councillor Lisa Morris-Julian	Her Worship the Mayor
Mrs. Cheryl Sirju-Chong	Chief Executive Officer
Mr. Sean Lamotte	Financial Officer

CHAGUANAS BOROUGH CORPORATION

Mr. Jameel Chadee Ameeral	Chief Executive Officer
Mrs. Kathleen Appoo	Accountant II (Ag.)
Mr. Razeen Rahamut	Clerk II (Ag.) (Accounts Department)

POINT FORTIN BOROUGH CORPORATION

Councillor Abdon Mason	His Worship the Mayor
Mrs. Donnamay Taylor	Chief Executive Officer
Ms. Maria Smith	Financial Officer

Mr. Chairman: Good morning all. I am Dr. Varma Deyalsingh, the Chair of this

Joint Select Committee on Local Authorities, Service Commissions and Statutory Authorities (including the THA). On behalf of myself and the Committee, I welcome you all here this morning. I would like members of the Ministry of Rural Development and Local Government, Port of Spain City Corporation, San Fernando City Corporation, the Arima Borough Corporation, Chaguanas Borough Corporation, Point Fortin Corporation—I would like each of you to introduce yourself in that order please, starting with Ministry of Rural Development and Local Government.

[*Introductions made*]

Mr. Chairman: Could we go with Port of Spain City Corporation now?

[*Introductions made*]

Mr. Chairman: Would San Fernando now introduce themselves please?

[*Introductions made*]

Mr. Chairman: Would Arima Borough Corporation introduce themselves please?

[*Introductions made*]

Mr. Chairman: Would Chaguanas Borough Corporation introduce themselves?

[*Introductions made*]

Mr. Chadee Ameeral: I just want to use this opportunity please to extend an apology for the absence of His Worship the Mayor of Chaguanas, Alderman Gopaul Boodhan, on the grounds that he is attending a court matter relative to the Corporation's operations.

Mr. Chairman: Would members of the Point Fortin Borough Corporation now introduce themselves?

[*Introductions made*]

Mr. Chairman: Thank you all for being in attendance this morning, and I would like my members of my Committee to introduce themselves starting with my Vice-Chair.

[*Introductions made*]

Mr. Chairman: I would like to remind all present that the objectives of this enquiry is to examine the role of the line Ministry and executive management of the municipal Corporations in promoting and facilitating accountability and transparency in the operation of the municipal Corporations, also to assess the internal control systems within the municipal Corporations and, thirdly, to examine the proposed local government reform initiatives associated with the management of finances with municipal Corporations. I would now like to invite the Permanent Secretary in the Ministry of Rural Development and Local Government if she so desires to give some opening statements.

Mrs. Daniel: Thank you, Chair. Esteemed members of the Committee and the viewing public, it is my pleasure to appear and participate before this Joint Select Committee. The Ministry of Rural Development and Local Government functions as the coordinating agency which guides municipal Corporations in assisting communities by pooling resources in targeted areas which include infrastructural development, disaster management, public health and sanitation. Through the municipal Corporations, we are privileged to have a more direct and constant connection to citizens than many other arms of central government. This makes the Ministry unique and critical to the democratic process and a major catalyst in the execution of any citizen-centred national initiative.

The role and responsibilities of the Ministry are mainly to convey central government policy perspectives, guidelines to municipal Corporations, monitor finances and expenditure of the Corporations through progress reports and reviews of budgets and expenditure as well as audits, and to carry out the supervision of the execution of municipal Corporations' projects and programmes.

The Ministry coordinates the activities of the Corporations and works with the Corporations in order to ensure the efficient and effective delivery of services in an

effort to facilitate balanced growth and development. The Ministry in its oversight responsibility is guided by existing public service legislation primarily Exchequer and Audit Act, the Civil Service Act, Central Tenders Board Ordinance, et cetera, as well as circulars issued by the Chief Personnel Officer, the DPA (Director of Personnel Administration), Comptroller of Accounts and the Ministry of Finance.

Chair, Chief Executive Officers as Chief Administrative and Chief Accounting Officers of the Corporations are responsible for prudent management of their operations and for accounting for all revenue and expenditure of their Corporations. So we have a unique situation really of accounting officers reporting to accounting officers. As you are aware, local government reform is on the Ministry's agenda and the draft policy has been approved by Cabinet, had been approved since September 2016. The policy proposes greater autonomy for the Corporations who are to report in terms of their finances, that is, to the Ministry of Finance.

Additionally and very important, particularly in the context of the exercise that we are focused on today, audit departments will be established in all 14 Corporations. This will improve the internal controls and ensure compliance with all relevant financial laws and regulations and would be critical in detecting fraud or any financial improprieties in the existing system. Basically, I think I can end there, Chair, to say that we here and available to answer questions that would be posed.

Mr. Chairman: Thank you. And would His Worship, Alderman Junia Regrello, please give us some opening statements if you so desire?

Mr. Regrello: We are here this morning to work out some of the issues that are in this document. So I will say that presently we do not have problems per se as we met a system that seems to be working for us. We look forward to the reform that will really clear the way for us to move forward and give us the autonomy to have our problems sorted out. I understand right now we are more or less stymied by the

bureaucracy that exists and the operation that we have with our line Ministry.

There are some challenges as it stems right now with where we do report with unspent balances and the role that the Ministry of Finance will now play as opposed to what existed before where the release of unspent balances would come from the Ministry of Rural Development and Local Government, and we are hearing now that we have to report or request the release from the Ministry of Finance. So we made some clarification that now determines that as an outcome.

Mr. Chairman: Thank you, Your Worship. May I get comments, also opening statements from Mrs. Annette Stapleton-Seaforth, Chief Executive Officer, Port of Spain City Corporation?

Mrs. Stapleton-Seaforth: Good morning, Chair. I manage a staff of 1,393 daily-rated workers at the Port of Spain Corporation, 413 monthly paid officers and about 10 contract officers. My council is comprised of 12 councillors and four aldermen. I am committed to working with both administration and council in the provision of the best services for the burgesses and stakeholders of the City of Port of Spain.

Mr. Chairman: Thank you. Just to remind, when you are finished speaking if you just deactivate the mikes. I would like to invite Mrs. Jennifer Daniel, Permanent Secretary. Sorry about that. I would like to invite His Worship, Councillor Lisa Morris-Julian—

Mrs. Baptiste-Primus: Her Worship.

Mr. Chairman:—Her Worship, Mayor of the Borough of Arima, Her Worship, to please give us some opening statements.

Mrs. Morris-Julian: Thank you, Chair. Good morning, Chairman and Committee once more. It is our pleasure to be here this morning. The council believes that truly effective local governments can only be achieved by accountability. As such, we welcome this opportunity. We see this as a way to move forward that we can strengthen both council and administration, and the council believes in working with

administration to serve the needs of the Borough of Arima. Thank you.

Mr. Chairman: Thank you. Could I get some opening statements from His Worship, Councillor Abdon Mason, Mayor of the Borough of Point Fortin?

Mr. Mason: Good morning, Chair, the name is Abdon Mason, and I want to thank the Committee for giving us this opportunity to be part of this particular gathering this morning. We in the Point Fortin Borough Council, we are anxiously awaiting local government reform especially from a financial perspective. We believe good governance depends on prudent financial operations and we want to exemplify that in Point Fortin.

We have been working well with our administration to ensure that our financial responsibilities are met, but we understand that with improvements in the administrative development through the local government reform, we will be better prepared and better positioned to deliver more to the burgesses of Point Fortin. So in anticipation of that, we are preparing ourselves for local government reform especially from the financial perspective so as to improve our deliverability to our burgesses. Thank you so much.

Mr. Chairman: Thank you, and could I have opening statements from Mr. Jameel Chadee Ameeral, Chief Executive Office, Chaguanas Borough Corporation?

Mr. Chadee Ameeral: Pleasant morning again, Mr. Chairman, and good morning to your members of this Joint Select Committee of Parliament. Pleasant good morning, Trinidad and Tobago. The Chaguanas Borough Corporation, as a result of the local government elections held in November of 2016, would have had eight elected representatives sworn in and four selected members sworn in to form a council consisting of 12 members at the Chaguanas Borough Corporation. The Chaguanas Borough Corporation would have had a team of about probably 630 daily-rated employees and just over 60 monthly paid employees to carry out the functions and resolutions of the council in order to achieve its goals and objectives

of providing good service to its burgesses.

At the Chaguanas Borough Corporation we do not have a Chief Financial Officer, but we have recently an acting person in the position of Accountant II in the name of Kathleen Appoo who is with us, and at Chaguanas Borough Corporation we have some youth in us in Mr. Razeen Rahamut who is in the Accounts Department and he has been there for almost nine years and I think he commands a sound understanding of the controls and systems in place to ensure accountability at the Chaguanas Borough Corporation. Thank you very much and we look forward to really providing you with the responses in order that this Committee meets its goal and objective. Thank you very much.

Mr. Chairman: Thank you for your opening statements and your comments. I am hoping this morning we could be very productive because the issue of the Corporations and the functioning of Corporation, good governance has been an issue that has plagued us for a long time. Since 1937, Attila the Hun had a calypso, "The Treasury Scandal", where he spoke about the inappropriate funds being spent in 1937. This was the colonial days. So since then we had instances where persons actually, you know, as the voice of the people, the calypsonian, their voice that we needed some change. We needed to look into that.

Going forward, even looking at the instruments that came into place, we have seen—looking at Trinidad in terms of the Corruption Index, you know, Barbados is much better than us and we have to see where we are falling short. We have to see what we are doing wrong and the cooperation between you and our Committee, hopefully we will get something that will give us something better to be proud as citizens of Trinidad and Tobago.

So the system we are hoping to put in place to try to address, even around 1960 I remember the late Dr. Eric Williams, the father of the nation, in his book *Inward Hunger*, he looked at the issue where powers were leaving the regional

Corporations and going into the Central Tenders Board, and in that book he actually voiced some concerns that they had there. Throughout the history, when we had our oil boom, we noticed there were some problems, some concerns. The Central Tenders Board actually came in for some criticism, they were taking too long to do certain things even though they were the overseeing committee. So there were changes along the way at looking at things.

Then we saw the procurement legislation coming into being and I am happy to say that the procurement legislation, the Bill for that, has been passed and it is just awaiting for some proclamation. So we are reaching there eventually. With some of the legislation we have had the money laundering, so hopefully we will be able to get something in place that would give Trinidadians and Tobagonians a sense of, you know, something is being done in terms of any sort of corrupt practices that occur. And when I looked at the allegations made at the various Corporations—and even this morning, the Chaguanas representatives mentioned their Mayor is also caught up in a court matter concerning also allegations or corrupt practices, and we looked at—this is across the board. So across the board we have this. So we are hoping now we can get in more details. [*Crosstalk*]

Not any sort of corruption. Okay, because we are looking at issues that were raised. When I looked at allegations, we see Arima had their challenges, Chaguanas had some other challenges with inspectorate of land, Port of Spain Corporation had challenges which were voiced, and the Minister of Rural Development and Local Government is actively visiting these Corporations to see if he can plug any sort of problems there. So this morning I am hoping we can get some of the ideas what are the problems, how we could solve some of the problems, and how we can get something put forward. At this stage, I would like to start with some questioning and I would like to start with member Ameen who will—

Ms. Ameen: Thank you very much, Mr. Chairman. My first question goes to the

Ministry of Rural Development and Local Government. This is an enquiry into the financial oversight and financial management at municipal Corporations; however, in your submissions the Committee noted that in the majority of cities, boroughs and regional Corporations, financial comptrollers are not present, and even when they are, they are appointed on a three-month or a short-term contract. This is a requirement of the establishment in each Corporation that a financial officer is recruited on contract to these Corporations. So my first question to you: What are the challenges in appointing these officers; what efforts is the Ministry making to fill these vacancies for financial comptroller or financial officer at the regional Corporations?

Mrs. Daniel: Thank you. Through you, Mr. Chair, thanks to the member for the way the question was phrased. The anticipation is that there are challenges and there are, so I appreciate your recognition. I would say that the major challenge happens to be that of salary, the level at which it is pitched. Where we have treasurers, they are public service positions and we do have treasurer positions at certain of the municipal Corporations. The salary is roughly $14,000 and the position of financial officer is pitched similar to that. The requirement is a full ACCA certification and experience, and the difficulty is that of attracting and retaining persons. So that, as recent as October or thereabouts, the Ministry would have interviewed persons for the position and we were not able to fill all of the positions. So that, the issue here is one of attracting and retaining. So we have gone back out.

The challenge we have is that being new to the Ministry, my position was that, let us then find someone who does not meet the full requirement. The challenge there, though, is that you would have to pitch lower and, more importantly it was brought to my attention that because there are positions of Accountant I and II within the Corporations, they would have the qualifications that the persons of lower pedigree would have. So that in such situations we depend on and rely on the work

of the Accountants I and II to carry the brunt of the work of the financial administration.

Ms. Ameen: So at present, the Ministry of Rural Development and Local Government is open to hiring persons to fill these positions?

Mrs. Daniel: Yes.

Ms. Ameen: Has the position been advertised publicly?

Mrs. Daniel: It had been, and I am saying as recent as October, interviews were conducted, but we were still not able to fill all of the positions.

Ms. Ameen: Well, I hope that persons listening to this public hearing would become aware that there are vacancies available.

Mrs. Daniel: And they are advertised.

Ms. Ameen: And that leads me to your other systems to provide support. So, for example, Port of Spain, San Fernando, Point Fortin and Arima boroughs have internal audit units. The Chaguanas and the other regional Corporations—nine Corporations—do not. Does the internal audit unit of these municipal bodies report to the Ministry of Rural Development and Local Government's Internal Audit Unit?

Mrs. Daniel: The internal audit, where we do have internal audit units, no they do not. Their reporting line is to the CEO who is the accounting officer. So the internal audit unit would report to the CEO of those Corporations. So that the efforts of the Ministry, in terms of our internal audit unit, our efforts are focused on the Corporations where they do not have internal auditors.

Ms. Ramdial: Thank you, Chair. To Mrs. Daniel: Does local government reform legislation speak to some of these challenges and issues with respect to remuneration you have just highlighted? Does it speak to that? Are there going to be changes; and are you satisfied?

Mrs. Daniel: The legislation is currently being addressed with the hope that it will be tabled shortly. I cannot speak to specifics and details of the legislation. I know

that at a point in time—because there would have been extensive consultation and there would be input provided by some of the persons here, our chairmen and mayors and other-interest persons. So that, I know that that is a weighty aspect and mention would have been made. I really cannot be more specific than that. I do not know in the end what would transpire. I really cannot speak to the specifics of your question.

Ms. Ameen: Chairman, through you to the Permanent Secretary. Given the alleged financial improprieties within some municipal Corporations, is the Ministry of Rural Development and Local Government of the view that an internal audit unit and a financial comptroller is required on the establishment of each Corporation?

Mrs. Daniel: Madam Chair, our response is a resounding yes. Sorry—Chair—and through you member, our response is a resounding yes. The need for this is consistent with our existing legislation and arrangements, and as I indicated in my introductory remarks it is something that I can speak to very strongly. I think it is one of the areas that there is no contention. It is clear, it is accepted that internal audit units are required in each Corporation. I will add that even now without that formal structure, the Ministry has been making efforts towards increasing the size of the auditing complement so that we can have dedicated persons. At least we can assign them from head office.

I will further add that very recently we have given our limited internal audit numbers at the Ministry. We have assigned two auditors to a single Corporation for one month. This is one of the Corporations without—it would be a roving thing, but we are hoping that it will throw up issues; it would also give the resident CEO an opportunity to point the efforts of audit towards areas of concern. So that is our attempt, given our limited resources to address some of the issues that we are also concerned about.

Ms. Ameen: But when you have reports of improprieties within these municipalities, how does the Ministry treat with those reports once they come to the

Ministry's attention?

Mrs. Daniel: Mr. Chair, due process has to be observed, laws of natural justice, so we would first of all ask for a report from the relevant CEO. We would always go through the Chief Executive Officer of the relevant Corporation and we would either in conjunction with, or subsequently, assign or require a special audit to be conducted. So that would be where our internal audit on the basis of the allegations.

And may I add that even in instances, there have been instances where what may have come to our attention may have been informal, an unsigned letter, and while we have a policy that we do not respond formally, it would be remiss of us to ignore. So that in situations like that we would also treat with by doing our internal investigations, and the end result would be where other action has to be taken, it will be taken, whether it is disciplinary action, whether it is police action.

10.55 a.m.

Mr. Chairman: Do you have any instances where, you know, in certain Corporations even the actions of the CEO may be suspect and you may have to have something to oversee the actions of the CEO?

Mrs. Daniel: My answer to that question is I am not aware, Sir, of instances where but if we are speaking broadly that in the events that such, if there are instances where things have been brought to our attention again, it would require investigation and this is where it could potentially, I suppose, become a little awkward in that the Permanent Secretary, the CEO reports to the Permanent Secretary but the Permanent Secretary is an accounting officer. So it means that you have—our audit in that case would be almost like an external audit coming in so that there could be some awkwardness.

However, if I may go on to what is anticipated in the impending legislation, there is a requirement for an audit committee and along with that audit committee would come as well the leeway with the approval of the Minister of Finance, I think

it is, for an external auditor to be appointed. So once council agrees, that can be done. So that I imagine that going forward that would address any such issues should they occur.

Ms. Ameen: Chairman, I just want to differ a little bit from the Permanent Secretary. I hear your explanation with regard to the existing procedures but I do not think that gives John Public the assurance that if there is an allegation of impropriety involving a CEO or where a CEO has knowledge or is part of the action that they are going to see justice, because himself effectively be appointed to investigate himself. So I want to urge, perhaps, the Ministry to look at mechanisms to treat with complaints that include the CEO of any municipal body.

Mr. Chairman: I would like to recognize Mr. Forde.

Mr. Forde: Morning, again. Madam PS, I have listened, I have heard you. A position as Financial Comptroller in an organization is very critical. Right. Firstly, in terms of the City Treasurer and the Financial Comptroller, what difference is there? You identified the City Treasurer and you identified the Financial Comptroller. Just give me a slight insight into the responsibilities, the roles.

Mrs. Stapleton-Seaforth: Through the Chair, when we researched what the Financial Comptroller position was, it was that the Financial Comptroller was responsible for the overall aspect of the finances and altering. So I would think that that person would have a general supervision of both departments.

Mr. Forde: So the other municipalities, can they also have a—or is it just a City Treasurer? The other two cities, can they enforce that position?

Mrs. Daniel: There is a position at the others with the exception of Chaguanas. There is a position on the establishment.

Mr. Forde: Okay. Roles, responsibilities. In the organization, in the particular municipality, all right, we heard that in Chaguanas, for example, we have a Clerk II Acting, carry out some of the responsibilities. Is it to say of the Financial

Comptroller? What role does this gentleman play? Again, remember we have the CEO at the back representing the particular department. So in terms of from that aspect, one. And then secondly, in terms of reporting purposes, who signs off these documents? Because I would assume that the Financial Comptroller would have to sign off a particular financial document likewise the CEO who is then the up leadership would also have to sign off. How do we ratify and clarify those scenarios?

Mrs. Daniel: I will ask Mr. Ameeral to explain but the Clerk II who he referred to, there is oversight. There is an Accountant II I believe it is.

Mr. Chadee Ameeral: Mr. Chairman, just to expand a little bit on the question. The Clerk II that I referred to which I indicated as youth on our side basically performs his functions consistent with his duties appointed by the commission. Basically he will perform his duties of oversight. He is in the check staff department in the Accounts Department and he will perform his duties consistent with the responsibilities of that department. He would not be required and is not performing the duties of any senior officer in the Corporation and basically the Accountant II is here but the Accountant II only assumed duties at the Chaguanas Corporation on the 2nd of January this year. Our resident Accountant II would have retired at the end of December, hence I would have taken the opportunity to bring Mr. Rahamut, the Clerk II here, because he would command a sound understanding of the operations and could provide this Committee with responses relevant to the controls of the systems in the Accounts Department.

Mr. Forde: Checks and balances. I am hearing you, Mr. CEO. All right. So in terms of the responsibilities above this Clerk II, who handles those responsibilities with regard to your finances at the operation? And likewise all the other Corporations or the municipalities that are here who do not have a Financial Comptroller which I think is all, how do you all handle the responsibility? Because I am saying from sitting here, the PS said the financial aspect of each one of those

organizations is priority. Not so? And again, how are we working on the checks and balances, the accountability? Who is signing off? Is it that the CEO is signing off both the financial aspect and the CEO responsibility? Cannot be, so I need some clarity, please.

Mr. Chadee Ameeral: In terms of reporting relationships at the Chaguanas Borough Corporation, the Clerk II, as a matter of fact, will report to the Accounting Assistant, the Accounting Assistant will report to the Accountant I, you have an Accountant II and the Accountant II reports to the Chief Executive Officer on financial matters. The Chief Executive Officer will sign off or will consider recommendations coming from the Accounting Department endorsed and certified by the Accounting Officer II who is going to be the Accountant II.

Of course, when we talk about projects and payments, workers, employees' pay and so on, that goes through a different system whereby there is a payroll section with clerks responsible for doing all the checks and that goes through two other checks which is going to be one at the level of check staff where Mr. Rahamut is responsible for making some of those checks and then another check is made at the level of the Accountant I before it reaches the Accountant II where payment is basically recommended and sent up to the Chief Executive Officer for certification or authorization for payment.

So the checks and balances, the system is there in terms of the controls but yes I would take the point that the Chief Financial Officer at the Corporation, if we should get one, will be responsible basically for the strategic leadership of the department whereas the Accountant II is going to be responsible for the day-to-day operations of the department and the strategic direction of the Accounts Department would be basically dealing with your financial statements, your asset management register and so on, doing your balance sheets and all these things, whereas the Accountant II will be more responsible for the day-to-day operations in terms of

processing payments and doing your accounts, issuance of invoice orders and these matters at the level of the Corporation.

Mr. Forde: Mr. Chairman, it would be interesting to hear the views of the other—I do not know if we are going along those lines, if we could get the other views of the other Corporations as we have them here.

Mr. Chairman: Sure, as you are here, you can probably—

Ms. Ameen: Chairman, I just want to add to the question and if the others, when they respond, could include in their response. In the absence of a Financial Comptroller or a Chief Financial Officer, who advises your council? Who is in charge of the strategic financing? Because the response from Mr. Chadee Ameeral has to do with the day-to-day accounts more or less but your strategic financial planning and accounting and your advising of the council. So if the others could include in their response: Who treats with that in the absence of a Financial Comptroller or a Chief Financial Officer?

Mrs. Stapleton-Seaforth: So in the case of Port of Spain Corporation, the City Treasurer is the head of the accounting unit and he advises the council through the CEO.

Mr. Chairman: Could San Fernando give their—

Mr. Singh: Yes, good morning, Chair and good morning, member. In response to the question, yes, San Fernando has a CTA, which is a City Treasurer Accountant. That person is directly responsible for the overall operations of the Accounts Department. The Accounts Department is divided into several sections and each section is manned by an Accountant I or an Accounting Assistant and so therefore, each department is responsible for separate activities. For example, we have payables, check staff, the cheque department schedules. So the accounting starts with the head of that department being an Accountant I or an Accounting Assistant. At San Fernando, we have two Accountant Is and we have five Accounting

Assistants and all matters go to the CTA for verification and then to the CEO for final approval.

San Fernando is unique because, at present, although my CTA is proceeding on pre-retirement leave as we speak right now, she is the one or that position is the one who instructs and reports and advises council on all financial matters. So I would say as at today, we have a CTA but we rely on the Statutory Authorities Service Commission to fill those appointments. Presently in San Fernando, we have several vacancies in the sense of senior officers that are acting in the position right now because of the lack of providing the right person. To my left is my Auditor I who only recently assumed duties as Acting Auditor I. He was promoted as well in the system and that is one of our challenges in San Fernando. That the entire promotion is done based on seniority and we do lack, in most instances, the technical capabilities of the position to really provide the sound advice but we do rely on what we have and it works and in accordance with the Mayor's opening statement, what we have right now works.

Mr. Chairman: Could Arima give their opinion on the matter?

Mrs. Sirju-Chong: Through the Chair, member, we have a Financial Officer on short term. Although we have an established position of Treasurer through the Statutory Authorities Service Commission, the Commission has not been able to attract any competent person to fill that position and similar to what PS is saying, the qualifications are something which the Commission must look at because this person must be ACCA qualified. So we have a Financial Officer on short-term contract. Under that Financial Officer is the Accountant II, Accountant I and various other accounting staff. The Chief Executive Officer, the Accountant II and the Financial Officer will report to council on all the financial matters concerning the Arima Borough Corporation. Thank you.

Mr. Chairman: Could you elaborate on the salary of your officer, the Financial

Officer?

Mrs. Sirju-Chong: We equate the Financial Officer similarly to the Ministry of Local Government level of the $14,000 per month.

Mr. Chairman: Yeah, we needed the opinion of Point Fortin. Could Point Fortin give us their take on it?

Mrs. Taylor: At the Point Fortin Corporation, our structure is similar to that of the Arima Corporation. However, we do have a Financial Officer on staff. Our Financial Officer, she came through the Ministry of Rural Development and Local Government. We also have on staff—we do not have a Treasurer and for the same reasons that the Permanent Secretary would have mentioned in terms of the ability to attract competent persons to the position but we also have an Accountant II, an Accountant I, two check staff. So that in terms of Point Fortin, while the total staff is not enough based on the separation of functions, we do have on our establishment a Financial Officer, Accountant II, Accountant I and check staff accordingly.

Mr. Chairman: So could I get the opinion of Chaguanas Borough Corporation? You all shared it already right? Good. Okay, so I would like now for Mr. Nigel De Freitas to address you.

Mr. De Freitas: Thank you, Mr. Chair. So I have been listening for most of the morning in relation to the issues outlined by both the Ministry and the various Corporations so I am just trying to understand by way of checks and balances and ensuring that the financials are okay. So in the Ministry, you have a financial entity or unit for which there would be a Financial Officer and then in each Corporation, you would have Treasurers or a Financial Officer post which could be filled. So each Corporation will be able to assess their finances, do audited reports and have those audited reports sent to the particular Ministry, and that is the system that is set up to ensure there is no financial impropriety. And what I am hearing throughout this morning's discourse so far is that for some odd reason, these positions cannot

be filled and I am finding difficulty in that because I am hearing that there is either a lack of qualification or the money is not enough. Is that what you are saying?

Mrs. Daniel: The match between the—yes, the money, requirements and the salary, yes.

Mr. De Freitas: So what is the average salary for someone with the qualifications that you are looking for who has the ACCA accreditation?

Mrs. Daniel: I cannot definitively answer the question but I know it is not $14,000.

Mr. De Freitas: Ballpark it. Is it 24, 30, 40? Because then we will get an understanding of exactly what that gap is.

Mrs. Daniel: I would say 20. I mean, it would vary but—

Mr. De Freitas: Fourteen and 20, okay. So let me ask this. In terms of succession planning, is there no way that individuals, for example, the accountants could be trained or at this point in time at the Ministry's level or even the Corporations, an indication be given to them that listen, this position needs to be filled and therefore, people can be moved up into the post if they get the requisite training. You might find that individuals who are in the institution already and have been working for a number of years, if they get to the next level of qualification, be it the ACCA accreditation and they may very well remain in the post of Financial Officer. I thought that that was something that was done in the public service whereby you allow individuals to train themselves and while they are getting their accreditation, they could either start doing the duties and therefore when they get the full accreditation, they are assigned to the post. Why is that not happening?

Mrs. Daniel: Even in the wider public service, Mr. Chair, there would be procedures to follow in terms of employee development and unless it is a situation where a scholarship is provided and the person is locked in to where they are at because that may happen from time to time, you will not be able to retain the person unless the person is willing to be so retained. So that there are instances, I am sure,

within the Corporations where persons may gain experience, gain qualifications and the challenge would be whether they would be willing to remain or whether they would choose to explore their options. And all I can say in conclusion is that the evidence that the Ministry has advertised the position, received applications from persons, gone through a process, it is there, it is there that we have done so and as I have indicated, as recent as October, the interviews were conducted.

Ms. Ameen: Chairman, coming out of that, if a person on the establishment is qualified for the position of Financial Officer, for example, and they wish to apply, this is a contract position, what is the procedure in terms of being given release from their service within the public service to be allowed time to serve in that contract with a guarantee to come back to their job? Can they take leave from their position on the establishment and then go and serve that as a contract period?

Mrs. Daniel: That would be possible. Of course, again, there is a procedure and there would be an application process. You would have to request permission for leave in the wider public service grounds of public policy. One of the challenges and if I am honest, I would indicate would be that there are incidents where persons may have been in the system for quite some time but they have not been appointed. So if you are in an acting position, you have no rights essentially in terms of exploring, exercising that option.

Mr. Chairman: Just one question. You know, Chaguanas Corporation had outsourced the preparations of its financial statements and I think Arima also. Could you tell us—[*Interruption*] Authority to do it, because we are trying to figure out if they could do that, how were they able to do that and the cost if that is a feasible option for the other Corporations?

Mrs. Baptiste-Primus: Permit me, Chairman, to clarify this lacuna that has just emerged. I think the question is whether or not the Corporations are authorized to contract out such services and if they are, whether or not authority was obtained, and

if that is so, if that option is available, why the other Corporations have not considered such an option. But I think the primary question is whether or not an authorization must be obtained to go in such a direction to contract out in order to overcome the situation where so many vacancies in such critical positions, given my understanding, the Ministry is not responsible. It is the Statutory Authorities Service Commission whose responsibility it is to fill positions or the Public Service Commission's responsibility. But I am interested, like the rest of the Committee, in understanding whether or not Corporations and Boroughs are authorized to contract out those services and if they are, why such an approach has not been utilized by the others?

Mr. Seepaul: Thank you, Member. Mr Chair, the question that is asked has a bearing on what has already been said relevant to the ability of the Corporations being able to attract suitably qualified financial officers. I would understand, especially in the case of the Chaguanas Borough where over the past number of years would have sought the assistance of professionals to prepare their financial statements. This would have been done because of the absence of competent officers at that Corporation.

With respect to the authority, I just want to inform the Committee that before such an undertaking is done, the approval of the council is sought and is received before the firm is brought in to do what is required of them.

Ms. Ameen: Chairman, if I may, while I agree that council approval would be necessary for any engagement, any contractual engagement, the Exchequer and Audit Act indicates that where you have statutory bodies, which includes the Port of Spain and San Fernando Corporations, that in the exercise of the duties under the Auditor General, persons to carry out professional accounting services have to authorized to inspect, examine or audit the books and accounts of any statutory body. And this is in line with what member Baptiste-Primus is asking. Apart from council

approval, approval from the Exchequer department has to be sought for the accounts of these statutory bodies to be examined by any outside entity. Maybe the Corporations might be in a better position to indicate, as the Minister asked, have the Corporations, mainly Arima and Point Fortin who indicated in their reports that they have contracted out the services—sorry, Chaguanas and Arima. Did they get authorization?

Mr. Seepaul: Before I refer this matter to the relevant CEOs at Chaguanas and Arima, I just want to bring clarity to the whole issue. This is about financial reporting and it does not include the auditing function. A financial report is a statutory requirement that Corporations must provide and that I indicated before if the Corporations do not have the competent and qualified staff to produce such documents, they are forced to look at alternatives and this is where an approach to the council is made for such an undertaking. So I will want to refer for further information to Mr. Chadee Ameeral.

Mr. Chairman: I would really like to get the opinion of either the CEO or the Mayor of the Arima Borough Corporation to give us an idea or the CEO.

Mrs. Sirju-Chong: Through the Chair, member, I have inherited this situation but I know the council did approve the authorized agency to prepare the final accounts. I am not sure whether any approvals were given through the Comptroller of Accounts or Auditor General on this person but it is similar to Chaguanas that we use the same agency and Auditor General has never complained on any of the financial statements prepared by the organization.

Mr. Chairman: Mrs. Baptiste-Primus.

Mrs. Baptiste-Primus: Chairman, permit me. We are searching here for answers. For example, in the Chaguanas Corporation, page 6, response, the second paragraph reads:

> The continued absence of institutional capacity to prepare financial statements

> continues. In the circumstances, the Chaguanas Borough Corporation outsourced the preparation of its financial statements for 2012 and 2013.

Preliminary reports revealed x, y and z. But of note here:

> The removal of staff that possess institutional knowledge, memory and records of this process to troubleshoot and make good this anomaly rendered the exercise unresolved.

And the Chaguanas Borough Corporation has stated quite clearly that they are not pleased that their financial statements for the years 2012 to 2018 remain outstanding and that they shall take steps to ensure that it is completed and the Chief Financial Officer and Financial Comptroller to take the direct responsibility to cause same to be prepared. The question arises and I think we need to clarify—this is a simple issue—whether or not a Corporation has the authority to contract out such services.

11.25 a.m.

I have listened to the Deputy Permanent Secretary, and I did not elicit that kind of helpful or useful information. If they are authorized, we move on, it is just a matter of understanding whether or not a Corporation has the authority to do such. I mean we all understand the difficulty, I do not want Corporations and the Ministry to feel that the Committee does not understand. We understand the challenges and constraints. But in order for us to assist, or identify ways to assist the Ministry and the Corporation we have understand. So is it that the Corporation has the authority to contract out those services, or not? If they did not have the authority, then immediate steps must be taken to regularize a situation. If they do have such an authority, why are the other corporations not following suit so that we can have a higher level of accountability?

Mr. Chairman: So, we may have to determine if there is the authority to do it, and if not—

Mrs. Daniel: What I would say, Mr. Chair is that the Exchequer and Audit Act as

read by one of the Committee members speaks to, and how it has been interpreted, is that it speaks to what you are not allowed to do is to have auditing, which is why I referred to the audit committee and the introduction of an external audit as part of the reform. So the auditing, we are very clear, is not allowed.

The understanding thus far, and this is at head office as well as at the Corporations because head office is aware that Corporations have gone that way. It is not seen as being unlawful; in other words—the question being proposed in the way it has would force us I suppose to be very precise in the future. But, thus far, it is not something that is done under—it can be done, and it has been done and the Ministry has not frowned at it, nor has—as was shared, Auditor General who would have been aware from their work. So, in short it is something that could be done as far as we are aware at this point. We will do further research.

Ms. Ameen: So, Corporations are authorized to contract out the preparation of their statement, but not the auditing of those statements?

Mrs. Daniel: The understanding has definitely been that.

Mr. De Freitas: Can I just ask one question, just for clarification. When you say "contract out", are you talking about hiring a company to do the financial reports, or are you talking about hiring someone on contract?—which is different; it is someone inside the institution as opposed to a separate entity altogether.

Mrs. Daniel: My understanding is that both would have occurred.

Mr. De Freitas: One second. So both would have occurred? Which do you think is safer, contracting out the preparation of financial statements to a private entity for Corporations or hiring somebody on contract? Because, what I have heard all morning is that you cannot find individuals to take up the posts or that individuals are not forthcoming by way of the regular process to fill these posts.

I thought that understanding that the salary is not good enough that if there is an ability to contract out that either the council, if that is the procedure, can increase

the salary to match what is in the private domain, to have an individual come in on the staff to be able to do these financial reports on time. I thought that that would have been a better arrangement until the statutory authority that is responsible for filling these posts can do so. As opposed to having a private entity do the financial reports.

Mrs. Daniel: To respond, Mr. Chair. The preference would always be for someone to be brought in on contract. The position of Financial Officer, where those positions are filled are all positions on contract. The salary for that position is what we have indicated is approximately not exceeding $14,000. Okay? And that is where the challenge lies. So, yes, that would be the ideal and that is what we do where we can.

I would want to add, where we have spoken to the vacant positions—it is not a majority and it is not that we are making excuses where we do not have positions filled. We have four such positions being vacant at this time, two from persons here and two other Corporations. But that is always the desirable and preferred approach. But for the difficulty in filling the positions.

Mr. De Freitas: So, just to increase the salary, so that you can attract individuals, you are saying that that is not possible, that the council cannot sit maybe and do that. So, who would be responsible for increasing that salary? CPO?

Mrs. Baptiste-Primus: CPO.

Mrs. Daniel: I am sure council members here would hasten to say they would love if they had that power, but it does not reside there. It is done through the office of the CPO, yes.

Mr. Chairman: I would recognize Mrs. Baptiste-Primus.

Mrs. Baptiste-Primus: Thank you kindly, Mr. Chair. Madam Permanent Secretary, did you all at the level of the Ministry, have you all made any approaches to the CPO placing the kind of compelling arguments that would support a request for the review of the remuneration package for the Financial Officer?

Listen, we all sit here, we know that no qualified person with ACCA is going to work for $14,000 a month. I mean, there is a dearth of these persons out there in the wider society. So that urgent steps should be taken to approach the CPO to review the package. Has that been done by the Ministry?

Mrs. Daniel: It has been done, Mr. Chair and through you, Member. And I can add that further efforts will be made given that certain persons in the Ministry have a relationship with the CPO. There will be further efforts made and what we have recognized is that apart from the—what has happened in the past would have been, we would have written and made arguments for and so on, that we table a meeting to again make the case for.

Ms. Ramdial: Through you, just to extend member Baptiste-Primus' question, does the local government reform legislation, which is about to be tabled, also speak to attractive remuneration packages for employees of the Corporations and the boroughs? And if not, over consultation, I am sure these things would have been discussed, if not I think it needs to be included—more attractive remuneration packages to fill these vacancies in local government reform legislation.

Mrs. Baptiste-Primus: No, you cannot put that in legislation.

Ms. Ramdial: No, not in detail, but to make a recommendation.

Mr. Chairman: But even in our report we may be able to make a recommendation via our report. This is the whole idea to try to get a discussion. But, I would like to find out from Chaguanas and Arima. Chaguanas first and then Arima, what is the cost of the outsourcing of these—and is it a company or a person? Yes, for public knowledge, Chaguanas, could you give us an idea of the cost, yes?

Mr. Chadee Ameeral: Yes, Mr. Chairman, in response to the question, the cost that was outsourced for 2012/2013 was $167,900 VAT inclusive.

Ms. Ramdial: Chair, through you. Can Arima give also the cost for outsourcing?

Mrs. Sirju-Chong: Through the Chair, Member. It cost us approximately $90,000

for one financial year.

Mr. Smith: Mr. Chair, through you. With the local government reform legislation coming up, I know we are looking at one position mainly with regard to the financial aspect, and nothing new is under the sun. And the reason for the local government reform, and I know, Mr. Forde, Member and Ms. Ameen were part of local government as myself for a period of time.

Part of local government reform is taking over the responsibility of central government to a large extent. So it is nothing new, we are talking about this one particular position, but the expansion of local government reform is going to have a number of other technical positions similar to what you are talking about, a number of them. And there are two sources before we table—because it has to be part of it. There is going to be a huge expansion of the staff of all your Corporations if you are going to be taking over the roles of a number of the central government agencies and Ministries. So, not just the audit and the financial positions and stuff. There are a number of other major technical positions, one of them which I am—and a number of MPs are concerned about—is the engineering aspect of it.

Local government is supposed to, if the reform is be read what it was tabled as, the manifesto of the People's National Movement, which is now legislation, not legislation but part of the policy in the future when the legislation is passed. It is a number of technical—it is the health centres, it is the schools, it is the sporting facilities. So central government had positions or persons doing these things. Not only that, we have modelled this whole reform to follow First World countries and a number of cities across North America and so on, which already has a model with regard to how they deal with these positions. And we can sit here for the next 20 days and there are so many grey areas. And that is the reason why we have pushed this reform to have black and white where we would not have grey areas. So this is a perfect opportunity for everybody involved to clear these situations up.

But, with regard to not just that position or the positions we are discussing, we should look a best practices worldwide, which was done when we were doing the policy. But, more importantly to lean on the various agencies and/or Ministries to see how they deal with this because it is identical. It is just that you all are going to be taking up the mantle with regard to this. I know a big major problem with the issue is funding. And, of course, with the legislation we will have an increase to take and it has to be a fair cut with regard to what local government, the municipalities are going to get to take over these roles and functions from the central government Ministries.

So, I am hoping that the Ministry will listen to the Corporations, the councillors, but also the administrative side of it. Because even that, there is always a grey area between those two, the operation with regard to the council and the roles of the staff. And I am hoping that finally with this reform that that would be cleared up. Because there will be a seamless, it has to be seamless, with the responsibility that is going to be laid on you all. It cannot be a shocker, because it is a lot. I mean, I just called three or four—schools, health centres, sporting facilities—but there are a number of other things, you all are going to be taking over. And if a small issue with regard to what we are talking about here, which has been part of local government for years, we really have to get this right moving forward.

So look at best practices for all of us involved with the legislation, but more importantly, central government, who has the responsibility now has to work with regard to not just the portfolio in terms of the HR, but the technical aspect. A number of projects are being done right now—what should have been happening is local government should have been part of those projects being community centres, schools, being built, sporting facilities being built. Local government should have had people—the Corporation should have had people working in these projects so that they would know what is going on, and I do not know if that partnership has

been happening with regard to moving forward.

Mr. Chairman: Thank you, Mr. Smith. I just wanted two questions. The fact is we are coming into an idea that the staff is a problem; we need to have better remuneration. Arima, Chaguanas have contracted out, and I am still trying to figure—Arima and Chaguanas, is it a company or a person you have contracted out? Could Arima give me an idea?

Mrs. Sirju-Chong: Chair, it is a company.

Mr. Chairman: A company, and could you name the company, please?

Mrs. Sirju-Chong: Sinanan Dass & Associates.

Mr. Chairman: All right. And Chaguanas, could you elaborate also?

Mr. Chadee Ameeral: Mr. Chairman, it is the company, the same company, Sinanan Dass & Associates Chartered Accountants.

Mr. Chairman: All right. So, if I am guided, the Ministry has no objection to the hiring out of these practices and we will have to see if this is, you know—as member Smith stated, we need to get some sort of best practices to see who, you know, if you are going to have the other Corporations follow suit, what sort of practice they would adopt if it is a similar one.

Ms. Ameen: Chair, I want to move on to another area. From the reports of the Ministry and all the Corporations, it is established that there is no fraud policy or no fixed policy to deal with fraud. But you are governed by the existing laws. But there are no specific polices for regional Corporations. So, I just want to get from regional Corporations, over the last two years or so, has your council received any internal reports of fraudulent activities within your Corporation? And if so, how are those reports documented, how are they treated, and how do you respond to those allegations when they come?

Mrs. Stapleton-Seaforth: Through the Chair, Port of Spain Corporation has not received any allegations of fraud. But I spoke with my legal advisor and based on

these questions here and she posed that we look into drafting a fraud policy.

Mr. Chairman: Could we go in the order after San Fernando, Arima, Point Fortin and Chaguanas? So, would San Fernando proceed, please?

Mr. Regrello: Chair, we do not have a matter—we do not have a system in place to deal with fraud, any fraud policy. However, recently we had a matter where fraudulent cheques existed and that has been reported to our police service and they are investigating it.

Mr. Chairman: Could you give me an idea of the value of the cheques?

Mr. Regrello: It is 16 cheques valued at small sums, 3,000-plus—small sums and most of them circulated in the Port of Spain area.

Mr. Chairman: Okay. Arima, also give us some comments.

Mrs. Sirju-Chong: Chair, we have had three incidents since my tenure at the Arima Borough Corporation. One was the fraudulent cheques, one was a situation with fraudulent food badges, and payroll, our payroll department. The payroll department was recent. We discovered immediately because we have upgraded our system. Our supplier, EZPay, they were called in immediately and they tracked everything. What happened, the bank returned one of the cheques, and the system, based on audit checks did not go through—they were retired people who were accidently placed back onto the payroll. So we captured that.

The fraudulent cheques, the Fraud Squad was immediately called in. The matter is now before the court the alleged perpetrators have been held. They went far and wide throughout Trinidad. With reference to the food badges, internal audit established a system now of checks and balances, similar to issuance of cheque books, so we, all senior officers at the Public Health Department are responsible for signing off on food badges and ensuring that the applicant is a legitimate person from Trinidad and Tobago, or if it is from a foreign country they must have a work permit.

Mr. Forde: Again, with regard—

Ms. Ameen: Point Fortin—

Mr. Forde: Okay, well probably after we have heard from Point Fortin, then I will probably come in.

Ms. Ameen: Point Fortin and Chaguanas.

Mr. Forde: Okay, I will come in after.

Ms. Taylor: At the Point Fortin Corporation, we have, had within the last two years, just one situation, and this is as it relates to some cement that went missing just about 32 bags or so; that would have occurred in 2017. What we would have done is, had the auditor come in and do an investigation. We would have put together a committee, a committee based upon persons who can add value to the investigation. An investigation was done, and the information would have been laid before the council and handed over to the municipal police so that they can take the next step in terms of treating with it. Outside of that, we do not have any other fraudulent situation that I can put forward.

Mr. Mason: Chair, if I am permitted to add. His Worship the Mayor of Point Fortin, while understanding the explanation of the CEO, as the political arm existing recognized over the years, while we do not have the situations as were alleged in Sangre Grande and other Corporations in Trinidad and Tobago, the Council is currently discussing moving a Motion to establish a fraud policy in Point Fortin, because we recognize that although we are not affected, we are not immune from being affected in the future. So, we would want to put those things on the record, because we have intentions of establishing a fraud policy in Point Fortin.

Mr. Chairman: Well, I congratulate you and I hope the others would also implement such a move. Do you have a whistle-blower policy?

Members: Chaguanas.

Mr. Chairman: We will hear Chaguanas' comments first.

Mr. Chadee Ameeral: Mr. Chairman, in researching the records of the Corporation in preparation to appear before this Committee, I would have observed one officer of the Corporation being suspended based on a matter related to the issuance of job letters. Apart from that, I have seen nothing so far in the records of the Corporation to indicate that there are reports of fraud and matters referred to the Fraud Squad or any matter with respect to fraud. And again, there is no fraud policy based on my research of the records of the Corporation.

Ms. Ameen: Chairman, recently a couple months ago, it was in the newspaper where the Minister visited your Corporation at a statutory meeting and allegations of corruption or fraud within the building inspectors' department concerning approvals for buildings were brought forward and the Minister indicated that there will be an investigation. Is that not one of the things that your council might be involved with in terms of providing some sort of report or investigation towards the Ministry?

Mr. Chadee Ameeral: Mr. Chairman, I must say that there is an aura of suspicion with respect to wrongdoing at the Chaguanas Borough Corporation. Based on my tenure of office at the Corporation, I have seen no evidence. I have my eyes peeled and any incident or any matter that should be brought to my attention I assure this Committee that I will deal with it in accordance with the rule of law and procedure. In addition to that, the matter that the member raised specifically, that matter was forwarded to me. It would have gone from the member of council to the hon. Minister. The hon. Minister would have forwarded it to the Permanent Secretary. The Permanent Secretary would have forwarded it to the Chief Executive Officer and I would have replied to this document probably about a month and a half ago and I think I am still probably waiting or to see what will be the outcome. But basically it was a document that was submitted from attorneys on behalf of the member of council.

Mrs. Baptiste-Primus: To the CEO of Chaguanas Borough Corporation, on page 10 of your response, (iii), the status of the aforementioned as follows: Investigation on the open tray contracted services at the Chaguanas Borough Corporation, report received and is being considered by the Chaguanas Borough Corporation; (2) investigation in the in-house open tray system, report received and is being considered by the Chaguanas Borough Corporation. Wrecking services undertaken, report pending. So that, what is in the report here is not really in sync with the statement you have just made. Would you like to review that statement?

Mr. Chadee Ameeral: Mr. Chairman, with respect to (iii), the open tray services basically is an investigation relative into an audit done by the Ministry on the request of the Corporation. That audit basically identified some issues with respect to procedure, which steps have been taken to try and correct those with respect to the open tray services. With respect to the other investigation, open house, that report was submitted to the Corporation from the Auditor III. And with respect to the wrecking service we are still awaiting the report.

But the question that I specifically responded to was with respect to fraud. And to the best of my knowledge, none of these matters would have pointed in the direction of fraud. But it is being considered, the report is under review by the Chief Executive Officer for onward transmission to the council, and this matter will be receiving the attention of the council at the next public health committee meeting as it relates to scavenging.

Mrs. Baptiste-Primus: One second, before you proceed. Mr. Chairman, I draw the attention of the CEO to the memo from the Auditor III, dated 17 September, 2018. Open tray system in house, the penultimate paragraph reads as follows:

> The discovery of such overwhelming inaccuracies and inconsistencies on the systems records as a clear indication that the in-house open tray system at Chaguanas Borough Corporation has been compromised for fraud and

corruption.

Hence my question to you Mr. CEO, whether or not you would like to review the statements you made to the Committee, because you can.

Mr. Chadee Ameeral: Mr. Chairman, I take it that the response will have to be reviewed against the background of the report. But, basically the report is under review at this time for onward transmission to the council.

Mr. Forde: Mr. Chairman. Again, these documents we would have received, that we would have tried also to go through in the late time, and you know we are hearing differences now in what is being said.

Mrs. Baptiste-Primus: To what is being documented.

Mr. Forde: Versus what is being documented. Right, because, I was now trying to understand if it that we have to identify what is the meaning of "fraud". Right, as the case may be. It is clear. It is one of the questioning that I was heading to with regard to, you know, all the statements being made that no fraud taking place. But in terms of contracts and contractors and so on. Any aspect of those, I am not hearing anything.

I was a local government councillor for about five years and my colleague here was there for a period, I know, MP Smith, also. And, you know, I mean in the Corporation where we were not saying anything. But in terms of allegations at least. The garbage trucks, the sanitation trucks, the open tray trucks, little issues, contracts for road paving, whether we get 2 inches of paving, or 3 inches of paying or 4 inches. Whether it is a hot mix or cold mix. I have been able to, I am not an engineer, but I have been able to understand all of that for the five years I have been there. And we are saying that none of these five entities before us today, there are no issues along those lines? Tell me something about sanitation, tell me something about contracts, road paving, bridges, retaining walls. There must be something out there guys—

Ms. Ameen: And I want to add—

Mr. Forde:—I mean, do not let us try to go into it and ask you about certain allegations. You all should be able to tell us something. That is why we are here; we want ensure that we can do a report in order to avoid, minimize, eliminate scenarios in going forward, it is not only about the reform.

Mr. Chairman: I agree too.

Mr. Forde: You all are the persons that have to guide us in order to ensure that we put legislation and reports and procedures and policies in place. And I am saying that—no fraud, no impropriety, nothing of the sort?

I am waiting for Tunapuna/Piarco Regional Corporation to come before me.

Ms. Ameen: I just want to add to what my colleague is saying, that throughout all regional Corporations—but even the ones who are here—there are records, there are articles in the media of local government representatives complaining of collusion and fraud and misleading information coming out of the accounting system with regard to contractors. Scavenging is an area where you have a lot of concerns. Even road paving and the quality checking of the contract, the work being provided. When substandard work is done and officers in the regional Corporations put that it is satisfactory, and then council has to pay, based on that report from your technical officers. There must be some information, there must be some awareness by CEOs.

11.55 a.m.

It is very clear from the reports that came, that the officers, the administrative officers who prepared this report are aware that there are fraudulent activities within the regional Corporations, but if we are having this enquiry to get to the bottom of these issues, and all Corporations are saying, "No, we good; no, we good", then we are covering up the problem.

Mr. Chairman: I would like to recognize Mrs. Baptiste-Primus.

Mrs. Baptiste-Primus: Thank you kindly, Chairman. I just wanted to tie up one final loose end on the issue of the Chaguanas Borough Corporation. Mr. CEO, the

Auditor III in his report—you have said quite clearly that there are no instances of fraudulent activities, and I did give you the opportunity to review the statement you made before this Committee, but you have exercised the option not to do so, so I will continue. The Auditor III recommended—the inconsistencies, any irregularities identified were so overwhelming, the Auditor III recommended a forensic audit, not a simple audit, but a forensic audit. So my question to you, Mr. CEO, since a forensic audit was recommended was any attempt made to have this done, and if so, what is the status of the audit?

Mr. Chadee Ameeral: Mr. Chairman, the response is, no, and, like I indicated, that the report is under review and appropriate action will be taken with respect to having the matter sent to the council for their information, and then a decision will be taken after the review of the report.

Mrs. Baptiste-Primus: You see, Mr. Chairman, the CEOs of Corporations, they carry grave responsibilities, grave responsibilities, and I am somewhat disappointed that CEOs are not seizing the opportunity to come to this enquiry, as they would say in legal jargon, with clean hands. If there are irregularities, issues of fraud, tell the Committee because the reports speak—

Mr. Forde: It says it.

Mrs. Baptiste-Primus:—the reports speak to fraudulent activities, and to come before this Committee and give expressions of statements that suggest that all is well and hunky-dory, really leads us to the point of expressing disappointment, disappointment that CEOs will not come and articulate what is true and what is stated in your reports. I will rest for now, Mr. Chairman.

Mr. Forde: Mr. Chairman—

Mr. De Freitas: Mr. Chair—just one second—could I just ask a question, how long has this report been under review?

Mr. Forde: Mr. Chairman, we could ask a next question by the time they get the

answer or something?

Mr. Chairman: Sure.

Mr. Forde: By the time they get the answer, because I do not want to miss the answer that my colleague gave, but as they are taking a while is it possible that another question can be posed until they get an answer?

Mr. Chairman: Yeah, you can.

Mr. Forde: All right. The maximum dollar value for contracts, projects within the various municipalities before us, we know that you would have the CEO's portion—

Ms. Ameen: CEO's limit.

Mr. Forde:—limit, and then we would know we would have the tender committee limit, what is the limit? Is it varied among each individual there, because again, I can speak to probably Tunapuna/Piarco but with regard to the others? Could we just get a quick figure around the floor?

Mrs. Stapleton-Seaforth: For CEOs the maximum limit is $300,000.

Mr. Forde: Seeing that that is just one question, you can just include, quickly, a quick synopsis on how it is that you do the approval. Do you include your council or do you make the sole decision based on you and your county superintendent or engineer, or whoever you make the decision with—quick, succinct and to the point?

Mrs. Stapleton-Seaforth: When projects are identified, the projects are taken to the council for approval for the other—

Mr. Forde: You take it to your council?

Mrs. Stapleton-Seaforth: Yes.

Mr. Forde: All right.

Mr. Singh: Morning again, Sir. The CEO's limit is $300,000. Projects are approved by council and contractors are invited based on an established list. How the San Fernando City Corporation establishes the list, is that we have a system in place where we have a committee. A committee now, reviews applications that come

into the San Fernando Corporation for proposed contractors willing to supply goods and services to the San Fernando—

Mr. Forde: Inclusive of the councillors?

Mr. Singh: Pardon?

Mr. Forde: Inclusive of the councillors?

Mr. Singh: Not this subcommittee, there is a second subcommittee.

Mr. Forde: But your councillor is aware of the whole decision?

Mr. Singh: Yes, because at two levels, at the approval level, and, secondly, at the evaluation level. At the evaluation level we have two members of council in that committee.

Mr. Chairman: Do you have a list of the contractors? And, also, is it online that people could look and see, these are the contractors, the naming of the directors who are contractors so it will have a clearer idea of transparency?

Mr. Singh: Yes, Chair, we have a list of contractors, but, however, it is not online. It is something that maybe we can look at, but there is an established list of contractors in the tenders department at the Corporation which can be viewed, but it is not online.

Mr. Forde: But it is advertised? The projects are advertised?

Mr. Singh: Yes, projects are advertised.

Mr. Forde: Right. Okay.

Mr. Chairman: Is the cost also—the projects, the costing is also advertised?

Mr. Singh: No, no, the process is that it is just the project, not the costing. The costing is based on an in-house estimate prepared by the engineer, approved by council, and all that is advertised is that the scope of the work—the extent of the work to be undertaken.

Mr. Forde: You could move on now, Chairman, to the next person.

Ms. Ameen: Arima.

Mr. Chairman: Arima, please.

Ms. Morris-Julian: Through you, Chairman, in Arima we recognize we had some issues with the Town Superintendent department and the Building Inspector's department, so what we decided to do was hire a Town Engineer, because we were not satisfied with the quality of projects that we saw in Arima. With the establishment of the Land and Building Committee we also have the ability to review, so if a burgess has a problem with regard to an issue with the Building Inspector or Town Superintendent, or anyone in the administration, they can come to us through the Land and Building Committee and state what is the issue and we usually work it out. The CEO's limit is $300,000, the Minister's limit is $500,000, and through CBTT we have $1 million.

Mr. Forde: With regard to the CEO's limit, is the council involved in any way?

Ms. Morris-Julian: Very much so. The CEO makes sure that we approve the limit, that we are happy with what we want. For example, we are doing a craft market in the Arima market that is much needed, within the CEO's limit.

Mr. Forde: And also, your list of contractors, to pre-qualify in that, you have a list?

Ms. Morris-Julian: We do not have pre-qualifications.

Mr. Forde: You are open?

Ms. Morris-Julian: It is open to anyone.

Mr. Forde: Okay. Next person, Mr. Chairman, Point.

Mrs. Taylor: Yes, Point Fortin. At the Point Fortin Corporation, like the others, the CEO's limit is $300,000. In terms of projects that are undertaken under the CEO's limit, these projects are usually put forward by the council. It is usually approved at the level of the council. In terms of tendering, we would normally do open tender, which is on the newspaper. We had a list at Point Fortin. What would have happened, in terms of moving forward, the list had to be approved by the Ministry of Finance in terms of contractors who want to do contract work within the

district. Within the last couple of years we have been sending and we have not been getting approvals, so that in terms of contracts, it is usually open, and in terms of the payments, we would normally—the council would play a role in terms of monitoring a project. It is an unofficial role. Before we make payment we would have the engineer and the supervisor deal with a—they complete the contract completion form. That form would usually come to the CEO for final approval, but even before I do final approval, I would normally go out on site visits because I need to ensure that the quality of work that is given is what is required, and of course aligns with the scope. Even before we—when it is presented to the council, I would usually ask the members of council if they are satisfied as well, and it is only then payments are made.

Mr. Forde: Mr. Chairman, with—

Ms. Ameen: Chaguanas.

Mr. Forde: Chaguanas did not go yet? Right, sorry.

Mr. Chadee Ameeral: Mr. Chairman, the limit of authority for award of contracts for the CEO of the Corporation is $300,000. Council would approve the projects, similar to other Corporations. The projects will be sent to the Ministry of Rural Development and Local Government, the project unit would come and actually look at the projects itself, look at the estimates, and then recommendations will go to the Ministry of Finance for the release of funds. The tendering process is initiated at the level of the Chief Executive Officer. An advertisement is placed in the papers. We go by public tendering for most of these projects. Evaluation is done at the level of the CEO, and I will co-opt technical officers for the purpose of evaluation and making recommendations for award. Awards are made and a report goes to the council with respect to—a list goes to the council with respect to the awards that were made with respect to the sum and the contractors that were awarded the projects.

Mr. Forde: Mr. Chairman, in terms of equitable distribution among the councillors, PNM, UNC, COP, as the case may be, in terms of the amount, is it equitable in terms of the allocations for development programmes?

Mr. Chadee Ameeral: Mr. Chairman, having received our budgetary allocation for various PSIP projects, it goes to council to re-prioritize and they distribute it at Chaguanas. They make the distribution equally among all the members of council.

Mr. Forde: In terms of, let us say for instance, you have 100 roads to pave in your particular region, is there a limit that one particular contractor can obtain tenders and contracts for? Like, for instance, Esmond Forde Contractors applied for 15; I get 10, or I get all 15, is that possible among the Corporations?

Mr. Chadee Ameeral: It is possible with respect to when you are doing the evaluation. If undertaking the evaluation you see that a contractor might be getting two or three, because he might be the lowest or he might be the preferred contractor, then based on the documents submitted, if he has the capacity to do so, based on the recommendations of the evaluation team—

Mr. Forde: But, again, through you, Mr. Chair, we are talking about $300,000 projects, we are talking about one contractor, I think in terms of equity it should be able to go across the board, rather than one individual getting 15 contracts out of the allocation. I am not talking for Chaguanas only, I am talking about generally, among each one of the Corporations here, because again at TPRC, where I spent five years, you know what I mean, there were instances where contractors were receiving some quantum in terms of—you know, and when you look at it across the board, it is $300,000 we are talking about, those small contractors should be utilized. And, again, among the others, Mr. Chairman, it would be good to know, but I know in the interest of time I may not be able to, so if we could get it in writing, in the interest of time, you know, you may not be able to get it now. But, again, that is one of the allocations again, in going forward with the reform policy, this is one of the things,

where contractors within your district and region should be utilized, as the case may be.

Ms. Ameen: Chairman, I also want to elicit, I was happy to hear the response from the Point Fortin Borough Corporation with regard to the role of the elected representatives in indicating satisfaction with the projects that they put forward. I am curious from the other Corporations whether the councillors, apart from the councillors as a body, whether the councillors play a role, do they have the opportunity to visit and say, I am satisfied, or my burgesses are satisfied, before that approval is given? Because in terms of the letter of the law there is no role for the specific councillor to visit the project, but the council has to approve the final payment based on the technical report. But we have seen occasions where the burgesses are not satisfied but the technical report says it is okay. What role do you allow your elected representatives to play in the approval and final approval?

Mr. Regrello: Chairman, may I respond here on behalf of the San Fernando City Corporation? We have a system in place where a recommendation comes from the council members. They make their submission. They also liaise with the contractor. They visit the projects. They have to sign off on the contract, bring it to council for final approval and for payment, and we continue with that system and it has been working for us. And I must say, our councillors are better than the engineers.

Mr. Smith: Mr. Chair, a couple of things that struck me when we asked the previous question—

Ms. Ameen: There are others.

Mr. Smith: He is not finished?

Ms. Ameen: I want the other Corporations to just quickly indicate.

Mr. Smith: All of them, okay.

Ms. Ameen: Yeah. Chaguanas and then Arima. Port of Spain.

Mrs. Stapleton-Seaforth: At the Port of Spain Corporation both the councillors

and the work supervisors, engineers, they work hand in hand in conducting site visits. If the councillors have any concerns, the concerns are usually addressed by the engineering team.

Ms. Ameen: Arima.

Ms. Morris-Julian: We have a very active chairman of infrastructure who works alongside the Town Engineer and the councillors, and we do not sign off on any payment until the councillor, the burgesses are happy with the particular project.

Ms. Ameen: Chaguanas.

Mr. Chadee Ameeral: It is similar in Chaguanas, Mr. Chairman, when the list of vouchers is prepared and submitted to council, all members of council will make their contribution with respect to their satisfaction or dissatisfaction with the project, and, if necessary, the councillor will make the recommendation to do a site visit before they authorize or approve the payments for contracts.

Mr. Chairman: Looking at the question raised by Mr. Forde about the contractors, and probably the monopolizing of certain contractors, a suggestion might be to have your list of contractors, have your list of published or online, and the directors of their company so they would see there are no cross linkages that, you know, for transparency sake, there would not be any sort of level of corruption. And looking at the—

Mr. Forde: Mr. Chairman, no, is it not how you put it across there, you know, I am talking about Esmond Forde Contracting Company, one name, you know.

Mr. Chairman: Yeah.

Ms. Ameen: One contractor.

Mr. Forde: One name, not my name and your name, and my colleague's name.

Ms. Ameen: I think very often, Chairman, sometimes what happens is that based on the capacity of a contractor they may be able to bid low for several projects, and then you would see your list of contractors, and one particular contractor would have

been awarded the majority, or a large number of contracts. But if you examine them on an individual basis for each contract, each job, they may have come out as the best bid, but when you look at equity across the board in terms of other contractors within the region, you do not see that distribution sometimes.

Mr. Chairman: So a procurement policy needs to be put in place whereby, even if another contractor sees that he is probably slighted, he may be able to verbalize. He may be able to put it where you have—[*Interruption*] So there is the procurement legislation that will come into play soon, what is your state of readiness in terms of that, for each Corporation? Port of Spain could start.

Mrs. Stapleton-Seaforth: We were made aware of the new procurement policy that will be taking place. The Corporation had several training concerning that new initiative. Up to Friday I spoke with the head of the procurement unit and he said that he will like to meet with the Ministry of Rural Development and Local Government, so I spoke with council and also the training officer at the Ministry of Rural Development and Local Government. She will convey the information to the PS, and at present our tender unit and members from the HR unit, and the Stores department are attending training at the Arthur Lok Jack Institute.

Mr. Chairman: San Fernando.

Mr. Singh: Yes, Chair, training was conducted in our Tenders Clerk department in terms of the new—the legislation, however, we had concerns in terms of the disposal aspect of the new legislation in the sense of—that the CEO basically has overall authority in the sense of advising on the recommendation submitted by the committee. For the disposal a committee would be set up in which they make recommendations to the CEO and the CEO would have the final say in terms of if the items are to be destroyed, if the items are for resale, and I think, in terms of as CEOs, I think we need a little more clearance on that to be guided in terms of how we proceed on that aspect of it. But in terms of procuring goods and services, I think

we are ready in terms of we would have had the training available some years ago, we would have had that training.

Mrs. Sirju-Chong: Through the Chair, member, at Arima we practice CTB rules and regulations in the interim that the Act is being fully implemented. We have a good system in terms of separation of responsibility with the tenders, the engineers department and the financial aspect of it. In terms of procurement legislation, my understanding of it is that there will be a new structure; there will be a Chief Procurement Officer established and other personnel established for that department, and that is where we will have to initiate some sort of assistance in going to CPO or Public Management Consulting Division to get those positions created.

Mr. Chairman: Chaguanas.

Mr. Chadee Ameeral: Mr. Chairman, the procurement legislation is intended, I think, to repeal the Central Tenders Board legislation, which the Corporation, the Chaguanas Borough Corporation follows in terms of its procurement at his time. We will require some additional information in terms of the structure and how we are going to do it so that information could filter down to us from the—probably the Ministry of Rural Development and Local Government so that we could probably better prepare ourselves really to implement the provisions of the procurement legislation. But what I can say is that I know a training is to take place at the Public Service Academy with respect to procurement, really by the end of this month, for which we have nominated a representative from the Chaguanas Corporation who is in the tenders department and is expected to be there for a little while to attend that training, and that training will now probably evolve in terms of what is going to happen, how we move forward with respect to positioning the Corporation to ready itself for the proclamation of the legislation with respect to procurement.

Mr. Chairman: Point Fortin.

Mrs. Taylor: At the Point Fortin Corporation we do have a procurement unit,

however, the challenge is that it is headed by a clerk. The legislation would speak to specialist persons as procurement officers. We also are sending employees on the training that is to come subsequently. But in terms of being prepared as it relates to the legislation, we are not at that place because it would require a number of resources to properly set up that unit.

Mr. Chairman: I would like the—

Ms. Ameen: Chairman, I would just want to give the opportunity to the Permanent Secretary to perhaps indicate if any—well, the same answer, any training, any initiative with regard to procurement legislation.

Mrs. Daniel: Training in this area has been ongoing, Mr. Chair. And as indicated by a number of the Corporations, training has been undertaken, persons have been identified. If I may clarify something that was shared by the last contributor, the legislation speaks not to a person, not to someone holding an office, but someone who will carry out the functions of, and that person has to be identified. So that it is not an automatic arrangement that a procurement officer per se, in terms of someone holding that office will be identified. So that, like with the Corporations, the Ministry as well, we would have identified the person because there would always be persons carrying out the function. Persons have been trained and we have been readying ourselves. One of the things that—actually, DPS Seepaul here, is primarily responsible—has been for that. While the legislation is yet to be fully proclaimed, we have been preparing ourselves by doing some of the first step things. Our next bit of activity involves discussions with the Procurement Regulator. Initially we had planned to include the Corporations at that meeting, but we have recognized that we need an initial meeting with the Procurement Regulator and we will then have a subsequent meeting with the Corporations. And the concern with the separation has to do, once again, with the uniqueness of an accounting officer reporting to an accounting officer. So we need to work out where would parameters lie, and so on.

Mr. Forde: So, Mr. Chairman, you realize we come right back around where we started, where we are coming to the end. But I just have one more question, Mr. Chairman, and this could be provided in writing. I would like the Committee to be provided by all the municipalities, the list of new contractors that were approved from 2015 to present, please. A list of all contractors, new contractors that would have been approved from 2015 to now, please provide it in writing to the—a list of all new contractors approved by council or by the CEO, whoever does the approvals, to be provided in writing to the Committee, please.

Mr. Smith: Mr. Chair, before you go on, because this is what I was going to ask—I do not know if it passed over you all when we asked a few questions ago, when we asked, I know it as the rule and regulation that you must have pre-qualified contractors, but a couple of the agencies said that they do it open, but I know it is the law, even at Ministries you must have pre-qualified contractors to apply—and some of them said that they do it open. But, more importantly, something that struck me, because I am sure, as Chairman and as a Member of Parliament—we would have a number of contractors who said they have been asking and for five/six years been applying and sending in and they have not gotten a response. And I heard one of the representatives spoke of the list being sent to the Ministry of Finance to be approved, and as long as two/three years you have been waiting for that approval, so I do not know if the bottleneck for that—because all Ministries are getting central government, they rehash that list and they send out, you see the ads in the newspapers for contractors with the various things every year or two. I do not know what is the actual policy for time frames for contractors to be able to apply to be a pre-qualified company or organization or contractor, but the fact that we are doing it where some are not and some are, clearly states that something is wrong. But I do not know if the bottleneck is at the Ministry, but we get calls all the time. Because one of the issues is, and you all spoke of it, about the councillor or the alderman, or whoever,

signing off on contracts, a big issue that we are having is the subcontracts, and the sub-subcontracts where everybody is chipping away trying to make a profit, and that is what occurs with regard to the low quality of the final project. And if you are not having subcontractors or persons being given the opportunity to become contractors, and I am not telling a contractor how to do the job; they may have certain aspects of the job that they may need to subcontract, but what we are seeing is the whole job being subcontracted out and then being subcontracted out again, and everybody is chipping away so the quality is being diminished with regard to that. So I just wanted us to be clear how the law is with regard to the contractors, if they have to be pre-qualified or not, but I know it as being pre-qualified. And if there is a bottleneck, somebody has to either write to the Ministry of Finance or if the bottleneck is at your local government level—but we have to have those lists coming out a year or every two years to give the new contractors the opportunity.

12.25 p.m.

Mr. Chairman: The list has to be, as to say, transparent. Even recently I think it was the Commissioner of Police, Mr. Gary Griffith, mentioned, I think it was on January 2nd, that the major sources of income for gangs was actually state contracts. He actually said that he wants to stop this supply of funding going to those gangs. So this is something he had looked into. So even looking at the contractors we may have to look behind the scenes. Do they have a police record; do we assist the Police Commissioner in his venture to fight crime by looking into this? Even as far back as September 28, 2013, in an article by Gail Alexander, where there was a police post built, and Mr. Griffith then was the National Security Minister. And he said that certain individuals would be blacklisted, and he wants to plug any arteries where any sort of contract goes to gang members' hands.

So the list of contractors, I am suggesting, may have to come and be vetted by the Ministry eventually, to see the persons there. Do they have certificates of

clearance from the Police Commissioner and also if there, the list of directors. So a suggestion.

Mr. De Freitas: Mr. Chair, just to tack back on the question that I had asked. In relation to the report that suggested the forensic audit, as put forward by Mrs. Baptiste-Primus, how long has the report been under review? Do you have the answer?

Mr. Chadee Ameeral: October last year.

Mr. De Freitas: October last year, 2018 yes.

Mr. Chairman: To Port of Spain I would like to ask: An internal audit investigation in 2017 revealed serious breakdowns in internal controls on the parts of check staff and payroll sections regarding surplus payments of overtime to supervisors of excavation projects. That was in a memoranda dated September 28, 2017. I ask: What actions were subsequently taken to hold responsible the officers who were in error?

Mrs. Stapleton-Seaforth: The entire process was reviewed and I have given the Treasurer directives to write to the relevant officers so that we can recover the overpayments.

Mr. Forde: What year that was, Mr. Chairman?

Mr. Chairman: It was 2017. What internal mechanism is currently used in the accounts section to scrutinize the accuracy of work by check staff and payroll staff?

Mrs. Stapleton-Seaforth: At present we have one Acting Auditor, an auditing assistant, two clerks. The Corporation retained the services of two retired officers who worked in the accounts department. They are now performing the duties of auditing assistants, and within the last six months we hired an additional two auditing assistants on contracts. So they are in the process of doing a thorough check of the accounts department to ensure that the proper controls and transparency and accountability is met in the Corporation.

Mr. Chairman: A question to all the Corporations. It appears that the Corporations' records are not digitalized. Has the Corporation sought to convert its files into digital format? I would like an answer from each of the Corporations. Has any resources been allocated in this fiscal year to commence the digitalization of Corporation records? I see this as a fact that if the list of contractors is there, if the list of costing, if the projects are there, it is out for the public's comments. I think this is a way that we could actually get somehow a greater transparency. So I would like probably the Port of Spain Corporation to answer that, then San Fernando, Arima, Point Fortin and Chaguanas.

Mrs. Stapleton-Seaforth: At present the Port of Spain Corporation does not have that process, but discussions were held with officials from the Ministry of Finance, and we will be taking that proposal to Council shortly.

Mr. Regrello: Chair, we have been advocating that for quite a while now as it will impact on our efficiency as we move forward with time and production. We do not have the funding for that, and I am hoping that with the reform we will be able to address that matter.

Mr. Chairman: Arima.

Mrs. Sirju-Chong: Chair, we are currently pursuing under our Development Programme computerization to have pieces of equipment purchased in order to start the digitization process, as well as purchase the software licence.

Mr. Chairman: Point Fortin.

Mrs. Taylor: At Point Fortin, we would have had discussions at the level of the Council and the administration in terms of digitizing the information, because we recognized the benefits, even in terms of controls and managing for instance accounting. We had in the past purchased copiers that could facilitate the process of digitizing, but somehow we had not commenced the actual exercise. We have not included in this year's estimates any item as it relates to digitizing, but definitely it

is one of the things that we will include in the next estimate.

Mr. Chairman: Chaguanas.

Mr. Chadee Ameeral: Mr. Chairman, I have no doubt in my mind that digitizing records and micro chipping files in order to provide reports and be able to account and answer to the Corporation in a shorter and more specific way is absolutely necessary and the way to go. No provisions have been made in the Corporation's budgetary allocation to go in this direction. At this time the Corporation really does not have any of those records digitized, as a whole department or something like that. But due consideration will be given, and we will probably try and see if we can make some kind of inclusion in our draft estimates that is coming up by the end of March month this year to make provisions for digitizing of our records.

Mr. Forde: Again, Mr. Chairman, in the interest of time if the municipalities here can provide us in writing of any off-site allocations. I know it could be a confidential document. Like off-site storage of information, storage of documents and so on, if there are any off-site. Again, I see the PS is watching me. Is there a policy statement on that?

Mrs. Daniel: No, no.

Mr. Forde: Off-site locations, addresses and particulars, and how it is done and so on. That could be provided in writing.

Mrs. Baptiste-Primus: Thank you kindly, Chairman. I have one question to ask all of the Corporations. Are you all satisfied with the garbage collection services provided to the burgesses of your various—municipalities. Thank you member Ameen. Chairman, I would like each one of the Corporations, because I know why I am asking that question.

Mr. Forde: Chairman, you know it is difficult for that question to come at this time, from experience in terms of the time. We could be here—

Mrs. Baptiste-Primus: I am asking if they are satisfied, yes or no.

Mr. Forde: Yes or no; no grey answers.

Mrs. Baptiste-Primus: I did not ask for a thesis.

Mrs. Taylor: I have not received any complaints from my Transport Foreman II, so we are satisfied with our service so far.

Mr. Chairman: San Fernando.

Mr. Regrello: San Fernando is satisfied.

Mr. Chairman: Arima.

Ms. Morris-Julian: Yes, in house, no, outsourcing.

Mr. Chairman: Point Fortin.

Mr. Mason: Very satisfied. We are the cleanest borough, municipality.

Mr. Chairman: Chaguanas.

Mr. Chadee Ameeral: Not satisfied.

Ms. Ameen: So I want to ask further, Mr. Chairman. So Arima indicated that you are satisfied in house, but you are not satisfied with those you contract out, and Chaguanas you also indicated that you are not satisfied. I want to ask: What system do you have in place with regard to payment when you are not satisfied?

Mrs. Sirju-Chong: Through the Chair, member. We have a system where we deduct from the contractors any money that is deemed for us to have go out and pick up the garbage, which means paying drivers and the attendants to work on the garbage truck. So we have that system in the borough of Arima.

Ms. Ameen: If you are not satisfied with the service of the contractor, in terms of the payment for that contractor?

Mrs. Sirju-Chong: Through the Chair, member, that is what we do. We deduct. It would not be a regular occurrence. They may not be able to pick up one day because of breakdowns. Some of their fleet is very old, so they may not be able to pick up on one day, or they may pick up later on during the day. We would always communicate with the contractor before we go out to pick up.

Ms. Ameen: All right, I get that. I wanted to know if you have a set system, so that, for instance, where you are supposed to report with two loaders and you come with one, a specific amount is deducted or a certain percentage. Do you have a recorded system for your checkers to follow to recommend deductions?

Mrs. Sirju-Chong: Through the Chair, member yes, we have our sanitation foremen on the field monitoring the garbage collection, especially for the contractors.

Ms. Ameen: Chaguanas.

Mr. Chairman: May I suggest that some groups set up with your department, like some communities, a better way that they could complain, via WhatsApp or some sort of information, where right away you get a response, "Look the trucks did not pass today or tomorrow", so you can actually act on that and not depend on your checker so much. You may have to implement something.

Ms. Morris-Julian: Chairman, in the Arima Borough Council we have a Facebook group with over 7,000 members, so we instantly get the slightest complaint. I will just like to add what the CEO did not say. We moved from seven days a week in Arima to Mondays, Wednesdays and Fridays. So that is the source of the contention with the contractors. Whereas they were making a certain sum, they are no longer making that particular sum. But we are lucky in Arima that we have an in-house team who would always go out and collect the sanitation issues.

Ms. Ameen: Chaguanas.

Mr. Chadee Ameeral: Mr. Chairman, my response with respect to not satisfied was against the background that the services were reduced from three days per week for the open tray services to just one day per week, and as a result of that then you would have almost 66 per cent of your bulky waste on the outside. So the response was not against the background with respect to dissatisfaction of the contractor's performance, but basically dissatisfaction of the general service of scavenging

within the municipality of Chaguanas.

But to answer the follow-up, the supplemental question, basically the contract calls for the issuance of a rectification notice if it is reported by the supervisors and the checkers that the service was not provided, based on their inspection. That rectification notice would be issued promptly to the contractor, and either he makes the anomaly correct or basically if he does not do that then the payment would be deducted.

Ms. Ameen: So let me see if I get this clear, Mr. Chairman. In the borough of Chaguanas scavenging takes place one day per week now?

Mr. Chadee Ameeral: Open tray services, which is bulky waste basically.

Ms. Ameen: And you are saying that neither the administration nor the Council is satisfied with this? On what basis was that reduction made? Is it based on availability of finance or is it based on an assessment as to the need for the service?

Mr. Chadee Ameeral: That decision was taken, to the best of my knowledge, based on the availability of funding at the time.

Ms. Ameen: Well that is an unsatisfactory situation.

Mr. Forde: Actually it was the same question. But one day a week? I am trying to understand that, because in my area, within Tunapuna/Piarco region, because I can speak for Tunapuna/Piarco in terms of being a resident there and so on, one day a week the open tray truck does not pass, we have an issue. What is happening with the others? What are you all doing about it in terms of—is this an aspect where funds can be vired? This particular aspect for sanitation, can you vire to transfer, because again we could end up with an epidemic on our hands with regard to this, Ms. CEO for Chaguanas. Shed some light please.

Mr. Chairman: Yes. Definitely it could be a health risk.

Mr. Forde: Yes, shed some light.

Mr. Chadee Ameeral: Mr. Chairman, the service is supplemented by the

Corporation resources in terms of our own backhoe and truck to move into to the various areas, and assist with respect to the bulky waste. This has been a challenge for the Corporation because our resources itself is used elsewhere in terms of the construction gangs, the roads department and so on. So this really is a challenge.

Yes, funds can be vired, but to vire funds you have to identify funds, and if you have your allocation then you cannot vire funds in excess of your allocation unless you seek the increase in your allocation before you could actually vire funds into the vote. So it is a challenge. I have indicated that I am dissatisfied.

At the last Public Health Committee meeting of Council they did ask that the administration look at probably increasing it to two days based on the funds that are available to the Corporation. So we are probably looking at it now to see if we could increase it from one day to two.

Mr. Chairman: Okay, thank you. I guess in essence we are running out of time now. I know we are not providing any lunch for you guys, so let us see if we can get this wrapped up now.

Ms. Ameen: Chairman, just before you close. I have to say for the record that I am a bit disappointed that the Regional Corporations, perhaps you thought that indicating where you are not satisfied with your finances, with your accounting, with instance of fraud within your Corporations, might be an indictment on you. The purpose of this enquiry is to identify these things. This is an opportunity for you to shine the light on some of those issues.

The general public is aware of instances of poor contractor services and contractors being paid, poor garbage collection, particularly where building inspections and all those types of approvals are concerned, irregularities in hiring practices. The general public is aware of irregularities in those areas, and it would help if you indicate that you are aware too.

So when Corporations indicate that they are satisfied or that they are not aware

of instances like these, instances of fraud or irregularities, you tell the public that you are either not aware or not concerned about the issues that face them. So I just want to say that for the record, and perhaps Chairman we could leave the window open for Corporations who came before us this morning, to review their position and make submissions in writing, so that the issues you identify can be incorporated in our recommendations, and then perhaps go to improving the legislation or the regulations that govern you.

Mr. Chairman: I would also like to support that suggestion, because I too am disappointed that we had that opportunity here, and it was not really voiced, all the negative feedbacks we have been getting from the press, negative feedbacks people are saying out there, things are happening in the Corporation, levels of fraud, and even the accountability of even looking at the contractors. So all of these things. We welcome you to give us some feedback on these issues, because it is out there. You can just go online and you would see complaints, you would be hearing from persons. I will be happy if you have anything that comes up to mind, things that you probably missed to tell us, if you could send it in writing to the Committee.

In closing I would like to invite the following persons to make closing remarks, starting with the Permanent Secretary, Mrs. Jennifer Daniel.

Mrs. Daniel: Mr. Chair, let me again say it was a pleasure to be here. A pleasure from the point of view of some of the information that has been articulated here, and some of the things that at the level of the Ministry we have to follow up on and to pursue further. I can assure you that we will do so to the extent that we need to.

Mr. Chairman: Councillor Lisa Morris-Julian, Her Worship the Mayor.

Ms. Morris-Julian: Mr. Chairman, thank you for the opportunity. It was definitely a learning experience for me. We look forward to what will come out from this Committee. Thank you.

Mr. Chairman: Mr. Jameel Chadee Ameeral, Chief Executive Officer of the

Chaguanas Borough Corporation.

Mr. Chadee Ameeral: Thank you, Mr. Chairman. I would just want to close by indicating that the member of the Committee with respect to Ms. Jennifer Baptiste—[*Interruption*]

Mrs. Baptiste-Primus: Primus.

Mr. Chadee Ameeral: Primus. Thanks for the correction—indicating that I did not withdraw a comment with respect to, I believe, it was fraud earlier on, but in my response I did indicate that the whole issue would be reviewed and we will probably make further submissions to the Committee with respect to this matter.

I just want to say it was really a pleasure and opportunity to be before this Committee. I would hope that the information disseminated and the report submitted will really assist the Committee in achieving its goals and objectives, and I look forward to local government reform to work in an environment that is more service delivery and where there is much more accountability with respect to the management and the oversight of Corporations. Thank you very much.

Mr. Chairman: Councillor Abdon Mason, His Worship the Mayor.

Mr. Mason: Chairman, let me indicate that I would want to take the opportunity to make some submissions after this meeting, because we missed the opportunity to respond to the whistle-blower policy. What we would find happening, while a number of persons would want to say that there is the absence of fraud in their municipalities, it is because in the absence of a policy, married by a whistle-blower policy, what you will get is that some persons are afraid to indicate where they have realized situations of fraud and will lead to either what is being said by those who say it, being said in the wrong places and at the wrong time. It becomes rumour. There are opportunities for cover-up, so it is never really investigated in the right way.

So I would want to thank the Committee for the opportunity to be here. It was

a learning experience, but I would want to make some submissions after the meeting, and we in Point Fortin want to employ best practices, so we will look to a fraud policy and we will look to a whistle-blower policy. Thank you so much.

Mr. Chairman: Thank you. Actually there is a whistle-blower legislation before the Parliament presently, so your suggestions also might be able to help us along those lines. The Chief Executive Officer of the Port of Spain Corporation, Mrs. Annette Stapleton-Seaforth.

Mrs. Stapleton-Seaforth: I thank the Chairman and members for the opportunity to allow me to be here. This was a very important session, and the Corporation will follow up on the additional questions requested. Thank you.

Mr. Chairman: Alderman Junia Regrello, His Worship the Mayor of San Fernando.

Mr. Regrello: Chair, this forum may have come too little too late, because we are preparing for another strategy which is as we approach local government reform, and most of the issues that we discuss here this morning will be addressed, because it gives the Council and the Corporation the autonomy to make decisions and advocate their programme as they go forward. However, having been in this system since 2003, I was able to get an appreciation and understanding of what we are supposed to do. We in the San Fernando City Corporation have been very fortunate to have very competent persons on either side, referring to the administration and the Council level, which allowed us to be very successful over the years, and we have maintained that position.

I would also like to think that where we have had improvement in recent times is because we have a Local Government Minister who also has a background in local government and worked with us and came through the system. He was able to implement policies and advocate policies that allow us to be more efficient. At the same time I want to welcome this exercise that it would help other municipalities as

they address their problems. But I could tell you, San Fernando City Corporation is very well on its way and very much well organized I must say.

Mr. Chairman: Thank you. On behalf of my Committee and myself, I would like to thank you for coming here. It is a very important role you play, and together I am hoping we can get something to improve the situation. I would like to thank the officials and the media for their attendance and participation. I thank the viewing and listening audience for their interest in the Committee's work, and at this stage I will like to adjourn.

12.49 p.m.: *Meeting adjourned.*

VERBATIM NOTES OF THE THIRTIETH MEETING OF THE JOINT SELECT COMMITTEE APPOINTED TO ENQUIRE INTO AND REPORT ON LOCAL AUTHORITIES, SERVICE COMMISSIONS AND STATUTORY AUTHORITIES (INCLUDING THE THA) HELD IN THE J. HAMILTON MAURICE MEETING ROOM, TOWER D, INTERNATIONAL WATERFRONT CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON WEDNESDAY, FEBRUARY 13, 2019 AT 10.34 A.M.

PRESENT

Dr. Varma Deyalsingh	Chairman
Ms. Ramona Ramdial	Vice-Chairman
Mrs. Jennifer Baptiste-Primus	Member
Mr. Nigel De Freitas	Member
Mr. Darryl Smith	Member
Ms. Khadijah Ameen	Member
Mr. Esmond Forde	Member
Mr. Julien Ogilvie	Secretary
Ms. Khisha Peterkin	Assistant Secretary
Ms. Terriann Baker	Graduate Research Assistant

ABSENT

Dr. Lovell Francis	Member

MINISTRY OF RURAL DEVELOPMENT AND LOCAL GOVERNMENT

Mrs. Jennifer Daniel	Permanent Secretary
Mr. Raymond Seepaul	Deputy Permanent Secretary
Mrs. Esther Pilgrim-Soanes	Director, Finance and Accounts

DIEGO MARTIN REGIONAL CORPORATION

Ms. Shivastri Ramawadh	Chief Executive Officer
Ms. Susan Hong	Chairman
Mr. Ken Calliste	Financial Assistant

SIPARIA REGIONAL CORPORATION

Mr. Ravindranath Gangoo	Chief Executive Officer
Alderman Dr. Glenn Ramadharsingh	Chairman
Ms. Kelly Bates	Financial Officer

SAN JUAN/LAVENTILLE REGIONAL CORPORATION

Ms. Dianne Lakhan	Chief Executive Officer
Alderman Anthony Roberts	Chairman
Ms. Gabrielle Jones	Corporate Secretary

PENAL/DEBE REGIONAL CORPORATION

Mr. Motilal Ramsingh	Chief Executive Officer
Ms. Neralla Rampersad	Corporate Secretary
Dr. Allen Sammy	Chairman

Mr. Chairman: Good morning all. I am Dr. Varma Deyalsingh. I am the Chair of this Committee, the Joint Select Committee Service Commissions and Statutory Authorities (including the THA). Welcome to the Thirtieth meeting of this Joint Select Committee. I also would like to give a welcome to members of the listening and viewing audience who are invited to send their comments via Parliament's various social media platforms: Facebook, YouTube and Twitter.

On this occasion, our Committee, we have the pleasure of meeting the various corporations who were invited here this morning. Again, welcome again to the representatives of the Ministry of Rural Development and Local Government.

So welcome to members of the Siparia Regional Corporation, San Juan/Laventille Regional Corporation, Penal/Debe Regional Corporation and Diego

Martin Regional Corporation.

At this stage I would like to invite the members of the Ministry of Rural Development and Local Government to introduce themselves.

[*Introductions made*]

Mr. Chairman: Would the members of the Diego Martin Regional Corporation introduce themselves?

[*Introductions made*]

Mr. Chairman: Can I call now on San Juan/Laventille Regional Corporation to introduce themselves?

[*Introductions made*]

Mr. Chairman: Would members of the Penal/Debe introduce themselves?

[*Introductions made*]

Mr. Chairman: I give a warm welcome to all. I would like to invite the Committee members to introduce themselves, starting with my Vice-Chair.

[*Introductions made*]

Mr. Chairman: To those present, I would like to remind the persons present and also the members of the public that the objectives of this enquiry are to examine the role of the line Ministry and executive management of municipal corporations in promoting and facilitating accountability and transparency in the operations of municipal corporations. Also to assess the internal control systems within the municipal corporations, and lastly to examine the proposed local government reform initiatives associated with the management of finances with municipal corporations.

I would now like to invite the following officials to make brief opening remarks, not to exceed more than two minutes because we are now pressed for time. I would like to start with Mrs. Jennifer Daniel, Permanent Secretary in the Ministry of Rural Development and Local Government.

Mrs. Daniel: Good morning again, Chair, and members. It is my pleasure and the

pleasure of my team, I speak on their behalf, to be here this morning to participate in this exercise that, as was mentioned on the last occasion, the end, the fruit of it is for improvement in the system. So we are committed to that, and because of that we engage and we really value the opportunity for this meeting. Thank you.

Mr. Chairman: Thank you, Mrs. Daniel. It is a pleasure to have you amongst us again. Will Ms. Susan Hong, Chairman of the Diego Martin Regional Corporation give any opening remarks?

Ms. Hong: Thank you, Chairman. For me again, as I said before, it is pleasure to be here, as we examine the management and operation process of our corporation. We look forward to it to make a better place, and a better place for our residents. Thank you.

Mr. Chairman: Would Alderman Dr. Glenn Ramadharsingh, Chairman of the Siparia Regional Corporation?

Dr. Ramadharsingh: Thank you very much, Mr. Chairman, we are very happy to have engaged the attention of your distinguished Committee. It is very important that we look at the operations of local government as it is, as we work towards local government reform. I can tell you that the $69 million that is spent on the 58,000 burgesses may not be the best value for money that we can get in the present system with a heavily unionized environment, with bureaucratic public service applications and procedures to source funds, with weak, poor, untimely and insufficient releases from the Ministry of Finance and thence to the Ministry of Local Government. We are beleaguered with institutional problems, and we are really calling out, yearning out for reform. Thank you.

Mr. Chairman: Thank you, Dr. Ramadharsingh. I would like to hear from Alderman Anthony Roberts, Chairman of the San Juan/Laventille Regional Corporation.

Mr. Roberts: Thank very much, Chairman. I want to join with my colleagues to

express gratitude for the opportunity to discuss some important matters as they relate to local government. So we look forward to the deliberations at this Committee.

Mr. Chairman: Would Dr. Allen Sammy, Chairman of the Penal/Debe Regional Corporation.

Mr. Sammy: Thank you, Mr. Chair. We too in Penal/Debe would like to share with you our joys and our sorrows. I am particularly concerned with local government reform and the added burdens, particularly the financial burdens, if the reform in fact does materialize in the short-term, because the current burdens are overbearing as it is. I am not sure how we can handle additional burdens. So I look forward to sharing and to hearing the views of the members, and how we can help to resolve some of these issues. Thank you.

Mr. Chairman: Well, I hear the plight of certain members. I hear the cries out there, the challenges, and I am saying that—at least I am hoping today we can get an insight into the operations of the various corporations, challenges faced.

We have actually had these hearings before with other corporations, and have identified certain issues. So it is really to get an idea what is happening in the corporations; are there any sort of problems in terms of financial mismanagement; are there any sort of levels that people may be looking at the corporations and saying it is not running adequately. So it is to get ideas how you run, how you can run in a transparent manner, efficient manner. And also the Ministry here who gives the oversight will be giving us an input to see what are the best practices that should be adopted in the corporations. So it is to help us to help you basically we are here.

So I would like to start here now. We are going to have periods of questions, and I am asking members please to ask the questions through the Chair, and to remind you persons to activate your microphone when recognized by the Chair, and deactivate it once they have completed their contributions. For housekeeping rules, if you can please put your phones on silent.

So I would like to start a line of questions to Diego Martin Regional Corporation. We have gotten submissions from the various corporations, and in your submission from Diego Martin had given us—in your submission you stated that your corporation has made regulations for the custody of money, passbooks and cheques. However, you failed to provide the Committee with a copy of these regulations. Could you please explain why these regulations were not made available to the Committee?

Mrs. Ramawadh: Thank you, Chair. At the Diego Martin Regional Corporation we have had a severe problem with record-keeping. However, not simply the record-keeping but with the actual record management. Where the storage is concerned there was a terrible water seepage in the building that compromised the records when we were at Orchid Drive. We have moved to the new office now, and having done that, when we recognized that the records were compromised we purchased two containers to store the records, but it already had mould and we are engaging the services of NALIS to correct that.

Mr. Chairman: So in terms of any sort of accountability, we have no sort of records available at all, right?

Mrs. Ramawadh: At this time, Sir, no.

Mr. Chairman: So the regulations were actually damaged, or lost or destroyed?

Mrs. Ramawadh: With the water. Yes, it was damaged.

Ms. Ameen: Chairman, if I may. The regulations is not a bulky document, so I am wondering if you would have it on soft copy even, because the regulations would be a document that you work with all the time at your corporation. So do you not have it soft copy anywhere at the corporation?

Mrs. Ramawadh: At this time we were unable to retrieve it. I am sorry.

Ms. Ameen: Chairman, through you, perhaps the Director of Finance and Accounts at the Ministry could provide some information, because regulations guide the

corporations and if a corporation does not have a copy to produce, it does not have a copy to follow, then I have serious concerns. So a document like this is something that should be lodged at the Ministry, and perhaps the Ministry could send over a copy.

Mrs. Pilgrim-Soanes: So, Chair, member, first time I am hearing of it. I am unaware that they had regulations that were missing. So maybe after we could provide the information. We will search the Ministry and we will provide the information, whether we have it at the Ministry, whether it was forwarded to the Ministry. But at this point in time I am unable to say whether the Ministry has that record.

Ms. Ameen: So in the meanwhile what guides this corporation with regard to the custody of money, passbooks, cheques and so on, that should be governed by a regulation? What guides you?

Mrs. Ramawadh: It is the Financial Regulations of 1965. This is what would guide us. That is what we use at the moment.

Mr. Chairman: Again, I would like to address your response. You stated that the Council of Diego Martin Regional Corporation has not outlined specific directives for improving internal controls and financial management. So given that the corporation's Council has not issued any specific directives in this area, would it be accurate to say that the Council is happy with the checks and balances that are currently observed in the corporation?

Ms. Hong: Chairman, I cannot say that the corporation is happy with the checks and balances in the corporation, but we are hopeful that our records could be sanitized, and we would be able to go through those records and provide the answers that you want, probably in writing, to the Committee.

Mr. Forde: Mr. Chairman, anywhere in the document was stated with regard to how far Diego Martin Regional Corporation is with regard to their audits and financial statements? If we could know when was the last audited financial report and

administrative reports and so on.

Mr. Chairman: You could direct the question.

Mr. Forde: Morning again. Based on the trend of questioning that has taken place so far and the information that has been provided to us, with regard to your financial statement and audited reports, when was the last year we would have had information on that from you all?

Mrs. Ramawadh: That would be 2008.

Mr. Forde: 2008?

Mrs. Ramawadh: Yes.

Mr. Forde: Is it as a result of the answers provided so far for the Committee, could we simply say that the reason or reasons for being 2008 is as a result of the information you have provided the Committee with so far?

Mrs. Ramawadh: To a large extent, Mr. Chairman, through you. To a large extent, yes.

Ms. Ameen: Chairman, I—

Mr. Forde: No, wait, hold on, hold on, just now. One second, Mr. Chairman. First of all, we are live on national television right now, okay, and I just want to be clear, Mr. Chairman. 2008 and going forward 2009, in order to come up to presently, where does it leave us? Where does it leave us? What does Diego Martin Regional Corporation have to say in going forward in getting that information when the auditors do come, or when your financial department decides to prepare these documents?

Mrs. Ramawadh: Through you, Mr. Chair. At present the financial officer, whom we recently got, he has started to guide the process, and we have prepared in draft up to—from 2012 to 2018. However, it is in draft and the supplemental records are the ones that were compromised.

Ms. Ameen: Chairman, I just want to ask with regard to these documents that were

compromised, you indicated that NALIS is assisting with the restoration of these documents. Is there a time frame by which you believe you would have substantial information that you could forward to the Parliament?

Mrs. Ramawadh: In approximately four months we believe it should be sanitized.

Mr. Chairman: You also stated that transactions are bundled and deposited together making it difficult to match daily bank entries. That is page 5 of your response to question 11. I ask two questions. One, what system has been implemented to ensure that documents are correctly filed and separated and, two, in the absence of a cashier, who has been given the responsibility of managing the revenue collection system?

Mr. Calliste: Mr. Chair, the entry or the data stated here with regard to the bundling of the receipts, it involves collection from the CMOH Department where receipts are collected and deposited directly into the bank. But many times what they do is that they do not identify what the payments are for, so that on the statement you see a bulk figure and when you total the receipts you see a bulk figure, but you are unable to get a breakdown as to what those figures were paid for.

Ms. Ameen: Chairman, something like this, a policy or a system would have to be put in place by the financial officer to guide the Council on matters like these. We have you listed here as a Financial Assistant, and we did recognize in our last session that the finance officer in many of the corporations, the position is vacant. What is the situation with Diego Martin with regard to a financial officer?

Mr. Calliste: A financial officer was contracted to the Diego Martin Corporation as of May last year.

Ms. Ameen: So you have one at this time?

Mr. Calliste: Yes.

Ms. Ameen: And, Chairman, if you would allow me? And your role would be Financial Assistant; is that on the establishment?

Mr. Calliste: No, I am a contracted officer also.

Ms. Ameen: So Diego Martin created this position as financial assistant to boost the work of the financial officer?

Mr. Calliste: Well, the thing is that for years the Diego Martin Corporation—I have been there for five years—had no financial officer during that period of time, for five years, so I was filling in at the point in time.

Ms. Ameen: All right. And, Chairman, I just want to ask the other corporations if they could indicate in terms of the presence of a finance officer. San Juan/Laventille, do you have a financial officer?

Mr. Roberts: The answer is no, we do not. We do not have even capable staff to deal with the accounts of the organization.

Ms. Ameen: Siparia?

Dr. Ramadharsingh: Yes, we do.

Ms. Ameen: Right, we met her earlier. And Penal/Debe, do you have a finance officer?

Mr. Ramsingh: Not at the moment.

Ms. Ameen: When was the last time you had one?

Mr. Ramsingh: November 7th, the person had resigned.

Ms. Ameen: 2018?

Mr. Ramsingh: In 2018, sorry.

Ms. Ramdial: Thank you very much. Through you, Chair, and to the Diego Martin Regional Corporation. In your submission you outlined several instances of alleged financial crimes or financial improprieties which were perpetrated against the Corporation. Could you care to explain and give us the information? How were these financial improprieties detected? Have you done investigations? Is there an audit report? Is it completed?

11.00 a.m.

Mr. Calliste: With regard to the fraudulent activities perpetrated against the

corporation, we listed six items here. Number one is the collection of fees for burials. Somewhere along the line, I do not know when, the receipt books were given to the cemetery keeper who is not an employee. So the corporation is now in the process of correcting that situation.

Number two, there were six cheques valued approximately $50,000 each that were removed from the pile by the then accountant in 2013 and paid to people who did not supply goods or services to the corporation. That matter is attracting the attention of the TTPS right now.

Mr. Forde: 2013?

Mr. Calliste: 2013.

Ms. Ramdial: So the investigations—

Mr. Calliste: Is ongoing.

Ms. Ramdial: Okay.

Mr. Calliste: Yes.

Ms. Ramdial: We will need to liaise with the TTPS to find out.

Mr. Calliste: Then we did mention a tent city shelter where the emergency unit purchased a tent city shelter, and the complete unit was not supplied. Somehow the vendor was able to get the payment for the entire project, and he failed to supply all the units. There are a few items that were missing.

Ms. Ramdial: And this was when?

Mr. Calliste: In 2016.

Ms. Ramdial: Okay. Is this also another ongoing investigation?

Mr. Calliste: Yeah. The vendor has proved to be a little elusive so far, but yes, the investigation and this is ongoing.

Ms. Ramdial: So, you do not have any records of the vendor at the corporation in terms of—

Mr. Calliste: Yeah. We have the vendors; the problem is to find them.

Ms. Ramdial: Meaning, are they in Trinidad and Tobago? Have they left the country? No? And the police have no leads at this time?

Mr. Calliste: Yeah. The matter is being investigated.

Ms. Ramdial: Okay. Thank you.

Ms. Ameen: Chairman, when you make a purchase and the item is delivered to the corporation, some officer is responsible for checking the item to ensure that you have received what you have paid for before payment is recommended. Some part of your investigation, perhaps not the police aspect, but your administrative investigation should identify who was the officer who signed and collected something that was not, in fact, complete. Have you gone down that road? Have you identified the officer? And has there been any sanctions or anything against that person?

Mr. Calliste: This entire tent city emergency shelter, what happened there is that most of the items were imported from the United States. Somehow the vendor convinced the corporation to advance him the money to pay for the items. Right? And some of the items when they arrived here, were not the correct items, so they were sent back and reimported. We did not get all after that.

Ms. Ameen: Is making advance payment, is that part of your practice, your procedure? Or is that the corporation—

Mr. Calliste: No.

Ms. Ameen:—broke their rules and are now paying the price?

Mr. Calliste: This was a special case. I do not know the exact details more, but this case was a special case.

Ms. Ameen: You see, for those of us who advocate for independence for corporations, when we hear issues like these, it puts serious spokes in the wheel, eh. Because you have the authority now to do procurement, and the checks and balances, the accountability is important, but in this case the corporation broke the rules, taxpayers' money "gone down the drain" and now you are paying the price for it. So

do not blame the vendor. The officer who is responsible are those who have to account.

Mr. Calliste: And I can assure—

Mr. Forde: Chairman, I am hearing the discourse and, you know, I want to bring in the Permanent Secretary here, you know, in terms of I know that would be your second stint with us, so you were privy to some of the information we had at the first session with the other four municipalities that we had.

And again, we have these four here, well we have not really gone into the other three as yet, but so far we are hearing the same set of information. You know, the little details which part we are seeing the urgent need for these financial positions to be put in place. You know I mean, I heard the Chairman from Siparia Regional Corporation, I heard the Chairman for Penal/Debe about the burdens, financial releases, the reform. But if those things are improved we would still have these problem, you know. Reform tomorrow, reform next week, reform next month, we will still have these issues because the people who have to ensure that the reform works, are you all, us, we, the people. You know what I mean?

So it if is that the procedure has to be followed, the procedure has to be followed. Do not tell me that the burden, do not tell me the Minister of Finance is not releasing the money timely as the case may be. Probably it is good that he is not releasing it timely to ensure that we hold onto some of the money. I mean, look at these three issues: fees for burial, 50 cheques, $50,000 by six cheques; the vendors issue and we could go into it.

Mr. Chairman, I do not think that we need to go into anymore because we need to hear the other corporations to find out what is happening in the other corporations. “We just on Diego Martin and the first half an hour gone already. We aint hear Siparia. We aint hear Diego Martin. We aint hear San Juan/Laventille. We aint hear the others.” Well I mean—so, Mr. Chairman, I do not know what else to

say, but we need to ensure that the financial officers in these organizations are in place, and we need to ensure—we have an ex-chairman. I am an old—we have also our next colleague here who was at Diego Martin. So we could ask some direct questions, you know. Between this Committee here we have three persons on this Committee that could ask some direct questions as to exactly where we are.

And you know I mean, we need to get these financial officers, Madam PS. I know your hands may be probably tied because there is a whole procedure and how it is done, but still when we get these financial officers we need to get the positions down the line to ensure that the checks and balances are in place, to ensure that—and we follow the procedures.

Mrs. Baptiste-Primus: Thank you kindly, Chairman. Before we move off the issue through you, Mr. Chairman, I would like to direct this question to all of the corporations present here. We have been advised that the Diego Martin Regional Corporation has a financial officer. Penal/Debe had a financial officer who resigned on the 7th November. Siparia has a financial officer, San Juan/Laventille does not have a financial officer. Based on the response you would have sent to this Committee, Madam PS, that the corporation—that was based on a question I had raised when we met with the first set of corporations, whether or not the corporations have the authority to contract out, to bring in persons on contract, and also to contract out the preparation of their financial accounts.

A study of all these documents reveals that none of the corporations are up to date. In some cases you have accounting units staffed with only junior staff. I mean, we are in 2019.

So I would like to ask all the corporations, one, if you have a contract—a financial officer on board? Those who do not have a financial officer on board, what is preventing you from bringing a financial officer on board?—because the corporation, we were advised by the PS, the corporation has the authority to engage

in procuring those services. Why? What is responsible? We cannot, in 2019, have accounting units that are not staffed by the required qualified personnel; it is not a parlour we are running here.

Mr. Chairman: Could we start with any response from Siparia?

Dr. Ramadharsingh: We do have one, but what I would say is that, when we came in we saw it as important because the accountant is part of the administration, not really overseeing all of the finances and the auditing functions and so on, and a person of this calibre was necessary. And there is a provision in the Act where you write the President of the Republic of Trinidad and Tobago, and we did, in fact, effect that by a Motion, wrote the letter and then lobbied the Ministry to fill the position, and I think that this helped us to get one very early in the game.

Mr. Chairman: Well, I am hoping the others could learn from you. So could I get a response from San Juan/Laventille on this issue?

Mr. Roberts: Thank you very much, Chair. I am extremely happy for these discussions. We at this time do not have a financial officer. We made attempts to ask the Ministry to provide us since it is their responsibility to do so. We have not had any response to date. The council has asked the CEO to have discussions with the Ministry so that we could make arrangements to acquire a financial officer, but that the Ministry will assist us with the payment of that officer because funding will be a problem for us to be able to acquire the services of a financial officer, and that is where we have gotten.

Mr. Chairman: Could the PS, please, respond to this statement?

Mrs. Daniel: Certainly, Chair. Coincidentally, the ad for the financial officer is in the newspaper today. The closing date is February the 24th. And just to add to what was shared on the last occasion, and it is brought out by what was shared by Penal/Debe's CEO, I was not even aware that the person assigned there— So in my—the information I had is that there were four positions vacant, but a fifth has

been made vacant. And it may be helpful to hear, I do not know if the CEO is aware of the reasons or the reason for the person terminating, but it would be useful to hear what the reason was.

Mr. Chairman: Penal/Debe, could you? Yes.

Mr. Ramsingh: Thank you, Mr. Chairman. I have sat on its various panels to interview financial officers over the years, and always one of the problems we get is attracting sufficient numbers, and then when we do get people some people leave. All right?

One of the problems when you—the interview stops when the remuneration package is announced. Yeah? And that is what turns off quite a lot of probably very competent persons. I am not saying that those who are here are not that competent. And then when you reach to the—when people reach and actually take up the job and they see the challenges, sometimes they may look to revert because they are very marketable. In my instance, I had a public officer who was seconded, sorry, who was assigned on the ground of public policy, so that person reverted to their substantive post within the public sector. Right? And that is one of the problems that we have really.

Ms. Ramdial: Can you say why your financial officer resigned?

Mr. Ramsingh: Reverted. The officer has a substantive position in the wider public service and they reverted to that position.

Ms. Ramdial: Is there a reason why that officer reverted?

Mr. Ramsingh: No reason was proffered.

Ms. Ramdial: Okay.

Mr. Chairman: Is there any sort of, you know, some sort of, what I would like to say, disagreement among the officers, members of or, what I am saying, not a level of, you know, cooperation or assistance meted out to these officers that could lead them to move away from this position?

Mr. Ramsingh: If I speak to Penal/Debe, the Act is clear on who is the principal financial officer. That is the treasurer post. It is similar to the financial officer post. In the early days there used to be some disagreement within the public sector, the public service officer and the financial function officer, but I think that is something that needs to be sorted out or had to be sorted out at the corporation level. All right?

But when we look at the some of the issues and the accounting as is identified, some of the accounting departments the work becomes very challenging. It is not as simply as it is made out to be. It is very challenging, because accounts is not only the recording of the transactions, it is also dealing with the Ministry of Finance through financial cash flow management, all the financial processes, budgetary controls, a number of issues that encompasses that job, and that reinforces the need for having competent or qualified persons on board.

Ms. Ameen: Chairman, through you, I just want to ask: Has Penal/Debe made any effort to hire a financial officer or a contract person to fill the position while the Ministry does its necessary work?

Mr. Ramsingh: We, yes, not a financial officer, but what we have done is we have retained on a part-time basis two very experienced persons who would have worked in, both at the corporation levels, at accountant levels and at the Ministry up to the level of accounting executives or auditors; so they are quite experienced. And what we have them doing is periodically residing in the accounting unit to assist desk by desk in order to get the systems operational and to ensure some level of compliance, some level of—the system is implemented then.

Ms. Ameen: One of the key roles of this financial officer is to advise the Council on financial matters. Do these officers play that role? Or do they simply assist in making things more efficient in the accounting department?

Mr. Ramsingh: Well the—all the reports in the absence of the financial officer, all the reports that are required by financial officer or the treasurer are presented to the

Council.

Ms. Ameen: So then, you as the CEO would take up the job of advising the Council on financial matters?

Mr. Ramsingh: Well, in the absence of most—I mean, we have been doing that for years, in a sense, before we even had a contracted officer. And I think one thing that is missing, one of the problems with the contracted officers, having contracted officers at all levels is when the contracted officer's term of contract has expired, you are left with gap. So persons who are expiring very soon, because most of those corporations will not have somebody, and now we are going into preparation of budgets. Right? So it is probably we can look at extension of terms and so on of those contracts.

Ms. Ameen: Chairman, if I may, eh. The role of the financial comptroller in the corporation as with most of the chief officers is primarily to advise the Council, and to advise the Council on financial matters. It is a contract position at this time because the public service has not filled that position for more than 20 years since the start of Act 21 of 1990. And even though the Chief Executive Officer is the chief accounting officer, the truth is that the treasurer of the Council, to give financial advice to the Council, it is a little different to be accounting, and accounting for your spending and putting procedures in place.

So the Council would have a priority based on whatever they consider as urgent within their region, whatever direction they want to take their region in terms of development, and that strategic financial decision making is where the financial comptroller should come in. But the expectation that your financial officer should be bogged down, for want of another term, with administrative business and filling in for a Clerk I that is missing, and all these missing vacant positions within your corporation, is defeating the purpose of a financial officer to advise the Council to take it forward and to be part of holistic development within your region.

So, I think corporations, because they are so strapped for staff, even when they do have a person filling in as a financial officer you are really getting lost in the mud.

Mrs. Baptiste-Primus: Chairman, if you would permit me. While we have the CEO of the Penal/Debe on his verbal legs, the two persons that you said, Mr. CEO, that were retained, they were former public officer at the level of accounting executives?

Mr. Ramsingh: One—sorry.

Mrs. Baptiste-Primus: Are these the same two persons that you had informed the Committee that have been hired on a part-time basis to provide in-house training to the accounting staff?

Mr. Ramsingh: Yes, they are.

Mrs. Baptiste-Primus: So they were brought on board for the sole purpose of training the accounting staff?

Mr. Ramsingh: Training, advising, working along with them, yes.

Mrs. Baptiste-Primus: So then—but you just shared with member Ameen that you had two persons who, well, are picking up the slack for the financial officer; that cannot be so.

Mr. Ramsingh: These are the said two persons. We only have two persons on board and they reside within the accounting unit. One of the problems we have is the lack of experienced staff.

Mrs. Baptiste-Primus: No. No. The point that I am making, the information that came before this Committee through your submission is that two persons were retained on part-time to provide in-house training to the accounting staff, but you just shared with member Ameen that you have two persons at the level of accounting executive sort of picking up the slack from, that was left by the financial officer. I am saying that is not in sync with the information you shared with this Committee.

Mr. Ramsingh: No. I do not have anybody at accounting executive level, but I said the former accounting executives in the public sector, retired at that position, and

retired as auditor.

Mrs. Baptiste-Primus: No. The point is that, you said that these two people are literally taking up the slack of the financial officer who would have retired on the 7th of November; that is what you just shared with member Ameen. But I am pointing out, in the information that came before this Committee that you submitted said that these two part-time persons were brought on board for the specific purpose of in-house training to the accounting staff. So if they were brought on board to provide training for the accounting staff, their role could not have been to take up the slack of the financial officer; that is the point that I am making.

Mr. Ramsingh: All right. Thank you. Through the Chair, no, they have not taken up the position of the financial officer.

Mrs. Baptiste-Primus: No. I said take up the slack.

Mr. Ramsingh: All right. They have not taken up the slack of the financial officer.

Mrs. Baptiste-Primus: That is what you just told member Ameen.

Mr. Ramsingh: No. Well, I will retract the statement.

Mrs. Baptiste-Primus: Okay.

Mr. Ramsingh: What they do, and let me explain. The training issue is, it is rather than a formal training—

Mrs. Baptiste-Primus: No. No. I do not have any problem with that.

Mr. Ramsingh: Okay.

Mrs. Baptiste-Primus: What you are trying to do is to make use of what you have.

Mr. Ramsingh: Yes.

Mrs. Baptiste-Primus: I was just pointing that there was an anomaly in the information you gave and what you gave to—okay. Mr. Chairman.

Ms. Ramdial: Yeah. Chair, just going back to my question of fraudulent activities at the regional corporations. Now, in your submission San Juan/Laventille Regional Corporation, you cited that there have been allegations of overcharging of fees and

payment of fees for work that was not done. Could you care to elaborate with respect to these submissions you made on "fraudulent activities"?

Ms. Lakhan: Through the Chair, we did not make that submission.

Ms. Ramdial: But this is what I have here on my document.

Mr. Forde: Quote the page.

Ms. Ramdial: Page, the legal size document:

> Have fraudulent activities been perpetrated by external parties during the past five years?

And the San Juan/Laventille Corporation from your submission.

> Yes. Allegations of overcharging of fees and payment of fees for work that was not done.

And then we move on, the Diego Martin Regional under that question also where you have:

> An attempt was made to cash a missing cheque in the sum of $4,700,000.

So let us start with San Juan/Laventille.

Ms. Ramawadh: Through the Chair, I think you have it mixed up. We are the one with the missing cheque with the $4.7 million.

Ms. Ramdial: Okay. So the print was done. Right. So do you care to elaborate on that? Is that an ongoing investigation at this time?

Ms. Ramawadh: Yes. It is an ongoing investigation. The Fraud Squad is investigating that mattering right now.

Ms. Ramdial: And when did this happen?

Ms. Ramawadh: It happened in August of 2017, August 14, 2017.

Ms. Ramdial: All right. Okay. And to Diego Martin Regional Corporation, your allegations of overcharging of fees and payment of fees; so well that was allowed. Well, I guess you explained earlier. So thank you very much for that.

Ms. Ameen: I want to ask as a follow-up to member Ramdial, the Vice-Chairman's

question: What systems have you, both at the Diego Martin and San Juan, put in place since the discovery of these fraudulent activities to prevent future occurrence? And what plans are there to develop and implement anti-fraud measures at the corporation? So, Diego Martin first.

Ms. Ramawadh: Thank you. At the Diego Martin Regional Corporation I first must say that we do not have a fraud policy, and that would be taken to Council. That matter has to be taken to Council to be drafted and for approval. We have in each instant, each issue as it comes up, we have tried to first understand how it came up. In case of the cemetery, it was recent discovery. So we are now trying to find out the exact way the actual cemetery keeper works, and that would have happened just last week. So it is a matter—

Ms. Ameen: Maybe the Chairman could guide because the council is responsible for policies. Have you had the opportunity to consider any policies with regard to anti-fraud measures?

Ms. Hong: While the Council did have some discussions, we work with our financial person to see how best we could come up with some kind of policy to put in place, but our Accountant I is there to advise us on how to draft this piece of policy so that—to prevent something like this from happening again.

Ms. Ameen: And from San Juan/Laventille, any moves toward putting a policy in place?

Mr. Roberts: In terms of policy, the Council did resolve to do a total restructuring of the accounts division, and ensuring that we include the new procurement legislation to guide us as we proceed.

Secondly, we have resolved to establish our own internal audit department. Right? So we have done that. We have established as well an asset management system which will assist us in computerizing the operations of the different departments of the corporation and that is ongoing at this time. We have resolved to

do a forensic audit in other departments throughout the corporation because we still believe that some nonsense is taking place at the different levels of the corporation. And the CEO at this time is making, putting the necessary things in place to have someone on board to do the forensic audited on behalf of the corporation.

We resolved as well to change the method of salary payment at the corporation. We now have a system as—is referred to as the Easy Pay, and we have written the Ministry on our intention to move to the IGovTT system. We have been in conversation with the Ministry of Finance as well on that matter.

The issue of the collection of fees and so from, let us say, market and other services that we provide, we resolved and wrote to the Ministry to allow us to have a sort of LINX system with possibility at some point in time to have a whole cashier system. Because, you see, what we have now is a market clerk who would be moving through the market with a basket and a police walking behind to collect fees from persons, and that system is so archaic, so that it is easier if persons could use the LINX machine to be able to make their payments to the corporation.

11.30 a.m.

Mrs. Baptiste-Primus: Sorry, Chairman, permit me. Have the corporations considered perhaps an annual payment for market fees instead of this?

Mr. Roberts: We considered. As a matter of fact, we have done our market by-laws, and we are trying to guide the vendors to make monthly payments instead of these weekly payments that they now make at the market.

Mr. Chairman: Do you have a time frame that you are looking at to implement this LINX system?

Mr. Roberts: Well, we are actually waiting on the Ministry at this time. We have not gotten a response from the Ministry, but we did send them the resolution of Council to the Ministry, and it is quite some time. It is possibly about a year now. It is about a year now we have sent that information, but we are pressing forward to

make sure that these things fall in place to modernize the operation of the corporation.

Mr. Chairman: Will the PS give us some guidance on what it may take to help implement this?

Mrs. Daniel: Chairman, the matter was referred to the Ministry—I am actually seeing in September—and the matter has to be approved by the Ministry of Finance. It has been forwarded to the Ministry of Finance, to Comptroller of Accounts specifically. So the Ministry will follow up with the Comptroller of Accounts. But it is out of our hands, the decision, the approval has to come from Comptroller.

Mr. Chairman: Do the other corporations have any similar plans to implement such a LINX system?

Mr. Calliste: Chairman, at the Diego Martin Regional Corporation, the CMOH department uses the LINX machine to collect payments. We too would like to get the LINX machine into the office where other payments could be made outside of the CMOH payments.

Mr. Gangoo: Mr. Chairman, likewise Siparia, we are going to follow the Diego Martin route and go and seek that facility.

Mr. Chairman: So we could look forward in seeing this—

Ms. Peterkin: Penal/Debe did not answer.

Mr. Chairman: Yeah, yeah. Looking at best practice and implementing something that, you know, could work across the board. Penal/Debe, do you have any intention of pursuing that?

Mr. Ramsingh: Mr. Chairman, we have cashiers units set up, and a LINX machine is one of the facilities that we have to provide that service to the burgesses. So people could come into the corporation and pay by LINX as well.

Ms. Ameen: But you still collect cash at the corporation?

Mr. Ramsingh: We still collect cash at the market, but all cash is deposited in night

safe as soon as it is collected.

Mrs. Baptiste-Primus: Chairman, the question was whether or not fraudulent activities have been perpetrated by external parties during the past five years. I would like to flip the script and ask all corporations present, whether or not any fraudulent activities have been perpetrated internally by any employees of the corporations? For all of them.

Mr. Chairman: Could we start with San Juan/Laventille.

Mr. Roberts: The answer is yes. That is a matter that has been aired in the public and is now receiving the attention of the court. Persons were arrested, and I think it is joint, both internal and external. I cannot say for the matter that was referred to earlier on with the cheque because that investigation is taking place, but we believe that there was some kind of internal involvement as well. So those two matters we have brought to your attention.

Mr. Chairman: Could I get a comment from Siparia?

Dr. Ramadharsingh: No, over the last five years no fraudulent activities were perpetrated by any external party, or even internal parties that have been reported.

Mr. Chairman: Diego Martin Regional.

Mr. Calliste: Yes, Chairman, we did have the one case where six cheques were cashed by persons who—were prepared by the then accountant and cashed by persons who did not supply goods and services to the corporation.

Ms. Ramdial: Just one thing, in your submission you had also where 300 workers, labourers, were hired, and that is before a committee—was that perpetrated internally?

Mr. Calliste: Yes, it was.

Ms. Ramdial: What is the status of that case?

Mr. Calliste: The matter is being handled be the Professional Standards Bureau. Interviews were done, and we are awaiting their next move.

Ms. Ramdial: And just one other instance where you had 12 truck batteries stolen from the transport yard. Is that also under police investigation?

Mr. Calliste: Actually that was six truck batteries. Yes, that matter is being investigated by the municipal police right now. That is a recent one.

Ms. Ramdial: Okay, very good. Thanks.

Mr. Chairman: Could you give me some clarification about the context these 300workers were hired for?

Ms. Ramawadh: Mr. Chair, my information is that around 2016, employment slips, I believe some of them were blank, somehow reached out to members of the public. As I said, it is being investigated right now, so much of the details we would not have, and they came into the employ.

Ms. Ramdial: To you, for how long were these 300 labourers employed for at the corporation? And how much moneys were expended in term of salaries?

Ms. Ramawadh: Mr. Chair, I would like to ask Mr. Calliste, if I can, please?

Mr. Calliste: These workers had been in the employ of the corporation from 2016. The letters started being issued around October 2016. I do not have a figure with me as to how much was paid so far, but—

Ms. Ramdial: How long were they employed for? You said from October 2016 to?

Mr. Calliste: The letters were issued until further notice.

Mr. Smith: Mr. Chair, I also recall I think, during 2010 to 2013, the Chairman's gold chain was stolen and ammunition and guns were stolen. Was that also solved by the police?

Mr. Calliste: I cannot answer that. I heard about that incident.

Ms. Hong: Through you, Chairman, I know that was investigated by the Trinidad and Tobago Police Service, but I since then have not heard anything from the police on that matter.

Mr. Chairman: When you hire workers, do you hire them on a temporary basis or

a permanent basis? Because I am trying to figure the 300 workers. You said that you may have hired them and you have to break their contract and hire them again. Was there any sort of a—how come they were allowed to have a contract for so long undetermined?

Ms. Ramawadh: Therein lies the problem, Mr. Chair. That is where the error occurred, and there is no cut-off date.

Mr. Chairman: So, it is before a committee now? It is being investigated how that slip-up occurred? Good.

Ms. Ramawadh: Yes, and the officer involved was transferred to another corporation, and the matter as we said earlier is before the Professional Standards Bureau.

Mr. Chairman: Well, I guess, would the other corporation be warned about this individual?

Mr. Smith: Is the individual still working with you all?

Ms. Ramdial: No, transferred.

Mr. Smith: Transferred to where?

Ms. Ramawadh: To another corporation.

Ms. Ramdial: Would you care to share which corporation that individual was transferred to? Because, I mean, we need to put in some mechanisms.

Ms. Ramawadh: Head office, Kent House.

Ms. Ramdial: Head office.

Mr. Forde: Chairman, I heard the financial officer say that—

Mrs. Baptiste-Primus: No, we have one other corporation to answer.

Mr. Forde: No, but for this particular one that he does not have a figure, could we get the figure in writing, please?

Ms. Ramawadh: Yes.

Mr. Forde: Please ensure that the figure for that 300 batch of workers, if we could

get what it cost the taxpayers?

Mr. Calliste: For the period of time?

Mr. Forde: For the period of time.

Mr. Chairman: I would like to call Penal/Debe. I think we need a response from them.

Mr. Forde: You got response from everyone?

Mr. Chairman: Yes, except Penal. Penal/Debe.

Ms. Peterkin: No, except Penal. Penal/Debe.

Mr. Chairman: Penal/Debe.

Mr. Ramsingh: Chairman, to my knowledge there are no cases of fraud whether external or internal, but the practice is that if there is any instance of fraud, suspected fraud, it will be referred to the police. What we do have though, I mean this generally for everybody, is given technology now people might tend to copy a letterhead and utilize that to go and engage with other members of the public. We had one case like that where somebody—some land issue with two parties and they used a building inspector's signature. That is before the Fraud Squad.

Mr. Chairman: But in your submission you had listed procedures that were implemented to detect inadequacies and misappropriation of funds—that is page 9 of your response to question 7. Could you specify the major systems that have been documented and state how often these systems are actually reviewed? And also, what factors prompted the closer monitoring of the garbage collection system?

Mr. Ramsingh: Chairman, what we did, we utilized the services of some. We have periodically university staff, and—students, sorry—and also OJTs, and we did some walk-through of most of the systems within the corporation, so we could have assessed where there may be weaknesses and try to put some systems in place to address that. I give some examples there, you have an establishment of a single stores, the separation of the stores, functions of receipt, custody and issue from usage

and payment functions, that is suppliers' and contractors' invoices are submitted and pre-checked in accounts rather than go to the department; that enables us to keep a better track on our cash and make sure that everything is in order before it goes for certification. Where there are weaknesses and technical expertise, we would have engaged experienced professionals to assist there.

With respect to the garbage collection, we have been attempting to enforce the terms and conditions of the contract, and several measures have been put in place. We have had numerous meetings with the contractors and we seek to enforce their side of the—have them enforce their responsibility. It is a challenge, given that we—I mean, it is on the media that we had some issues in Palmiste areas and so, and those issues would have arisen simply because this contract was in existence since 2012, it is now 2019, and there are different demands by members of the public that cause us to take action, and when we do, the other side of the story is the contractor will now abide by what their terms and conditions are to. So, in this case we had an issue of if—you want me to go on?

I will just give an example. In the Palmiste district the contractor used to start pretty early to finish. What happens is, people were insisting that they were starting too early, the trucks coming too early. When the contractor starts at the appointed time, now you are complaining that the garbage—at peak hours—the garbage truck is working now so it causes a traffic congestion. The size of the truck, the contractor has to make average four trips to the dump. When they leave late, when they are coming back down they meet all the traffic, so the trucks were going into late hours of completion. And some of those things were what caused the problem. We have since resolved that.

Mr. Forde: And as we are on the garbage sanitation issue, so how would you rate the whole garbage scenario within your region? How you rate it? Very good? Good? Satisfactory? Poor? How would you rate it? And I would like to get the comment

from all of the particular Chairmen also, and as you are on the floor also, same time, you said that the contract has since—we are no longer working on a contract? Right?

Mr. Ramsingh: No.

Mr. Forde: So it is on a what, a month-to-month basis? How it works presently?

Mr. Ramsingh: It is on a month-to-month basis now. When the contract expired, we would have written the Permanent Secretary and they would have advised that the contracts to be extended on a month-to-month, on the same terms and conditions, and therein lie some of the problems.

Mr. Forde: So you are saying more demands are being made on behalf of the public in terms of the schedule?

Mr. Ramsingh: That is correct

Mr. Forde: Right, in terms of the contractors now, in terms of their efficiency, in terms of their trucks being in order, in terms of the dip tray being in place, in terms of the whole service being provided, are the checkers sending in, on a daily basis or weekly basis, what areas are being cleaned properly, or have not been cleaned properly? Could you deduct or rate it? I need information from that from all chairmen here please?

Mr. Ramsingh: Yes, we do that. We have instituted the rectification notice as for the terms of the contract, and checkers were trained to do that. So if there is any variation, the checkers cannot authorize any change to the terms and conditions. So if there are any variations to the terms and conditions they have to refer that to their supervisor. In addition, we have a desk within the public health section where all checkers will call in the time of the—at different points along the scavenging route. So the people in the office will record that the truck has been at this point, this point inspected at so and so time. So, we try to ensure that the work is done in that way. If the service is done satisfactorily, I would say there has been some tremendous improvement given the constraints that we have. We have 18—how many there is?

I cannot remember, but we have three contractors, one contractor having about the bulk of the areas, and that sometimes poses a problem.

Mr. Forde: So your rating would be?

Mr. Ramsingh: Sorry?

Mr. Forde: Your rating? Your rating?

Mr. Ramsingh: I would say fair.

Mr. Forde: As we are in the back row, we would have San Juan/Laventille.

Mr. Roberts: Thank you, Chair. Generally I will say that we could say satisfactory, save and except for the Laventille area. We normally have some problems with that particular contractor, and we issue rectification and default notices—in other words, we cut you when you do not perform. If you do not discharge your responsibility to the burgesses in terms of the collection of garbage, we do not pay you for that particular time that you have defaulted. But generally, our health department is on top of the situation, and when that occurs in Laventille, what we do is that we send trucks and backhoe to ensure that the place maintain—we maintain a clean environment. So, but other than that, outside of that we are generally okay.

Mr. Forde: Okay. Siparia.

Dr. Ramadharsingh: I would think that we are pretty good at the garbage collection situation, I would rate it around 7.5. There is always more that could be done. We initially had some issues and we called in all the CSOs and the SOs in a meeting of the health committee, and that was a very expanded meeting and a very detailed meeting where the whole process went through. I think you described some of it. And that helped a lot, because they realized that it was a very important—that they report back in a timely manner as to the state of garbage collection. Because the councillors were reporting what the people were saying in particular areas, and we harmonized that with that particular meeting.

Then, of course, the contractors, nine of them, they are complaining, and they

are saying that, of course the conditions of work and the cost of fuel and employment, the salaries have increased so much that they are almost breaking even, that is what they say, but we continue to work with them, and at times we have had not to pay if we were not satisfied. But by and large we are doing well, and Petrotrin, the closure of Petrotrin has put increased pressures on us, because there were some areas in Santa Flora and Fyzabad that were serviced by Petrotrin, those were the company communities. And now the Siparia Regional Corporation has to come forward and take, with the limited resources, to handle that. So, we have had to build in-house capacity to assist with some of these areas.

Mr. Forde: Diego Martin.

Ms. Hong: Thank you. Through you, Chairman, we have five contractors working in the region of Diego Martin. Diego Martin is a very lovely place to live, so you find we have an increase in population in the Diego Martin region. There are areas where we have absolutely no problem, and there are other areas that we have problems, and I would tell you how these problems arise. There are areas where people do not want a bin in front of their homes, and that is causing serious problems, because there are areas that new garbage sites are being created, and there are areas where people do not want no bins at all. And these areas, unfortunately, are the hilly areas where we need to have bins in the area that we could reach the people who live on the hill.

So, we have a problem. I am not going to say we do not have a problem. Where we have bins people leave from all about—and I do not know if other regions do not have that problem—to dump, where we have the bins. So, at times, sometimes while we want to come down hard on the contractors, there really is an increase, and the old contract does not cater for that increase. So, how I rate Diego Martin, out of 10 I will say a six.

Mr. Forde: Have any of the regional corporations here enforced the Litter Act at

any time? Quick answer, each one. You could go ahead Diego Martin—enforced the Litter Act, have we charged anyone? Have we cited anyone? Have we—

Mr. Chairman: I think in the essence of time, I am hoping we can get that in writing because—

Mr. Forde: Mr. Chairman, these are critical aspects to the public, you know, because we are hearing of the different ratings that they are getting, and on a daily basis on the media you hear a lot of complaints with regard to sanitation and so on. All right, but we could get it in writing. Not a problem. All right, could I just go to my last question for everyone?

Mr. Chairman: Yes, sure.

Mr. Forde: With regard to the development programmes at each regional corporation, we have various sizes, we have various councillors for each particular region, so each particular municipality will receive their development programme, how is it divided among each councillor's electoral district? Is it equitably done, or is it that a particular councillor's area would get a particular amount from a different one? Quickly please.

Ms. Hong: I would not say it is equitable, but what I say is based on the need, and sometimes you have to soften up to understand the need of other councillors, and based on that need, you know, we will give way. So, it is based on—

Mr. Forde: So, it would not be based on political affiliation?

Ms. Hong: Well, in Diego Martin we do not have, we have—

Mr. Forde: Siparia.

Dr. Ramadharsingh: Well, given the nature of Siparia, consultation is the order of the day, because we have a very balanced council. It is just a slim majority, and we divide the money among the representatives, and the Chairman's office gets one of those allocations as well.

Mr. Roberts: Chairman, I am not that fortunate to get an allocation as Chairman,

but the Council will determine on the allocation based on the needs of the region, and that is how we do our distribution. Because some areas are less developed than others, and as a result we take that seriously into consideration.

Mr. Forde: Penal/Debe, Dr. Sammy.

Dr. Sammy: Yes, Sir, ours is equitable but not necessarily equal. We have one political hue, so we have no internal challenges as others may, so there is always consensus. But there is an issue that some areas are in greater need than others so the formula is not always a smooth one, and some councillors will say, "Well look, I need some additional, maybe I can make up for it out of recurrent, with projects, small projects". But, yes, it is equitable.

Mr. Forde: So we ensure that the region benefits at the end of the day.

Dr. Sammy: Certainly, Sir.

Mr. Forde: One other question. software, how do you all deal with unspent balances? Like for instance I would like to know, with your last year, how much funds went back to the Ministry?

Dr. Ramadharsingh: I think we have been very vocal in Siparia about unspent balances, and very, very determined to get our unspent balances. We have about, at the last time it was 4.5 million, and I think we are just about 5.2 million. We are fighting for that money, and the Ministry has to send an audit team within the next week or two to confirm the existence of the money so that we could get the approval to spend it.

Mr. Forde: Right, and you would have projects enlist?

Dr. Ramadharsingh: We have projects lined up for that.

Mr. Forde: Okay. Diego Martin.

Mr. Calliste: We are in the process right now of waiting on the internal audit to verify our unspent balance.

Mr. Forde: You have a ballpark figure?

Mr. Calliste: About 18 million.

Mr. Forde: Eighteen million for one year?

Mr. Calliste: No, no, no, several years.

Mr. Forde: Okay.

Mr. Calliste: The last time we accessed unspent balance was 2011.

Mr. Forde: Okay. Right. San Juan.

Mr. Roberts: The council resolved how they wanted to spend the unspent balances. Since we are pursuing an administrative building at this time, our unspent balances, all of it, will go towards the remodelling and furnishing of that particular building. At this time we have about six million that has already been audited, and I suspect about three or four million unaudited at this time.

Mr. Forde: Okay, and for what period, roughly?

Mr. Roberts: That could be from about 2012 to present.

Mr. Chairman: Probably the corporations could give us the figures and also the amounts in writing. [*Interruption*] I have a question—

12.00 noon

Ms. Ramdial: This is directed to the San Juan/Laventille Regional Corporation. Now, in your submission you indicated that the Ministry seems to have been working counter the directives of the Councils in that several new CEOs have been assigned to the corporation over the last 12 months. Can you give me your response and I could also have the Permanent Secretary after respond to that. Thank you.

Mr. Roberts: I think I try to make it very clear, over the last year, that is 2018,we have had five CEOs. And certainly if you have five CEOs it will destabilize the operation of the corporation because when a new CEO comes you have to readjust, give that CEO an opportunity to settle and that has been the problem. For this year, 2019, we are on our second CEO, all right? So—

Ms. Ramdial: Why, Sir, Chairman, have you had—

Mr. Roberts: Really we have no control. There was one CEO that we asked to be removed because we had a conflicting situation and the others were removed by the Ministry, I guess. The Permanent Secretary might be able to guide on that situation.

Ms. Ramdial: PS?

Mrs. Daniel: Chair, I am happy that Chairman Roberts indicated in his response that there was a request on the part of the Council, because that happens from time to time. And, of course, laws of natural justice, there would not be an automatic movement, but then you have to balance the relationship between the players. Of course, if you think about it, if there is an issue with a CEO and there has to be a rotation, it means that someone who is probably very pleased with their current arrangement would have to be moved. So that alone accounts for movement.

In the case of the person, actually, this CEO here—and that gives you a sense of some of the challenges that we do have. Ms. Ramawadh was holding on in a temporary capacity while we facilitated the movement of the CEO outwards. But we had to provide a more long term arrangement in San Juan/Laventille and we moved her onto another—and I cannot guarantee how long-term that is going to be either, because there are realities in the public service context with seniority and persons who are supposed to come into the system, who are to assume. So that can change and that is our reality. We are talking about persons retiring, we have had in one place a retirement, we have an impending retirement and that is what we are working with.

Mr. Chairman: Do you consider that San Juan situation as extraordinary? Do you encounter strained CEO relationships with the other corporations?

Mrs. Daniel: I do not think—

Mr. Forde: Chairman, probably we should get the Chairmen to answer that question.

Mrs. Daniel: It happens from time to time. There is the feedback and I just want to

say that the first recourse is not to move around persons so that there would be some intervention sometimes at a level beyond myself and conversations would be had and so on. And there are times when the feelings may be mutual and there would be times when there is a request. Of course, in the case of Diego Martin, as an example, the person who is there and who is probably—there may have been no dissatisfaction, but there was an opening somewhere closer to that person's home and, in fact, a number of CEOs would have been eagerly wanting to replace the person who had retired and Diego Martin—the former person was the lucky person I suppose.

Mr. Chairman: I would like to recognize member De Freitas, please.

Mr. De Freitas: Thank you very much, Mr. Chairman. This question is to the Siparia Regional Corporation. With regard to the discontinuation of the financial management software due to duplication of effort and its demand for additional staffing, I would like to find out, was there resistance from staff in implementing this computer-based system?

Mr. Gangoo: Chairman, I would like to ask the financial officer to answer that.

Ms. Bates: At the point in time when they tried to implement the software I was not employed at the corporation, but the feedback that I would have received is, there was some level of change, resistance, resistance to the change, and additionally there was no adequate resources in terms of the human resource in order to do the additional data entry into the software.

Mr. De Freitas: So there was not enough—how much people do you need to do the data entry?

Ms. Bates: At least two dedicated members of staff.

Mr. De Freitas: And there is no way the corporation could have found two people to do data entry. So you scrapped a programme which, from what we have been hearing all morning, would have greatly reduced the leakage of funds that is

happening at these corporations. And because you cannot find two people to do data entry you scrapped that completely, so much so that just the Siparia Regional Corporation was seeing that they have not had financial reports since 2013. What assurances can all of these corporations give to the population of Trinidad and Tobago that these types of leakages would not happen again? We are seeing a situation where there is a solution and that solution is stifled and stopped because you cannot find two people to enter data and you are telling me there is resistance to this. What assurances can you all give to the people of Trinidad and Tobago, because it is taxpayers that is paying for this, each corporation?

Ms. Bates: I would say for the Siparia Regional Corporation we would intend to find the necessary resources in terms of the human capacity in order to do the data entry within. We currently have a special project where we have asked for additional persons on contract to fill vacancies, to do some data entry for another project that we have for Board of Inland Revenue. That would be to provide some information with regard to contractors and suppliers over the period 2013 to current. And that is the additional staff that we are currently using.

Mr. De Freitas: So your assurance is that you are going to get the staff to put the data—so are you saying that you are going to restart this project?

Ms. Bates: We would have to approach Council in order to restart that project.

Mr. De Freitas: When was the project started and stopped? What year?

Ms. Bates: I think it was started sometime—I am not certain when it was started. I think it was in 2012 and it was stopped in 2016/2017.

Dr. Ramadharsingh: So I just wanted to indicate that this was before this new Council came and the financial officer. We did take steps to bring in a financial officer because of some of these issues. And I just want to point out—it would be the remiss of me if I did not point out that in the Municipals Corporation Act, 25:04, 36 defines:

"(1) The Chief Officers of a Corporation"—as—

"(a) the Chief Executive Officer;

(b) the Corporation Secretary;

(c) the Treasurer;

(d) the Engineer;

(e) the Medical Officer of Health."

And we are interested in the Treasurer. And at 37(1) it says that:

"A vacancy in the office of a Chief Officer shall be reported forthwith to the Commission."

And 37(2) says that:

"(2) A vacancy in any office held by a Chief Officer shall be filled within three months after its occurrence, failing which, the failure to fill the vacancy shall forthwith be reported to the President by the Mayor…"—or Chairman.

And this is what we used, this clause in the legislation, 37(2) and we wrote the President indicating that there was a failure by the Commission to appoint a financial officer. And I think this is one of the things that helped us to get a person in that position.

Mr. Chairman: Members, we are looking at a 12.30 p.m. closing time, but still I would like to direct a question again to Siparia Regional Corporation. You stated that the finance—an allocation of resources committee recommended a forensic audit on the stores department. That is on page 6 of your response to question 14. Explain the circumstances which prompted this recommendation.

Ms. Bates: There was an issue with regard to forthcoming reports with regard to internal requisitions for items from the stores department and I believe that is what would have prompted Council to investigate further into the procedures within the stores department. In addition, they were concerned about, who were the custodians

of the keys to the stores department, as well as the procedure for the requisition of stores, the internal requisitions, and how persons would receive items of stores.

Mr. Chairman: Has the situation been improved or rectified in any way?

Ms. Bates: Well, there was a system audit recently at the end of 2018and we are still awaiting the reports on the systems audit. It was conducted by the Ministry of Finance and that was one of the areas that they would have covered.

Mrs. Baptiste-Primus: Thank you kindly, Mr. Chairman. In light of the time constraints I would want to ask the representative, the Chairman or CEO or Corporate Secretary of Penal/Debe Regional Corporation. In your information sharing to this Committee you indicated that, you reference numerous lawsuits against the corporation. Could you advise this Committee what is the nature of the lawsuits regarding the moneys owing and the law firms involved?

Mr. Ramsingh: Thank you. Mr. Chairman we have had instances where we have five matters at the High Court where persons would have taken action against the corporation for drainage issues, several infrastructure issues; some of which have since been resolved. At the High Court level we have retained a firm by the name of Harrikissoon & Company. We have several matters at the Magistrates' Court as well.

Mrs. Baptiste-Primus: How many matters at the Magistrates' Court?

Mr. Ramsingh: Currently we have four matters at the Magistrates' Court all which deals with municipal matters which I would say is blockage of drains, buildings, work of that nature. We also have three pre-protocol letters currently being addressed and we have one other matter, a development matter, that we are working on and pre-protocol letters have been issued in respect to that.

Mrs. Baptiste-Primus: And the law firms involved in all these matters/

Mr. Ramsingh: At the High Court matter we use the firm of Harrikissoon & Company.

Mrs. Baptiste-Primus: How many matters at the High Court?

Mr. Ramsingh: Five currently at the High Court—

Mrs. Baptiste-Primus: Five at the High Court and four at the Magistrates' Court.

Mr. Ramsingh: Four at the Magistrates' Court.

Mrs. Baptiste-Primus: So Harrikissoon & Company is the law firm in those matters before the High Court?

Mr. Ramsingh: Yes.

Mrs. Baptiste-Primus: And who is involved at the level of the Magistrates' Court?

Mr. Ramsingh: Trilaw Chambers. It is at page 15 of my submission.

Mrs. Baptiste-Primus: With regard to—

Mr. Chairman: One minute—just a question.

Mrs. Baptiste-Primus: Sorry Chair.

Mr. Chairman: Is the Corporate Secretary an attorney-at-law?

Mr. Ramsingh: Yes, she is.

Mr. Chairman: In cases like this, will your Corporate Secretary usually give legal advice or do you still have to outsource legal advice?

Mr. Ramsingh: The Corporate Secretary does provide legal advice, but sometimes because of the time in preparation and the complexity of the matters, we refer it to external attorneys.

Mrs. Baptiste-Primus: Thank you kindly, Mr. Chair. Just one or two more questions. How does the corporation proceed to secure the legal services required? Do you all secure it through sole select or you all invite law firms to bid? What procedure do you all follow?

Mr. Ramsingh: We refer to persons who would have had experiences of this type of nature, of these matters, and we would refer those matters to them for advice.

Mrs. Baptiste-Primus: Now, how do you all procure the services of the—because you said five matters are before the High Court and Harrikissoon & Company are in all five matters and you have four at the Magistrates' Court and Trilaw Chambers.

How did the corporation proceed to secure the services of these two law firms?

Mr. Ramsingh: Well, based on the experience of these attorneys in other matters, in some of the other corporations as well, we just refer that to them.

Mrs. Baptiste-Primus: So it is a sole select?

Mr. Ramsingh: Sole select.

Mrs. Baptiste-Primus: Are you aware Mr. CEO that when you are going the route of sole select, there must be compelling and justifiable reasons for a sole select?

Mr. Ramsingh: Mr. Chairman, I think in the cases when we are issued the letters, when we get them, we have limited time to respond to these things.

Mrs. Baptiste-Primus: Mr. CEO, I want to—based on the experience that I have, I want to caution you to be careful in the direction you are going in, because you might put yourself between a rock and a very hard place, because there are procedures and regulations in place and a corporation cannot, or a CEO cannot say, well an action came up urgently, so because it was urgent I did X or Y. That is how a breach develops. So I would want to caution you. But, Mr. Chairman, I would want to ask the CEO one other—so is it that with regard to five High Court actions that you proceeded to employ the services of Harrikissoon and Trilaw Chambers; they were urgent matters that came before you or the corporation?

Mr. Ramsingh: Yes. All these matters, the all five matters came before us—

Mrs. Baptiste-Primus: In an urgent way? And the four matters at the Magistrates' Court in an urgent way that others could not be allowed to bid for those services to the corporation?

Mr. Ramsingh: The matters that came before the corporation at the High Court were not—they were not pre-protocol letters. They were matters that were filed against the corporation and we were given a time frame within which to respond. So we would usually take that to the Council with the recommendation of a suitable attorney to represent the interest of the Council in that matter.

Mrs. Baptiste-Primus: So how long have these two firms been representing the corporation?

Mr. Ramsingh: Only on these matters—

Mr. Chairman: No, how long? Two years, three years, one year; how long is the relationship?

Mr. Ramsingh: Trilaw is one year. Harrikissoon is approximately a year too.

Mrs. Baptiste-Primus: My final question Mr. Chairman to the CEO. How long have you been the CEO of Penal/Debe Corporation?

Mr. Ramsingh: Just over a year.

Mrs. Baptiste-Primus: Have you at any point in time utilized Harrikissoon Company limited in your personal capacity?

Mr. Ramsingh: Yes, I have Ma'am.

Mrs. Baptiste-Primus: Chairman, there are strict rules—I would want to ask the Permanent Secretary to advise this Committee, based on the response of the CEO, whether or not such an action is acceptable. You are the Permanent Secretary, Mrs. Daniel?

Mr. Chairman: Yes, Mrs. Daniel, could you give a response?

Mrs. Daniel: I will speak for myself because as I have indicated at the first meeting our CEOs are accounting officers. So they are accountable. So I will speak for myself as an accounting officer and I will say that where I have—as in the circumstances we just heard of, that I would ensure that I do not find myself in such a situation. It would certainly, particularly, in the context as painted, if there is no procurement process involved and if it is a sole select—particularly where the—because it is a sole select it means that there may not have even been a tenders committee. So for myself it would not happen and it is a difficult situation to contemplate.

Mr. Chairman: And remember in our first meeting I also mentioned that we need a system in place to monitor the CEOs and this is, I think is something we would

have to look into.

Mrs. Baptiste-Primus: Chairman, I would just end by saying the principle of accountability and transparency certainly would reject any such action taken. Because if a CEO has a lawyer in a private matter, how then can that CEO recommend and contract the services of that same law firm for the corporation? To my mind it is wrong.

Mr. Chairman: Well, there is light at the end of the tunnel because soon the procurement legislation would be in place.

Mrs. Baptiste-Primus: But we do not have any procurement legislation, Chair.

Mr. Chairman: No, this is a question I would like to put at them regarding the creation of—[*Crosstalk*]

Mr. Forde: But, Mr. Chairman, added also to the same point that my colleague was making, in terms of the other corporations here, because this is our second schedule with these municipalities and it now came up. So it is possible that it might be good to get from the other CEOs if the same situation is happening. Again, in the interest of time they could probably write it to us.

Mr. Chairman: But one question, with this corporation, what is the estimated time frame for undertaking the necessary arrangements to become compliant with the public procurement Act?—because you know soon you have to get things in place. So could you—yeah—I need that answer from— Could we start again with Penal/Debe Regional Corporation—about Public Procurement Unit, the time frame necessary to become compliant. So I would like us to—as we go with Penal/Debe Regional Corporation and we heard such startling facts brought up by Mrs. Baptiste-Primus with the CEO and sole. [*Crosstalk*] So I need to know about this procurement, the state of readiness for procurement.

Mr. Ramsingh: Thank you, Mr. Chairman. We have an existing Tenders Unit that operates. We have asked that the previous Corporate Secretary review the existing

procedures in practice to make them compliant as far as possible with what is required from the new public procurement legislation.

Mr. Chairman: Could I get feedback from Diego Martin Regional Corporation?

Ms. Ramawadh: Thank you, Chair. At present there is a Tenders Unit that is functioning and we are engaging them in training. That training is being conducted both at the Head Office, from Head Office, Kent House and internally. And we are in the process of developing the procurement plan right now.

Mr. Chairman: Could you give me a time frame when you plan to finish the—could I get the time frame on that please?

Ms. Ramawadh: Well, right now we do not have the full complement of staff. However, we are trying at least about three months, all being well.

Mr. Chairman: Could I get feedback from Siparia/Regional Corporation?

Mr. Gangoo: Thank you, Mr. Chairman. Like the other corporations, Siparia has a tenders department, but I do not know if you are aware the procurement legislation, the entire legislation was not assented to as yet. It involves a number of professionals, like Chief Procurement Officer, contract officers, contract managers, buyers and a host of other professionals. I am not sure if the PS could help me out here in terms of staffing the procurement unit and where we are—what stage we are? But as it is right now, my Corp Sec is involved in training the existing personnel at the tenders department.

Mr. Chairman: Can I get the response from the other corporations?

Ms. Ramdial: San Juan/Laventille.

Ms. Lakhan: Mr. Chairman, we are in the process—the legislation—the Ministry is engaging us in that process right now. They have sent documents for us to be guided by, so we are in the process—we have not identified staff or anything like that as yet. We will need some time to do that.

Mr. Chairman: PS, I see there is an appeal for help in certain corporations which I

hope you will be guided. And Ms. Ramdial would like to ask a question.

Ms. Ramdial: Sure. Just a quick question directed to the San Juan/Laventille Corporation. In your submissions you stated that an Acting Accountant II heads the accounting department and has obtained qualifications from CXC. Could you tell me how long this individual has been within the corporation and whether or not this individual received additional training in accounting practices?

Ms. Lakhan: She has taken up the position on July 27, 2017. She has no formal training in the position and we are really having a challenge with that in the absence of a financial officer.

Ms. Ramdial: So what is the intention of the corporation moving forward?

Ms. Lakhan: The intention is that we are going to write to the Ministry to see if we can get a more qualified accountant because the situation at San Juan, we really need help in that department.

Ms. Ramdial: PS, you care to comment on that issue please?

Mrs. Daniel: The advertisement for the position of financial officer is in the newspapers; so we encourage members if you know persons to have them apply. But I want to say that accountant officers in the public service, while they may have entered the system with five O levels, they would have had a considerable amount of work experience in terms of public service accounting systems. So I do not want the impression to be given that this is just a five O levels person who does not know anything about public service accounts; far from the truth.

Ms. Ramdial: Well, in this instance this individual was hired in 2017 if I am not mistaken.

Mrs. Daniel: She would have assumed at the corporation. This is a public servant, a public officer—

Ms. Ramdial: "Ah ha"—

Mrs. Daniel: It is a public service position so the person would have been assigned to the corporation.

12.30p.m.

Ms. Ameen: Mr. Chairman, we are dealing with the oversight and financial management at regional corporations and there are two quick matters that I want to get from these corporations—

Mr. Chairman: We have to be brief. It is 12.30.

Ms. Ameen:—and they can submit in writing if they feel the need to put an explanation. We spoke about scavenging. There are some corporations that have, through newspaper reports, indicated lack of releases, or releases not being on time to pay contractors, and because of that, scavenging contractors are downing tools. We had a case in the Princes Town Regional Corporation which was widely reported. If this is happening at other corporations, I would like us to be aware of it. I see Mr. Siparia nodding. Is it happening in Siparia?

Dr. Ramadharsingh: [*Inaudible*]

Ms. Ameen: Put on your mike. Because the public—

Mr. Forde: He probably does not want it on record, Ms. Ameen.

Ms. Ameen: The public is complaining about poor scavenging service, but the truth is that many of these contractors are not being paid because the releases are not coming to the corporation in a timely manner. Are you experiencing that?

Mr. Forde: Mr. Chairman, remember that question was raised prior and they have given their ratings and their particulars.

Ms. Ameen: No, no. This is not with regard to the satisfaction of the service. This is with regard to financial operations. Are you getting releases?

Mr. Chairman: I would like the Ministry to give that response in writing.

Ms. Ameen: It has nothing to do with the performance. It has to do with whether the Ministry of Finance is releasing the money to the regional corporations for them to

pay their contractors, because contractors are refusing to provide scavenging service because of lack of releases, because they are not being paid. Whether the service is satisfactory or not, we have reached to the stage where some contractors are just not providing service at all and Chairmen are scrambling and seeing what resources they could get from outside to assist. It is not a safe situation. You do not have proper gears, and so on. So this is where I want to get the information. Perhaps the PS could give—

Mr. Chairman: Well, thank you for giving us that question and I would rather that in writing because of the essence of time.

Mrs. Daniel: Can I just be—Chair, just to say that the example given, it was not a case of—while there have been instances of delays in payments, the Princes Town issue was not a case of outstanding moneys. Okay? Just for the record.

Ms. Ameen: You would send us in writing—

Mr. Chairman: Okay. So that was the last question given by Member Ameen—

Mr. Forde: Mr. Chairman, one question that we had on the last—when we had the last panel, it would be good to get it here. So they will supply it in writing—

Mr. Chairman: Writing, okay.

Mr. Forde:—which is new contractors registered from 2015 to present. New contractors registered from 2015 to present, provide us with a list, please.

Mr. Chairman: Well, we have certainly heard a lot today: water damage, questionable hiring of staff; CEO corporation dysfunction, you know, a lot of things we heard, and I guess there is plenty more but we have run out of time. And, in closing, I would like each of the persons from each of the corporations and the Ministry, if they so desire, to give a brief closing remark. I would like to start with Mrs. Jennifer Daniel.

Mrs. Daniel: It is my pleasure again—it indeed is—to be here. Once again I am leaving with information that I did not come with and with work to do. Thank you,

Chair and Committee.

Mr. Chairman: Ms. Susan Hong, Chairman of Diego Martin.

Ms. Hong: I, too, want to take this opportunity to thank you all for having us, and it was an experience. I can tell it was an experience that we certainly learnt from. Thank you.

Mr. Chairman: Alderman Dr. Glen Ramadharsingh.

Mr. Ramadharsingh: Thank you, Mr. Chairman. It has been a pleasure coming to this very distinguished gathering. I believe that local government is about community empowerment and we really would like to see more emphasis being placed on local government, even as we head to the reform. It will give more confidence to the population that there is going to be substantial reform. And while it may be others to advocate that we are talking too much about inadequate, poor and untimely releases, it affects our operation, the heart of it; our creditors. The people who we call on for emergency services, they become very hesitant to provide services because of untimely payments. We really need the Ministry of Finance to step up to the plate and to service local government in a much more timely and efficient manner.

Mr. Chairman: Alderman Anthony Roberts.

Mr. Roberts: Thank you, Chairman. I just want to put on the record, notwithstanding the comments of our Permanent Secretary, that the senior staff at our accounting department is woefully incompetent. And as a result, it is frightening. All right?

Having said that, I want to express my gratitude for being invited here to express the position of our corporation and we hope that we will continue to work together in order to satisfy the needs of the burgesses. Thank you very much, Chair.

Mr. Chairman: Dr. Allen Sammy.

Dr. Sammy: Thank you, Mr. Chair. Mr. Chair, I think that this meeting today has

exposed the lack of staff and therefore because of the lack of qualified staff at senior level, it must affect performance. So that the public must know why performance is as it is, simply because positions are not filled and therefore certain things cannot be executed. On a final note, however, I am concerned that local government election is due this year and there is local government reform and I am concerned with the number of services that are intended to be passed to local government. And given that the current system cannot meet the requirements, how prepared are we therefore, to meet those new burdens that will be imposed on us in going forward? Thank you very much.

Mr. Chairman: I thank you for your points, your knowledge, and in closing, I would like to thank the officials and the media for their attendance and participation, and thank the viewing and listening audience for their interest in the Committee's work. And at this point, I would like to adjourn this meeting. Thank you all.

12.37 p.m. *Meeting adjourned.*

VERBATIM NOTES OF THE THIRTY-FIRST MEETING OF THE JOINT SELECT COMMITTEE APPOINTED TO ENQUIRE INTO AND REPORT ON LOCAL AUTHORITIES, SERVICE COMMISSIONS AND STATUTORY AUTHORITIES (INCLUDING THE THA) HELD IN THE A.N.R. ROBINSON MEETING ROOM (EAST), LEVEL 9, TOWER D, INTERNATIONAL WATERFRONT CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON WEDNESDAY, MARCH 27, 2019 AT 10.15 A.M.

PRESENT

Dr. Varma Deyalsingh	Chairman
Ms. Ramona Ramdial	Vice-Chairman
Mrs. Jennifer Baptiste-Primus	Member
Mr. Nigel De Freitas	Member
Ms. Khadijah Ameen	Member
Mr. Esmond Forde	Member
Mr. Julien Ogilvie	Secretary
Ms. Khisha Peterkin	Assistant Secretary
Ms. Terriann Baker	Graduate Research Assistant

ABSENT

Mr. Darryl Smith	Member
Dr. Lovell Francis	Member

MINISTRY OF RURAL DEVELOPMENT AND LOCAL GOVERNMENT

Mr. Raymond Seepaul	Deputy Permanent Secretary
Ms. Esther Pilgrim-Soanes	Director, Finance and Accounts

COUVA/TABAQUITE/TALPARO REGIONAL CORPORATION

Mr. Henry Awong	Chairman
Ms. Satragie Maharaj	Chief Executive Officer
Mr. Farzana Girwar	Secretary

SANGRE GRANDE REGIONAL CORPORATION

Mr. Martin Terry Rondon	Chairman
Mrs. Ann Hosein	Chief Executive Officer (Ag.)
Ms. Vedawatie Sookoo	Financial Officer

TUNAPUNA/PIARCO REGIONAL CORPORATION

Mrs. Betty Ramdass-Ali	Chief Executive Officer
Mr. Clayton Burnette	Chief Financial Officer
Ms. Onika Myers Haynes	Vice Chairman

Mr. Chairman: Good morning, members. Morning, I welcome you to the Thirty-First Meeting of the Joint Select Committee on the Local Authorities, Service Commissions and Statutory Authorities (including the THA). This is the Committee's third public hearing pursuant to its enquiry into financial oversight and financial management within municipal corporations. I advise persons here the session is being recorded for subsequent broadcast, and on this occasion I welcome you members from the Ministry of Rural Development and Local Government, Couva/Tabaquite/Talparo Regional Corporation, Tunapuna/Piarco Regional Corporation, and Sangre Grande Regional Corporation. At this stage, I warmly welcome you, and I would like members to please introduce themselves.

Mr. Ogilvie: Officials.

Mr. Chairman:—officials to introduce yourselves starting with the Ministry of Rural Development and Local Government.

[*Introductions made*]

Mr. Chairman: Would members from the Couva/Tabaquite/Talparo Regional Corporation officials introduce themselves?

[*Introductions made*]

Mr. Chairman: Would officials of the Sangre Grande Regional Corporation now introduce themselves?

[*Introductions made*]

Mr. Chairman: Would officials of the Tunapuna/Piarco Regional Corporation now introduce themselves?

[*Introductions made*]

Mr. Chairman: Thank you all for your presence here this morning, and I am Dr. Varma Deyalsingh, I am the Chairman of this Committee, and I would like members of my Committee to now introduce yourselves, starting with my Vice-Chair.

[*Members of the Committee introduce themselves*]

Mr. Chairman: So, thank you for being here again, and I would remind everyone present that the purpose, the objective of this enquiry is to examine the role of the line Ministry and executive management of the municipal corporations in promoting and facilitating accountability and transparency in the operations of the municipal corporations. Also to assist the internal control systems within the municipal corporations, and lastly, to examine the proposed local government reform initiatives associated with the management of finances with municipal corporations.

We have been inundated with news of irregular practices that occur in certain regional corporations, and even there is an oversight looking into the functioning of the corporations. And even though there are laws in place and there are checks and balances there, there are still gaps, there are still failures. We are still hearing things in the news coming to the forefront that things are not right. And, at least this enquiry is to really help us to help you to at least ensure that there is a more transparent process occurring in your corporations, because at the end of the day any sort of corruption, any sort of mismanagement of funds, it is the persons out there in your constituencies, in your areas will suffer. So, this is really to help us to help you to

get something in place that we can go forward.

At this stage I would like the chief officials to make opening remarks, but please in the essence of time, we are hoping that we would not exceed two minutes. So I would like to start with Mr. Raymond Seepaul, Deputy Permanent Secretary, Ministry of Rural Development and Local Government.

Mr. Seepaul: Thank you, Chairman, I just want to first of all apologize for the absence of my seniors, Permanent Secretaries, who are unavoidably absent. One of the reasons for that being that the Ministry was only notified of this meeting at 1.00 p.m. yesterday. Notwithstanding that, Mr. Chairman, the Ministry looks at these sessions as being critical, and I want to endorse what you said a while ago. We see the role of the Ministry as being critical to ensuring the efficient and transparent operations as it relates to local governance. And we welcome these sessions, and we trust, and it is our hope that it will redound to the benefit of not just the Ministry, but by extension, the stakeholders that we serve.

Mr. Chairman: Thank you. Would Mr. Henry Awong, Chairman of the Couva/Tabaquite/Talparo Regional Corporation give us opening remarks.

Mr. Awong: Thank you very much, Mr. Chairman. I actually look forward to the session and for our meaningful discussion. Ultimately, I hope it leads to better systems for the corporation. I am looking forward also for the opportunity to highlight some of the shortcomings of the regional corporation as it relates to financial matters and so on. So, I do look forward for the session ahead.

Mr. Chairman: Thank you. Would Mr. Martin Terry Rondon, Chairman of the Sangre Grande Regional Corporation give us some remarks?

Mr. Rondon: Thank you, Mr. Chairman. Sangre Grande Regional Corporation, we are responsible for an area of 898 square kilometres, we are 41 communities, eight electoral districts, and a workforce of 655. And I am here today, we are looking forward to carry the region forward together with my CEO and the Financial Officer.

So, I am looking forward today that we can have some positive ideas coming out from this Committee.

Mr. Chairman: Thank you, Sir. Would Ms. Onika Myers Haynes, Vice-Chairman of the Tunapuna/Piarco Regional Corporation give us some opening remarks.

Ms. Haynes: Thank you, Mr. Chairman. Let me first apologize for the absence of my chairman Mr. Paul Leacock. He is presently out of the country. Now, Mr. Chairman, on behalf of the corporation and council we thank the Committee for the invitation extended to us here today. Mr. Chairman, our council at the Tunapuna/Piarco Regional Corporation believes in good governance and value for money. However, Mr. Chairman, we note there are challenges within our corporation and other local government bodies and municipalities throughout Trinidad, and hence, Mr. Chairman, the need for local government reform. And we believe with this reform it would aid us in strengthening our internal mechanisms with respect to finance which is at the helm. Mr. Chairman, in conclusion I hope that whatever recommendations that are made by this Committee, it becomes part of policy, and not only policy on paper, but policy that comes to life. Thank you very much, Mr. Chairman.

Mr. Chairman: Thank you. Well, we share your same hope, and I am optimistic that this also would not just be a paper document but could see some sort of operating mechanism. And, as you mentioned the local reform legislation would be here soon, and we already have the procurement legislation and about to put it in place and tie in the loose ends. So, things are looking in the future, you know, bright in the sense that if we can get the legislation in place and operationalize properly, we can at least service, a better service to our members who live in our areas in the communities.

At this stage, I would like to start the question to the Couva/Tabaquite/Talparo Corporation, and I would like to direct a question to members of this corporation. Your submissions outlined for measures for securing cash, cheques and other

financial documents which you itemized on page 15 of your response you had given us. A response to question 20 which we had given you, that during the tenure of the current council have there been any instances of missing cheques? Could I direct this to probably the Chief Executive Officer, Ms. Maharaj?

Ms. Maharaj: Chair, through the Chair, since my inception at the corporation, which is just one year ago, I have never received any report of missing cheques.

Ms. Ameen: Chairman, one of the first questions I would like, we have been treating with corporations for some time now, and one of the first questions I would like to ask before we put them to task, so to speak, is with regard to their capacity. And one of the main things we have been identifying is that some corporations are operating with and some are operating without the relevant staff for their financial department, their accounting unit, and so this morning, Chairman, I want to ask each of these corporations whether they have on staff a corporate—a financial officer, a chief financial officer? And those who do not, could probably indicate what the challenges are, and how you are coping without? What short-term mechanisms you have put in place to have the duties of the Financial Officer carried out? So anyone could start, but I would like to get a response from each corporation with regard to the tenure of your Financial Officer.

Ms. Maharaj: Through the Chair, Couva/Tabaquite/Talparo has a financial officer. That officer has been present for the past four and a half years. However, she is unable to be present here today.

Ms. Haynes: Mr. Chairman, through the Chair, at Tunapuna/Piarco, we also have a financial officer who directly supervises the accounting section, and directly under him there is an Accountant II and an Accountant I.

Mrs. Hosein: Mr. Chairman, the Sangre Grande Regional Corporation does have a financial officer who assumed duty there from the 3rd of January, 2018, to present.

Mr. Forde: Just as a follow-up onto that, but directed to the Ministry. When we

were last here on the 13th of February, we were informed by your Ministry that there was an ad, a vacancy ad for financial officers, for comptrollers in the newspapers. Well, from the 13th to now, we are probably just about six weeks, any update in terms of at least how many applications were received, or if you all have shortlisted? A little thing, just to follow up on that question, because we know the issues that we have with the municipalities with regard to these senior positions of financial comptrollers, treasurers, officers, et cetera.

Mr. Seepaul: Thank you, Mr. Chairman. I would be happy to update the Committee on this particular issue. Vacancies existed at Chaguanas, Penal/Debe and San Juan/Laventille since the time when we last would have met. Interviews were carried out, and offers were issued to the successful candidates. Two of these candidates are due to begin work next week, and the third individual is currently out of the country and will assume duties in May.

Mr. Forde: Excellent. I think, you know, the Ministry should be complimented based on—because this is our third session, and if from then to now at least we are seeing some headway we would like to compliment you all. I mean, compliments should be given where compliment is due, and again to continue the momentum to ensure that these other municipalities are given, you know, the necessary financial officers.

Mr. Chairman: Yes, if these corporations have shortcomings then again you will have to ensure that those gaps are also filled, those posts are filled.

Mr. Seepaul: Mr. Chairman, let me take the opportunity to also inform the Committee that the Ministry has been very proactive. We recognize that there are a number of shortcomings, particularly in this area and in other areas as well, so under the leadership of our esteemed Director of Finance and Accounts, we have established a forum for financial officers, which is held on the second Monday of every month. And this forum really brings everyone together to address

inefficiencies, and to ensure that there is a standardized approach towards accounting at the corporations.

Mr. Forde: Thank you, Chair.

Ms. Ameen: This is excellent. Chairman, I want to go a little further. Almost each of the corporations who have come before us have expressed that they have issues with staffing within the unit, so while the corporations present today have financial officers, for example, in the report submitted by Couva/Tabaquite/Talparo, there is a breakdown of the staff, and in the accounting department, but you see a number of areas where there are checkers or daily paid officers carrying out the duties of—where monthly paid officers should be, and there are positions that are insufficiently staffed, because it is by responsibility such as payroll, vote book, cheque preparation, and so on. Two things I want to ask: What is the challenge with filling those positions with the required monthly paid officers?—one. And secondly, if the regional corporations, if arrangements can be made for more daily-paid staff suitably qualified to fill those positions as—well, they would be checkers, or any officer that you would recommend, any position you would recommend?

Mr. Seepaul: Mr. Chairman and member of the Committee raising this concern, yes, this is a reality, however, over the last six weeks the Ministry would have met with the Service Commissions Department with respect to addressing the filling of vacancies. So that process is ongoing. We are happy to say that feedback received from the Director of Personnel Administration has been very positive. However, in the interim, and I mean this is one of the issues that is being addressed by our DFA at the forum, in that we are trying to ensure that responsible monthly paid officers are placed on critical schedules in the accounting units of these corporations in accordance with the Exchequer and Audit Act. The reality, again, because of short staffing is that at these units we will have to engage the services of daily-rated officers who are more than likely checkers, because life has to go on at the

corporations. However, we look at placing them in very low-risk schedules.

Mr. Chairman: Are there any training sessions for those accounting staff?

Mr. Seepaul: This formal training for accounting staff really resides at the corporation. I know that the corporation would have been allocated funds under that particular Vote. However, the Ministry, again, is trying to take the lead to ensure that not just members of the accounting unit, but members in general, officers in general at the corporations are trained, and a lot of this training is going to take place at the respective forum.

Ms. Ameen: Can you provide the template, the information, or they just have to come up with it on their own? Because you spoke earlier about standardizing practices at the regional corporation where financial regulation is concerned, does the Ministry or the Director of Finance and Accounts, for example, provide the information or the content for the training of these officers in the regional corporation?

Mr. Seepaul: Could I ask Ms. Pilgrim?

Ms. Pilgrim-Soanes: Chair, members, part of the forum is to standardize, as we said. So, we are providing templates with respect to the training. We have requested the Comptroller to train our members. We are still waiting on a response with that, but in the meantime we at the Ministry, when we assemble for the forum, bringing the issues to the table so that we could have, moving forward into reform, we could be on the same page.

Mr. Chairman: I would like to ask the Couva/Tabaquite/Talparo Regional Corporation: Are the training sessions that would be carded for the accounting staff in 2019—is the allocation of $50,000 sufficient to cover the cost of the intended training?

Ms. Maharaj: What had happened from since my inception, and looking at the training that was done, some training was done in 2017. However, that $50,000

allocated is not only for the accounting unit, but for the Couva/Tabaquite/Talparo Regional Corporation staff in general.

Mr. Chairman: I would like to recognize the Vice-Chairman and followed by member Baptiste-Primus.

Ms. Ramdial: Thank you. To the CEO of the Couva/Tabaquite/Talparo Regional Corporation, we noted in your submissions that your annual financial statements for the period 2006 to 2018 are outstanding, when are you expecting to bring up-to-date these annual financial statements?

Ms. Maharaj: Through the Chair, that is an area that emphasis was placed on at my inception there because I recognized that no financial statements were completed since 2005. However, it appeared to be a long-inherited problem because what I noticed, the continuity of financial officers from that period was not always filled, and what I recognized from discussions with the present financial officer, she experienced some challenges in terms of the staffing, the training, and also she was bogged down to the operational duties, day-to-day operational duties at Couva/Tabaquite/Talparo Regional Corporation. I was able to assign two individuals to assist her directly with putting information together with the hope to start these financial statements. Also, a Note was forwarded to council for us to hire someone. So, at present that is before the council for consideration.

Ms. Ramdial: Just a follow-up. And the information to complete these statements, do you have the information from 2006?

Ms. Maharaj: Well, this is what we are trying to put together at this point in time. As I said, since I am there emphasis was placed, and we have someone—one member of staff that we try to train to work on bank reconciliation statements and some other documents. Meanwhile, we are trying to retrieve information from the vault, so we can start working on those statements.

Mr. Chairman: Is your corporation, you know—did your corporation have any sort

of a legal matter going on with any CEOs, or any former workers presently?

Ms. Maharaj: Through the Chair, there is a matter that was reported to the Fraud Squad, and at the present time it is being investigated by the relevant authority; two public officers, a contract worker and a daily-paid employee were involved in that matter.

Mr. Chairman: Could you give me a general description of what had transpired there? Because, remember it is a matter for court so we have to just be—in general, general ideas?

Ms. Maharaj: Okay, two cheques were prepared in a total of approximately $150,000, and these cheques were prepared for two development projects in 2015, and it was alleged that the works were completed at the time of the preparation of the cheques.

Mr. Chairman: And were the works completed?

Ms. Maharaj: The works were not completed at the time. It was alleged that it was completed at the time when the cheques were prepared.

Mr. Chairman: And when did this matter occur?

Ms. Maharaj: This matter occurred in 2015.

Mr. Chairman: 2015, so therefore, since then, you know you had alarm bells ringing, something may be wrong, and yet still your financial statements were 2005, so I think something should have—

Ms. Maharaj: 2006.

Mr. Chairman:—2006, something should have mobilized the corporation to, you know, expedite some sort of a review of the system. But it was not done. But I want to ask the Ministry officials here now: Mr. Seepaul, how come, you know—corporations are allowed to have such tardy statements forthcoming. I mean, why is there something not in place to say, "Hey, after a year if you do not do something, we are coming to see, coming in to audit you"? What mechanism is in place that

could prevent certain things like this from happening?

10.45 a.m.

Mr. Seepaul: Mr. Chairman, in all fairness I cannot give account for what would have happened under the stewardship of our current Permanent Secretary. However, reference is made to the establishment of the forum and based on what would have transpired at the last two hearings involving other corporations the preparation of the financial statements is top on the list of issues that is being currently addressed so that what I am saying is that the Ministry is now taking the necessary measures to ensure that corporations come up to scratch. Any further details I would be happy to refer to my colleague.

Mrs. Baptiste-Primus: Thank you kindly, Mr. Chairman. Just as an addendum to what member Ramdial left off with regard to the controls, the outstanding financial statements, I want to suggest and this is to the CEO of Couva/Tabaquite/Talparo Regional Corporation. The outstanding financial statements covers the period 2006 to 2018. That is a huge backlog that you have there. While you make attempts to clear the backlog you pay attention to the current. So you are looking at clearing up your backlog but you are making sure that your book for the current period up-to-date. I want to advise on that.

Secondly, Mr. Raymond Seepaul you indicated that at the Ministry the Permanent Secretary would have acted in collaboration with your director of finance and accounts, implemented what is called Financial Officers Forum. I think that is very commendable, but what I am concerned about, those corporations where there are no financial officers, which level of staff is represented at this forum or is it only for financial officers?

Mr. Seepaul: Mr. Chair, of course, I would have indicated that there are currently three corporations that do not have financial officers on their staff at the moment. At the forum and under relevant meetings for example, the Accountant II would

represent the corporation.

Mrs. Baptiste-Primus: Mr. Chairman, my questions will be directed to either the Chairman of Couva/Tabaquite/Talparo Regional Corporation or the CEO. Your submission indicated that administration implemented several controls to enhance financial oversight, including strengthening of staff complement; and that would be on page 3 of your response to the Committee. Could you share with this Committee how the staff complement was strengthened to enhance the corporation's internal checks and balances?

Ms. Maharaj: Through the Chair, we received six new Clerk I's from the Ministry of Rural Development and Local Government, just approximately about six weeks ago. About six weeks ago we received six new Clerk I's from the Ministry of Rural Development and Local Government. However, four members were placed in the Accounts Department. For the strengthening of staff, one went to the payroll department—the payroll section. We assigned one on Vote Book—two Vote Books we assigned two persons and another is presently working along with the cheque staff.

Mrs. Baptiste-Primus: I gathered these are six—you used the term "new". New in the sense of new to Couva or new to the public service?

Ms. Maharaj: Through the Chair, new to the public service.

Mrs. Baptiste-Primus: So then there would be need for some kind of orientation programme before literally throwing them out to swim.

Ms. Maharaj: Well, the training was done and is still ongoing by the financial officer.

Mrs. Baptiste-Primus: My second question would be, your submission acknowledge the corporations need for its own internal audit. I refer to pages 3 and 4 of your submission. Against that background, could you share with this Committee what representations have the corporation made to the line Ministry in terms of the

establishment of your own internal audit unit? And that question could be applicable to the rest of the corporations here if you do not have an internal audit unit.

Ms. Maharaj: Through the Chair, as I said, again it is by inception. I have recognized some weaknesses and there is where I place emphasis. Coming from—experiencing a corporation with an internal audit, I saw the need to have an internal audit at Couva/Tabaquite/Talparo Regional Corporation. What I observed was happening is that when we want an audit done or executed on any document or project we would have to write the line Ministry to get their internal audit on board to come to the Couva/Tabaquite/Talparo Regional Corporation to conduct such audit. And in light of that I did have some discussion with the PS, verbal discussions, and I was advised that they are seeking to engage the corporations to have their own internal audit.

However, in January internal audit members were sent to the Couva/Tabaquite/Talparo Regional Corporation for one month. And in light of that the PS did have discussions with me that she sent them with an agenda and I was also to work along with them to request whatever work that I wanted. And arising out of that I am presently preparing a report to send to the Ministry with all my recommendations for the internal audit.

Mrs. Baptiste-Primus: Thank you. Mr. Chairman, and the other corporations who are here.

Mr. Chairman: One thing I would like to find out though, the suggestion was made for you to have your own internal audit unit but you have applied to the Ministry and they have sent an internal audit unit for you. At the end of the day what would transpire? Would we have an audit unit being sent from the Ministry or would you have your own internal unit?

Ms. Maharaj: Mr. Chairman, what is happening, as I said, I had the verbal discussion and I was advised that they are engaging the corporations to establish

their own internal audit with the assistance of the line Ministry. So, apparently what I gathered, it is a test in terms of the Ministry sending the internal auditors staff to work for one full month and arising out of that I have to submit a report as she requested with all the recommendations as to why we need the unit at the corporations.

Mr. Chairman: Mr. Raymond Seepaul, I would like to enquire, what is the policy of the Ministry? Do they send an internal audit unit to each—do they audit each corporation separately or is it the sense now that you want them to have their own unit? I mean, the oversight of the Ministry I think is important. So could you give us an idea what is the—

Mr. Seepaul: Mr. Chair, before I respond to your question, this whole issue of the absence of auditing units at the corporations has been a great cause for concern having served as a CEO previous to this dispensation. This has been highlighted to the Ministry. We would have engaged in discussion with PMCD. We would have also expressed our concerns to the Service Commissions Department and I know that efforts were being made through a Cabinet Note to address this matter.

However, in the interim and again only recently, and I say in making reference to maybe about two or three months ago, the Ministry of Rural Development and Local Government has its internal audit team. This team, I mean, of course, is efficient in itself, but what our Permanent Secretary, the Accounting Officer, has done is strategized the operations of this auditing unit so that it can place closer attention to—in terms of addressing the many concerns experienced at the corporations.

Previously the auditing unit, their responsibility was basically to address critical matters as they would have arisen. Some of these functions included the auditing of financial statements, the auditing of arrears and matters more of a technical nature. However, because of the numerous concerns arising from the

corporations, what the PS has decided is that she would form teams and these teams would be sent out to corporations on a sort of circuit manner and they would pay attention to the matters that require attention over the period of a month. So the corporations would be given—under the circumstances the corporations would be able to have a lot of their matters addressed over this period of time.

Mr. Chairman: Well, this lack of financial statements that was forthcoming from this corporation, would your team give assistance in getting their books in order? And if so, is there a timeline that would be given to the public to say, well they are going to get those accounting statements at a particular time to see what is going on.

Ms. Pilgrim-Soanes: With respect to Couva, Chair, we are looking from 2006. Couva has asked the Ministry to source to see if we can get the information because we need the information to prepare the statement. Thus far we were able to get some information from 2010, 2012 and 2013. So you have from 2006, 2007, 2008, 2009 and 2014 that we are yet to find. We may have to go to Trade Zone where we have our records. But they need to get the information and the information, we do not have all the information at present to assist them in order for them to prepare the financial statement.

Mr. Chairman: So therefore, it is highly dependent on the corporation to prepare their statements that they took years since 2006 not forthcoming. Is there any way you could encourage them to expedite this being the line Ministry?

Ms. Pilgrim-Soanes: We decided in that forum we will work with them but we need to get, Chair, we need to get the information. Without the information, when it comes to the audit it will be a query. So we need to get the information in order to prepare the financial statements and that is the problem, the information.

Mrs. Baptiste-Primus: I just wanted to end my own by making just this simple statement. Just to reinforce to the acting DPS, Deputy Permanent Secretary and the director, an audit unit is critical for these corporations. It acts as an oversight over

the financial operations of the corporations. And if these audit units are not put in place then the systems would not be improved because they would continue to have gaps in the operations. Thank you.

Mr. De Freitas: Thank you, Mr. Chair. I want to find out more about the process because we are hearing for the morning thus far, and this was the same issue when we had the hearing previous with other corporations, that there are issues with financial statements, there are issues with getting information, there is no auditing unit to have oversight and so forth. So if the Ministry is supposed to receive particular documentation from the corporations and years are rolling by, they are not getting it, what is the Ministry supposed to do at that point? You were supposed to get financial statement for 2005, it does not come; 2006 goes by, nothing; 2007. So the Ministry does not do anything at that point in time?

I mean, the Ministry is saying here today we supposed to get the information from the corporations but if you do not get it from ’06, ’07, ’08, ’09, ’10, ’11, does the Ministry not stand up and say, or come down on the corporation and try to enforce that rule? Because what we are discovering here is allegations abound, corporation in corporation and the Ministry does not have information by way of financial statements, there is no auditing going on. There is a correlation that is happening there.

Can the Ministry explain to me why all of these years are passing and they are not enforcing that these statements come in? I understand where the corporations are indicating that they do not have the bodies to do some of these procedures. But it cannot be just left like that for years to run. So what does the Ministry do at that point? Because you are getting that feedback that says, the corporation cannot do this for this reason and it cannot just be left to run, because you are creating a scenario where allegations are going to keep popping up and corruption can take place.

Mr. Chairman: I am hearing the Ministry saying that it is really the corporation that has to give the information—to be forthcoming with the information. [*Crosstalk*] And the corporation is not forthcoming. So therefore something has to be in place.

Ms. Ameen: Chairman—

Mr. Chairman: Yes?

Ms. Ameen: Chairman, just for the record, we started of this issue with Couva but just for the record I want to get the last date, the records for Tunapuna and for Sangre Grande. What is the last updated financial report that you have submitted? And I am asking this Chair so we could deal with all the corporations across the board and the issues that take place.

Mr. Chairman: I agree. But before we go into there, hold your answers. I would like the Ministry to respond to Mr. De Freitas' questions.

Mr. Seepaul: I will be happy to. Before I respond to the concern itself, it should be brought to the knowledge of the Committee that according to the Exchequer and Audit Act, any accounting officer has to be supported by an auditing unit. Since the establishment of the corporations through the Municipal Corporations Act, corporations were not outfitted with auditing units. That being so, and of course I would want to, again, agree with the member for making this observation. It is a fair one and unfortunately I know my current accounting officer cannot give any reason as to why these things were not done. That is why the Ministry did not exercise oversight over this particular operation.

However, it is now being done, it is now being addressed. And I also want to add that it has been heavily emphasized as we are in the process of legislative amendment of the Act where the auditing unit is seen as critical to the operations of the corporations.

Ms. Ameen: Can the PS give us a time frame as to when this exercise might be completed?

Mr. Seepaul: Could you be a little more specific?

Ms. Ameen: Specifically with regard to Couva, because they have been disadvantaged since 2006, but for all the corporations, but specifically Couva.

Ms. Pilgrim-Soanes: With respect to Couva and maybe even to all the other corporations, my information is that the staffing at the higher level, that we are addressing at this point in time, was a factor in the non-production of the financial statements. So what the member mentioned earlier on, the structure where it has checkers in the accounting unit, it is beyond their capacity. They cannot produce a financial statement. It is not an appropriation account, you need balance sheet. Yes, Sir.

Mr. De Freitas: We understand that because we have been hearing that over and over again in relation to not having the bodies to produce critical information. So let me just give you an example of where my mind is at. You are driving a vehicle and you are hearing a knocking sound. You know that knocking sound is coming from, let us say one of the wheels. If you leave it the wheel is going to fall off, the car is going to crash. You understand where I am coming from? So the issues that you are raising, as valid as they may be, are critical.

Let me go further. The initiative that is forthcoming by way of Local Government Reform is a great initiative in the sense that it is supposed to help the corporations by giving them more responsibility to better serve their people. And what we are hearing is that there are critical issues in these corporations that I am hoping and praying must be solved before you get to that level. You do not want to go in to that level with these kind of issues. So I am asking, what can the Ministry do to solve these things? Is it that you need to speak to, I think it is the DPO or CPO and reiterate to them how critical this is?—so that they can fill the body so that the corporations can get the information and do their reports and bring them up to speed. Is that something that you can give an assurance here today, not just to the

Committee but to the citizens of Trinidad and Tobago so that Local Government Reform can be successful?

Mr. Seepaul: I would want to not just give an assurance but mention that the process has already begun. I would have indicated earlier that we have had dialogue with the agencies responsible for hiring, inclusive of the CPO, Service Commission and, of course, the PMCD.

As far as the concerns are expressed pertaining to preparation of financial documents, our director is addressing that. Unfortunately, I am unable to give a timeline as far as the completion of the exercise that the different corporations are concerned. But what I am also assuring the Committee is that the people who are being employed as financial officers, they are well qualified to prepare these documents. So, yes, these matters are being addressed currently.

Mr. Chairman: So you are saying that the corporations already have officers in place who could have given those reports?

Mr. Seepaul: At present the financial officers at the corporations are qualified with their ACCA qualifications and this will enable them to be competent to prepare these documents.

Mrs. Baptiste-Primus: Mr. Chairman, permit me. Mr. DPS, one of the concerns of this Committee and I am sure member Ramdial and myself are on the same page with that, has the Ministry submitted any representations to the Chief Personnel Officer for a review of the remuneration package of the financial officers? Because it is all well and good to say, "Well we are dealing with it and we have bought on board three or four new financial officers", but it is whether or not those financial officers would stay in the job because they carry a high value and when you look at the remuneration package the possibility of retaining them at the various corporations at that salary, I mean, is something that is worrying.

So, have you all made submissions to the CPO justifying the increase in the

remuneration package? An ACCA graduate commands $30,000/$35,000 out there. There is a dearth of highly qualified ACCA trained persons and the director of finance would be well aware of that.

Mr. Seepaul: My response, an emphatic yes. At our last session, for example, this matter was raised when our Permanent Secretary, Mrs. Jennifer Daniel, was present and she would have provided a similar response. Having come from a background of the CPO she understands these challenges. And what I would want to say is that recently we would have—the Ministry would have communicated with the CPO's office expressing our concern over remuneration issues.

Ms. Ramdial: Mr. Seepaul in addition to that, the remuneration issue, is, you mentioned earlier that the Act—I may be wrong but you need correct me, does the Act stipulate that every corporation and borough create their own auditing team or—no. [*Crosstalk*] Okay, so that has to come from the Ministry? [*Crosstalk*] They can contract out the services. Okay. But in the new Local Government Reform is that not something worth considering, where you give the local corporations the autonomy to get their own team of auditors in-house there?

Mr. Seepaul: Again, there is—I do not want to comment much on the amendment process, but I know that the—as I indicated earlier, the establishment of an auditing unit at the corporation, the reform exercise is seen as very, very, critical and it is included in the amended legislation.

Mr. Forde: Mr. Chairman, I am sitting here and again, you know we are now at 11.11 a.m., coincidentally, and you know we are still on Couva and I am from the Tunapuna/Piarco region and I am not even able to get a question to my CEO from the Tunapuna/Piarco region. But simply, before we move on, we were told by, I think from Princes Town's Chairman, when he was here—and, I think it was Chaguanas, that they outsourced auditing firms in order to do their financial statements and to bring it up-to-date. If we talking about from 2006 was that ever

considered, chairman? CEO you said you came in only a year now but the chairman has been there for quite a while. Was that ever considered to outsource?

Mr. Awong: It was considered on many occasions and as the CEO indicated right now before the Council, there is a request to hire a person to assist the financial officer now. So it was considered, but funding has always been a challenge with regard to some of those things.

Mr. Forde: But you see, according to my colleague, Mr. De Freitas, it is critical. Because we do not know what has been going on from 2006 to present in Couva. I remember reading a newspaper where, I think it was Couva, where there was an allegation of some corruption and some this and a whole series of pictures and individuals—

Ms. Ameen: "Nah", that was San Juan/Laventille.

Mr. Forde: You sure about that?

Ms. Ameen: Yes.

Mr. Forde: Positive?

Ms. Ameen: Yes.

Mr. Forde: All right. But again, we do not want to know that that situation can be happening in Couva and we are not aware of what is going on. 2006 is a long time, you know.

Mr. Awong: I am fully agreeing with you, member, and as the CEO has indicated we are trying to deal with the matter. It is affecting us more than just by producing a financial statement too, because there are funds sitting in a bank that we cannot utilize because these statements are not yet prepared, what we call Unspent Balances. It would be in the interest of the Council that we can access those funds to do the work for the people who we are elected to do and to represent. So there are funds in the bank, CEO, that we cannot access.

Mr. Forde: And that only shows therefore, let us expedite it in order to ensure that

you get the funds to be used. Anyhow, Mr. Chairman—

Mr. Chairman: In the interest of time what I would like to go on to is the Sangre Grande Regional Corporation. I think Ms. Ameen had asked a question and also before—

Mr. Forde: No, Mr. Chairman, hold on, sorry, eh. But rather than just go on to Sangre Grande, could we identify the question and could we get it across the board because the time is running, so that if we could get the particular question and then a quick synopsis from Grande, from TPRC—

Mr. Chairman: Following up on the question that Ms. Ameen had asked and we put it on hold—we follow through with Sangre Grande.

Mrs. Hosein: Mr. Chairman, the last financial statement at the Sangre Grande Regional Corporation was the 2013 financial statement.

Mr. Chairman: So if you are able to do it in 2013, what is—your corporation, I mean, "what system your corporation has" that Couva does not have? Do you have full financial auditors or staff? So "how come" you are getting this done with your limited staff? This is what I would like find out. What level of staffing you have that—have you outsourced to get your books in order or are you using your present staff you have there?

11.15 a.m.

Ms. Hosein: Mr. Chairman, no, the Sangre Grande Regional Corporation has not outsourced any staff to complete the statements, but we are currently using our present staff.

Mr. Chairman: So therefore, why—do you have—you see, I am trying to compare why one corporation can do it and the other one cannot do it, and this is why I am getting a little—yeah. You all did not outsource at all, eh?

Mrs. Hosein: No.

Mr. Chairman: Good.

Ms. Ameen: And Tunapuna.

Mr. Chairman: Tunapuna, could you give us an idea of the statements also?

Mrs. Ramdass-Ali: Chairman, through the Chair, we have completed up to 2015 and we have a first draft up to 2016. We have been audited by the Auditor General's Department up to 2010 so far. What I would like to say is that we have been fortunate enough to have a financial officer who has—I think it is his third two-year contract. So he has been consistently with the corporation. So that is one aspect of it. The other is that we are also fortunate, one of our checkers, she is partially qualified at ACCA as well, so he has that support. So that has helped us.

Ms. Ameen: Chairman, there is a matter that we touched on before we dealt with the outstanding financial statements and it has to do with the payment of contracts for development programmes at the end of the financial year. And there was a matter in Couva Corporation a couple of years ago and I remember there was an investigation. The CEO was transferred, I think, but it has to do with the fact that sometimes when it comes towards the end of the financial year and development programmes are ongoing, in order to not lose the money before the end of the financial year, corporations would print a cheque but not issue it to the contractor until the work is completed. With the situation in Couva it came to the attention of all corporations that such practice was incorrect. How are you treating, going forward, with ensuring that corporations do not lose the money before, if the work is not completed by the end of the financial year for their Development Programme?

Mr. Awong: That situation was dealing, not with the Development Programme, but recurrent expenditure, because in Development Programme once you issue the contract you can hold—the contract could roll over into the next financial year. But it is under your recurrent expenditure that that situation happens.

Ms. Ameen: So CEO, have guidelines been issued to all CEO—sorry, from the deputy PS: Have guidelines been issued to all CEOs with regard to that practice?

Because it is something that used to take place in several corporations.

Mr. Seepaul: Chair, I believe that the most competent person to provide a response would be my colleague on my right.

Ms. Pilgrim-Soanes: You mentioned we would lose the money, but it is not lost because it will go into "unspent". But the first warrant that is issued from the Minister of Finance will tell you, you need to clear your commitments from the previous year. So it is just a matter of using the allocation in your current fiscal period.

Ms. Ramdial: To the Sangre Grande Regional Corporation. In your submissions you stated that the Chief Executive Officer's Special Committee has been established to review the Public Procurement and Disposal of Property (Amdt.) Act, 2016. Who are the members of this committee? And upon the full proclamation of this Act, is it envisaged that a procurement unit will be created?

Mrs. Hosein: Mr. Chairman, my answer to the question: the members of the committee are the corporate secretary, the financial officer, the engineer and surveying officer, at this point in time, Ma'am. At the end of the term of this committee it is expected that a number of key deliverables would be undertaken and one would be to establish the corporation's portfolio and procurement strategies.

Ms. Ramdial: So can we safely say you may be the first corporation to set up the procurement unit?

Mrs. Hosein: Ma'am, Mr. Chairman, I want to say that the first draft of our guidelines for the procurement unit would be established, let us say—we have a deadline of, let us say, a three-month period to develop that first draft.

Ms. Ramdial: What about the Tunapuna Regional Corporation? Any consideration for this procurement unit?

Mrs. Ramdass-Ali: Through the Chair, may I respond? Okay. So we have also set up an internal committee. We have the financial officer, the administrative officer

II, our tenders clerk, our engineering and survey officer and myself. Unfortunately, at this point in time, we do not have a corporate secretary. He would have moved on from the 1st of March. So we are awaiting a corporate secretory from the Ministry. So we are also reviewing the legislation. We are trying internally in terms of putting together a unit. I know that is also one of the requirements, so we are trying to move in that direction. One of our concerns, of course, is going to be staffing and the post of the procurement officer itself.

Ms. Ramdial: All right. And what about the Couva Corporation, are you in the process of also setting up a procurement unit?

Ms. Maharaj: We are not in the process of setting up the unit at this time, but, however, the tenders unit is functional. We have involved the corporate secretary to review the legislation and the present procedures that we use at this time. We are also seeking training and, as my colleague said, staffing would be a matter of concern because we require professional staffing for that unit.

Mrs. Baptiste-Primus: Chairman, just to piggyback again, and to all the corporations. Well, I heard that Couva is not yet on board with it, but with regard to Sangre Grande and Tunapuna, what about the relevant training in procurement? Have the members of the committee itself, or any identified members of staff have been targeted for training?

Mrs. Ramdass-Ali: So may I respond? There are programmes offered by the Public Service Academy. We have responded to the advertisement in terms of recommending personnel. However, no member of our staff has been selected for that training yet—in terms of yet—yeah.

Mrs. Baptiste-Primus: Mr. Chairman, based on the response given by the CEO of the Tunapuna Corporation, may I impress upon our Deputy Permanent Secretary, Mr.Seepaul, for the Ministry to make an intervention at the level of the academy to ensure that persons from each corporation, that they have at least one person in on

that training? It is critical. Corporations will be given, under Local Government Reform, the authority to run its own business, and therefore, building capacity is important.

Ms. Ameen: Chair, I want to move on to another area. Chairman, regional corporations are responsible, to some extent, for policies of their own. They have certain responsibilities when it comes to finances and running their own business, such as hiring of contract staff, and so on. One thing, though, the councillors and chairmen, their salaries and allowances are determined by the Salaries Review Commission and not by the corporations themselves. There have been instances where a council could decide to increase a particular allowance or give a particular allowance to councillors. This is a matter of concern to me. No matter the amount, I think that is improper. And I want to ask the councils present if you are aware, or if you have situations where councillors are being provided with allowances outside of the Salaries Review Commission's guidelines.

Mr. Rondon: I would like to answer that question. Not in Sangre Grande. Not in Sangre Grande. Never happens. For my 25 years there, never happens, and under my watch will never happen.

Mr. Chairman: And what about the other corporations?

Mr. Awong: I want to reiterate the same thing as my colleague in Sangre Grande. I have never seen that happen at the Couva/Tabaquite/Talparo Regional Corporation. I am certain it is not going to happen under my watch also.

Mr. Chairman: And Tunapuna, could you give us—

Ms. Haynes: Mr. Chairman, through you, not that I am aware of in Tunapuna/Piarco.

Ms. Ameen: Chairman, well, actually, one of the situations is in a council that is not present, but one is in Tunapuna/Piarco region with regard to telephone allowances. So if any of the officers have the information with regard to that they could provide

the committee with it, or if not, if you need time to submit it at a later date. It is a matter that I am very concerned about, Chairman, a matter that I intend to raise with the Minister of Rural Development and Local Government, and a practice that is improper.

Mrs. Baptiste-Primus: Mr. Chairman, may I enquire from my colleague, are councillors not entitled to a telephone, a cellular, as councillors?

Ms. Ameen: Part of their allowance includes a telephone allowance, but there are instances where, by council resolution, the amount of the allowance could be increased, or has been increased. Or, for example, they could decide that they are on a corporate plan, for example, and the corporation pays the corporate plan. The payment per councillor is not supposed to exceed your telephone allowance. Also, the corporation should not be paying your telephone bill while you receive your telephone allowance as part of your salary and allowances. So the telephone allowance is really supposed to go towards the cost of your bill, but if the corporation is paying the bill while you are receiving—or while the councillor is receiving the allowance, then they are being given the allowance twice.

Mrs. Baptiste-Primus: It is called unfair enrichment.

Mr. Chairman: So I think we can get the answers in writing from your corporation—any answer. I would like to recognize Member Forde also.

Mr. Forde: Members, Tunapuna/Piarco Regional Corporation, you submitted in your Appendix 3 under the Rates for Compacter Services, you identified the various electoral districts and you itemized the various contractors, and then you have the daily rate per pay. Now, those contractors are presently on a month-to-month basis?

Ms. Haynes: Yes.

Mr. Forde: Right, they are still present on a month-to-month. Now, you did not give us a total figure. You just gave us an individual breakdown. All right? Now, I would presume it is an exorbitant fee that we pay for scavenging services in

Tunapuna/Piarco. So, through you, Mr. Chair, to the financial officer, or the CEO, what is the total figure for sanitation collection in the Tunapuna/Piarco region, please? You do not have to be exact, but a ballpark figure. We should be able to have a ballpark.

Mrs. Ramdass-Ali: Through the Chair, I do not have a monthly figure for you in total, but what I could give you is our allocation for the financial year. It is approximately $53 million.

Mr. Forde: $53 million for sanitation.

Mrs. Ramdass-Ali: Yes.

Mr. Forde: Right. How would you rate—and, again, other CEOs and other chairmen, please note, I just want to get a quick figure from each one of you all on the question as we go. How would you rate both your compactor services and your regular open-tray truck service within your region, on a scale of one to 10? You talk about $53 million for the year. Right? So I want to get the figure from each corporation and how would you rate it. Madam CEO, scale of one to 10. Or if you want to give: "Very good; good; satisfactory; poor." Give me an idea.

Mrs. Ramdass-Ali: Through the Chair, that is quite a difficult question. We have some areas where we have a commendable service. We have other areas where we have challenges. So it is a little difficult for me to give you a rating in terms of that, because—to balance it off.

Mr. Forde: All right. For example, on the same Appendix 3, there is 1, 2, 3, 4, 5, 6, 7, 8, 9, 10. There is one particular contractor here that controls 10 regions out of a region of 16—that particular region. You have the document before you. Could you identify if you are satisfied with that service in that particular region? And that includes the area of Tunapuna, Auzonville, Tunapuna, St. Augustine, Mount St. Benedict, Tunapuna market, things like that.

Mrs. Ramdass-Ali: We have complaints from time to time. Generally, I believe we

have a satisfactory service, generally. I could ask the Vice Chairman to speak on that because she would be, more or less, closer to the communities.

Ms. Ameen: Just to share—the point of this question we have asked before, is that some corporations identify, although they have the funds, because of the unsatisfactory service and because of the fact that regional corporations do not decide who provides the service, you may have one contractor providing unsatisfactory service for quite a number of years and you have no say in the selection of a contractor when their contract is up. So which is why we try to get to the corporations' level of satisfaction with their contractors so that recommendations could be made with regard to the policy surrounding the procurement of contractors and the monitoring of contractors.

Ms. Haynes: Mr. Chairman, through you, for Tunapuna/Piarco Regional Corporation, on a scale I will say, fair.

Mr. Forde: And you all operate three days now, a week?

Ms. Haynes: Yes, for both compacter and open tray. Mr. Chairman, we have had serious challenges as it relates to bulk-waste collection and the open-tray service. Pinto, if I may pinpoint certain areas, we have the Pinto area; we have areas like Maturita; areas in Five Rivers; St. Helena, where we have had significant challenges as it relates to, especially the open-tray service. Mr. Chairman, we have in place, as you all know, coming from Tunapuna—we have checkers who supervise the collection as well as FOS, and, again, there are some challenges in this area also. So we are not completely satisfied at all, Mr. Chairman.

Mr. Forde: Now, there are provisions for prorated payment in terms of: poor; satisfactory, and where the checkers will send in information. Are there instances where you all have short paid contractors?

Ms. Haynes: Yes, Mr. Chairman, there are instances.

Mr. Forde: Right. And that is evident.

Ms. Haynes: Yes, Mr. Chairman.

Mr. Forde: All right, cool. Couva, what is your allocation on a yearly basis for sanitation?

Mr. Awong: We have listed here on our submission as $81,600—

Mr. Forde: Okay. Just a correction. It is prorated, not short paid, but it happens. Couva?

Mr. Awong: Listed in our submission, our daily—per day is $81,624 per day. If we work out the maths that is quite a tidy sum also. My CEO is prompting me to say, eight, satisfactory, but I want to say, seven. Presently we are having some issues with regard to some contractors, namely one, due to the fact that contractors are still operating on a 2013 contract arrangement with SWMCOL and we are operating now on a month by month contract. Some contractors have made demands that we need to up the price. If a contractor does not pick up garbage in front of one home and you do not pay him for that one home, it is only $1.46 per home.

Mr. Forde: When you break it down.

Mr. Awong: When you break it down, $1.46 per home. So if you short-pay him for that one home, it is just $1.46. He could take that loss.

Mr. Forde: Tell me something, Mr. Chairman. Do the municipalities have authority, if they are on a month-to-month contract, could a recommendation be made to the Ministry to terminate that particular contractor if you are not satisfied with their performance?

Mr. Awong: Yes, we can.

Mr. Forde: Yes, you can. Right. Sangre Grande, please, your figure and how you rate your—

Mr. Rondon: Thank you, Mr. Chairman. My figure is $15 million for the year and my rating is good. And the reason why I am saying, "good", is that of proper supervision we have with our checkers and I instruct my councillors to be on the

lookout for these garbage collectors in order that the people that we represent, you know, are served properly.

Mr. Forde: Thank you. Mr. Chairman, could I just go through my three questions and I will close off, so I would not come back? Right. Unspent Balances: we heard about Unspent Balances earlier. We would not like to know Unspent Balances are returned to the particular Ministry, right? In terms of your last year figure, the last financial year, what are the various figures for the last financial year? And were you able to receive—to get back any of those figures? We could start with Couva?

Ms. Maharaj: Through the Chair, at this time, I cannot comment on that figure.

Mr. Forde: Because of your same situation.

Ms. Maharaj: Because of my situation.

Mr. Chairman: If you could send it to us in writing, we would appreciate it—all corporations.

Mr. Forde: All right. We would get that in writing. Okay, fine. In terms of registration of new contractors, especially from 2015—why I am saying that is because as the Member of Parliament for the Tunapuna constituency, a lot of contractors have come in to me with regard to Tunapuna/Piarco, but we would like to get it across the board with all the municipalities. We understand that in the Tunapuna/Piarco I can safely say no new registration took place with contractors. Is it the same thing with Couva? Is it the same thing with Sangre Grande? Have you all registered any new contractors for paving, for building bridges, for retaining walls, drainage, and so on? Any new contractors you all have registered from 2015 to now?

Mr. Rondon: At Sangre Grande, yes.

Mr. Forde: Yes, you all have done. Could you provide that list for us, please?

Mr. Rondon: We will.

Mr. Forde: Couva?

Ms. Maharaj: Through the Chair, none was done at the Couva/Tabaquite/Talparo Regional Corporation.

Mr. Forde: Could you identify what was the reason? Could you identify a reason or reasons why?

Ms. Maharaj: The last list we have for approval from the Ministry was 2015.

Mr. Forde: And Tunapuna/Piarco?

Mrs. Ramdass-Ali: The same for Tunapuna/Piarco, Mr. Chairman.

Mr. Forde: Provide those lists. Well, we got that information. With regard to Local Government Reform, I just want to make a statement based on it. We are anticipating this Local Government Reform. It is being branded about that it is going to change things. Local Government Reform will deal with operations, will deal with guidelines, will deal with policies, will deal with systems; how the job ought to be done. I do not think Local Government Reform is dealing with the human resource aspect of it. I could talk for Tunapuna/Piarco. I spent five years there. Out of those five years I was two years as the chairman. Unless attitudes of the employees are changed, we will be "spinning top in mud". We will be.

So let us not say Local Government Reform is going to change how the municipalities are going to operate. No, it is not—unless. Because we still come to work for 7.00 a.m. in Tunapuna/Piarco. I am on the road every day, and by nine o'clock—I do not know. The same thing goes on in Couva; the same thing. Give me a little gist, Couva; give me a little gist, Sangre Grande. What goes on in Couva with regard to employment? We tried to introduce, when Ms. Ameen was the Chairman back then, to introduce disposable toilets at the various locations to carry them to 11 o'clock. The union was fighting. I mean, unless we make that human resource management change, all the reform we "talking bout" would come to zilch. So Grande, give me a little feedback in terms of the reform and in terms of the attitude of what is going on in your area, quickly.

Mr. Rondon: In Sangre Grande, our problem is the union. You know, we have workers coming 7.00 a.m., quarter past 7.00 they want to leave, and when you cut their pay, they run to the union and the union comes in. The attitude—there is an attitude running through, I think, Trinidad and Tobago, with their work ethic, and that is costing us a lot in Sangre Grande. So we are calling in the union and we want to have a conversation with the union where the work ethic of our employees is concerned.

Mrs. Baptiste-Primus: Chairman, permit me, to the Chairman, and it is based on my 30-odd years in the arena of industrial relations. I would like to ask each corporation in responding to Member Forde's question, what are the negotiated hours of work for the corporation workers? Because it is all well and good for us to sit here and say, well, they should be working up to X time, but it is the hours of work that they are required. Is it they work from 6.00 a.m. to 10.00? 7.00 a.m. to 11.00? And if they leave at nine o'clock, it means that they are running away? I would like that established, Mr. Chairman. What are the hours of work of the daily-paid personnel in the corporations? I know monthly-paid officers, in accordance with the Public Service Commission Regulations, are required to work from 8.00 a.m. to 4.15 p.m., Monday to Thursday, and 8.00 a.m. to 4.00 p.m. on Friday. What are the hours of work of the daily-paid staff?

Ms. Ameen: Or if they work by task.

Mrs. Baptiste-Primus: Yes.

Mr. Rondon: Well, at the corporation there are two types of workers: the LHA, local health department, they are from 7.00 a.m. to 9.00 and the construction gang is from 7.00 a.m. to 11.00; 11.00 a.m. to 4.00 p.m. and 12.00 p.m. to 4.00. Monthly paid: 7.00 a.m. to 12.00; 1.00 p.m. to 4.00.

Mrs. Baptiste-Primus: Sorry, my Mr. Chairman, to Sangre Grande Regional Corporation's chairman. I am sorry. Those hours do not apply to monthly-paid staff.

Monthly-paid staff work 8.00 a.m. to 4.15 p.m.; they are required to, Monday to Thursday. So that would apply to another set of daily-paid workers, I suspect. So that, Mr. Chairman, could we be advised, those workers who have to work from 7.00 a.m. to 9.00, what time do they report for duty on average; what time do they leave? Those who are in construction who are required to work 7.00 a.m. to 11.00 and 12.00 p.m. to 4.00, what are their hours of work? Are they giving a fair day's work for a fair day's pay?

Mr. Rondon: You will have some giving you a fair day's work for a fair day's pay and the others, not at all.

Mr. Chairman: The other corporations, I think, would have to put an input also? Tunapuna?

Ms. Haynes: Mr. Chairman, at Tunapuna/Piarco Regional Corporation, we are guided by the collective agreement and it is 7.00 a.m. to 4.00p.m. with one hour lunch. But because of the workers who work outside of the corporation in the field, we have made an internal arrangement at least from 7.00 a.m. to 12.00 noon. In terms of value for money, it is the view of council, we are not getting that at this point in time.

Mr. Chairman: Could I get the input from Couva/Tabaquite/Talparo?

Mr. Awong: Mr. Chairman, we, too, operate with the same system with regard to the collective agreement. However, I am of the view that the task schedule for daily-rated workers needs to be reviewed and I will say why. We move from brush cutlassing now with a swiper to whacker. Most workers now have a whacker, which they bought on their own, I must add. So recently I was going through the progress report of the corporation and I realized in the report that—that is a monthly document that is presented to the council—that a particular team of six workers take seven days to cut a recreation ground with whacker. So when I work out the maths, it worked out to 42 tasks on that grounds. Seven by six is 42. And I questioned it. I was told

that the grounds really have 14 tasks if you were swipering. So you move from swiper now to whackers, and the supervisor is indicating that they cannot increase the task but that is what the task schedule says—I think it is a lot and a half, or something like that, when you work it out.

So we need to review the task schedule. If you are doing that and workers have to be compensated for using their whacker, you move from a labourer to a small equipment operator which is a different rate. So you are talking reclassification, for the CPO and the union and whoever has to get involved, to review the task schedule for us to effectively supervise and manage the workers on the outside.

11.45 p.m.

Mrs. Baptiste-Primus: Or to move away from the task?

Mr. Awong: Right. But then the question comes in again, as the member indicated, you have to provide washrooms and change rooms and stuff, lunch rooms and so on for workers because then the union will question those things.

Ms. Ameen: Chairman, I want to agree with member and this Chairman, with regard to the tasks for corporation workers. We have advanced tremendously from the days of swiper and brushing cutlass, and even where road patching and other tasks are concerned we have small equipment now doing road patching, we have machines mixing cement, we have whackers, and so on, with cutting grass, and small equipment that would assist in doing the work quicker, and the truth is that with the same amount of time you can cover a bigger area with all of those tasks—road patching, cutting of grass and so on.

I want to ask the Deputy Permanent Secretary, with regard to a policy guideline—because the unions tend to jump in to defend their workers, and a lot of times to defend them on the wrong things. They defend them to do the least work as possible sometimes for the most amount of pay as possible, and if we have to deal with the productivity in our country, the time has come for a revision of the policy,

a revision of tasks for the regional corporation workers. Can the Deputy Permanent Secretary provide some guidelines for all corporations that even the unions could take a lead from with regard to that?

Mr. Chairman: I would like that in writing because we are trying to get back to the scope and I think member has a question here.

Ms. Ramdial: Thank you, and this is for Tunapuna/Piarco Regional Corporation. Now, in your submission you stated that there have been instances of fraudulent activities or financial crimes during the last five years. With respect to the attempts made to cash 11 cheques valued in excess of $3 million, has the corporation identified the department and employees who may have assisted in issuing these fraudulent cheques, and what specific measures have been implemented to detect and deter further instances of fraud within the corporation?

Mrs. Ramdass-Ali: Through the Chair, in that particular instance, that would have been where persons—external parties—would have presented cheques to our bankers, which is the Republic Bank Limited, Tunapuna, West Branch. None of the cheques were encashed however. There were investigations by the Fraud Squad. Now, there was another incident, which is a smaller incident. It would be there in your notes as well. In 2016 as well, smaller amounts were attempted to be encashed in Republic Bank branches throughout the country and even in Tobago. Four persons were arrested and that matter is presently before the courts. To my knowledge, that matter would have entailed cheques being made out with forged signatures and utilizing some cheques numbers that the corporation would have had.

Ms. Ramdial: What is being implemented to detect and deter further instances of fraud?

Mrs. Ramdass-Ali: Okay. So, what I would have said originally is that it would have been by external parties; it would have been difficult in those circumstances to determine whether it was something that happened from an internal person, a

member of staff, we are unable to ascertain. What we did try to do though—I would not have been there at the time, but what did happen is that we ensured that there were proper checks and balances in terms of making sure that the cheque books were issued in a particular manner, proper recording, there was a segregation of duties so no two persons would have been carrying out the same duties, similar duties, and I believe there may have been a rotation of staff as well.

Mr. Forde: Just a follow-up on that same particular matter. Now, Madam CEO, you mentioned that you were not there at the time—this was in 2016—and I am sure my colleague, member Ameen, might be able to assist me with this one, but the Chief Financial Officer has been there quite a while? Your Chief Financial Officer has been there quite a while. During our term of office within the 2010—2013 period there was an instance similar to this cheque fraud system that came up. I do not know if Mr. Burnette could shed any light on what came out of that because that was a matter during the 2010—2013 period?

Ms. Ameen: I just want to add to that question. The incident that member Forde is talking about, the council had agreed, we called in the Fraud Squad. It was dealt with. Members of staff were arrested. Clearly, there have been other incidents in your corporation, but in other corporations as well. So it is not about hiding the incidents to protect your reputation, but my concern is the members of staff who are implicated in fraud matters, not where there is suspicion, but where they are charged by the police officer as we saw, I think, in San Juan regional where you had about 11 persons charged.

If it is persons outside of the corporation you do not have control over them, but where there are staff members, after they serve their time or they pay their fine for the crime, they resume duties in the very same corporation. How do you treat with that, or if not the regional corporations, the Ministry, HR? You cannot keep sending these people who are accused and convicted of fraud back into the same

regional corporation to continue. You are compromising the integrity of the corporation, and the first thing that people say when you hear corruption in any corporation they blame the politician, the lil councillor and the chairman of the corporation who are trying their best. So do you have a guideline for instances where persons are convicted of fraud, staff members, with regard to resuming duties?

Mr. Burnette: Mr. Chairman, members of the Committee, the incident that was referred to previously by Mr. Forde, well my first biannual contract was from the 1st of May, 2014. So I was not at the corporation when that particular incident or incidents took place. I only heard about it, and I believe as the member said—

Ms. Ameen: So you are saying in your six years there were no incidents?

Mr. Burnette: Well, this is what we have reported here. That was in 2016, but as you said—

Ms. Ameen: The staff implicated, have they returned to their duties in the corporation?

Mr. Burnette: As far as I am aware, I know one member or one person's name was mentioned to me, because, like I said, I do not have the whole story of what went on, all the people who were involved, but one member of staff, and that member, yes, is at the corporation but they are not in the accounting unit in terms of dealing with cash and things like that.

Mrs. Baptiste-Primus: The information that just evolved is a bit, not a bit—it is rather disturbing. Is this Committee being told that an employee of a corporation was charged and found guilty and that person was allowed to return to work in the corporation? That is highly irregular. Once you are convicted in a court of law you cannot be employed in the public service. So if that has happened, that is highly irregular. Mr. Deputy Permanent Secretary, could you investigate that incident and communicate that information to this Committee, whether or not there is any veracity in the information that an employee was charged, convicted, and was

reemployed with any of the corporations in Trinidad and Tobago? Thank you, Mr. Chairman.

Mr. Chairman: For the Tunapuna/Piarco Regional Corporation. You stated that three ongoing projects were voided for non-performance and are now subject to be retendered. My question: In the light of this occurrence, were the underperforming contractors or vendors removed from the corporation's list of contractors and vendors, and has the corporation sought to increase its scrutiny of tendering companies' contractors in order to reduce the likelihood of project failure?

Mrs. Ramdass-Ali: Through the Chair, the three incidents are relatively new. It is very recent. No, they have not been removed from the list of contractors; no decision has been taken in terms of that. Of course, it will be put forward in terms of what happens in the future. We will have to look at, when we do the evaluation process, how contractors are selected.

Mr. Forde: Mr. Chairman, what year that occurred?

Mrs. Ramdass-Ali: Through the Chair, that happened very recently.

Mr. Forde: Recently. So, 20—

Mrs. Ramdass-Ali: Very recently.

Mr. Forde: So 2107, 2018, 2019.

Mrs. Ramdass-Ali: No, no, no. This year, 2019. Yes, very recently.

Mr. Chairman: And then we had the instance with the Couva/Tabaquite/Talparo corporation where again some contractors are under some sort of investigation. But those contractors, is it the Ministry who gives approval and scrutinizes the contractors to see if there is any sort of a conflict of interest in the directors of those companies? Is it the Ministry? Is that under the Ministry's portfolio? And if there is a form of blacklisting— certain contractors, if in one corporation they underperform, that they do not go to another corporation and can get a job.

Mr. Seepaul: Mr. Chairman, the role of the Ministry is very limited. Just for the

information of the Committee, the registration of contractors begins at the corporation where applicants will submit their applications, and they would then be interviewed by officers of the corporation and recommendations would be made. Of course, certain statutory documents would have to be provided by the applicants. The Ministry really is the conduit to the Ministry of Finance. It is the Ministry of Finance that is responsible for registering contractors.

To respond to your concern, the operations of the contractors as it relates to contracts, this would have to be in accordance with the Central Tenders Board Act until the impending procurement legislation comes into being. So based on what the issue is, the Central Tenders Board would normally be consulted as far as taking action.

Mr. Forde: Mr. Chairman, if I may just follow up based on what the Deputy PS just said—that is the ideal scenario. That is the scenario that is on pen and paper. I can tell you for Tunapuna/Piarco Regional Corporation the file misplaced after the person submits the documents. With all the statutory arrangements in place, it goes missing. Secondly, no engineer is available to interview the particular contractor to ascertain whether he can qualify as a small contractor, a big contractor, or a medium-sized contractor. They would supply everything. The next story is that it went down to head office, Ministry of Rural Development and Local Government, and that is how it goes.

None of that documentation has reached to the Ministry of Finance as yet in order for final approval, and that has been going on since 2015, Mr. Deputy PS. Because contractors come to the office, "Mr. Forde, we send in the document." I say, "Okay, go and check the regional corporation". They are even identified to who to go to and the issue comes back. Couva, Sangre Grande, "all yuh" say what is the situation, you know. Do not sit there and decide that it is all hunky-dory and everything is smooth. No registration of contractors from 2015. Who are these

contractors that continue to get work in the Tunapuna/Piarco region that continue to reside outside of the Tunapuna/Piarco Regional Corporation?

The sanitary contractor who does not know where Ragbir Street is in St. Augustine, that waiting for the sanitary open tray truck to come months now to pick up some stuff that CEPEP, and URP and them have left in the particular area, and that is the scenario we are talking about, Mr. PS. No document "ain reach" the Ministry of Finance as yet. Some of them have not even reached your Ministry. The situation resides at the municipalities. I can talk for Tunapuna/Piarco. Ms. Ameen could vouch that also, and I am seeing Chairman Rondon shaking his head as the case may be.

Mr. Chairman: Thank you for that observation, and you may have to respond to that probably in writing. And a very important—sorry. You are willing to answer it now?

Mr. Seepaul: Mr. Chairman, one of the key roles of the Ministry is to exercise oversight over corporations, and I just want to allay the concerns of the member, that where aggrieved parties can ventilate their concerns to the Permanent Secretary, providing the necessary documents and outlining their concerns in detail, and I guarantee you that these matters will be investigated.

Mr. Chairman: So contractors have an avenue that they can approach you?

Mr. Forde: Mr. Chairman, again, not to be toing and froing, we are talking about the ideal scenario, but it does not exist. It just does not exist. I could provide a list you know, Mr. Deputy PS. I could provide a list. I am into my community, I could provide the list. I could provide names, telephone numbers to each particular chairman in order to identify, to see what is the status with this particular member.

Ms. Ameen: Chairman, I agree with my colleague. The issue is not the procedure, you know. There is a procedure for contractors to be registered, but in a hearing before this, corporations had similar issues. The CEO of Couva said the same thing

this morning. The list of applicants for registration of new contractors, the corporation did their assessments, sent it to the Ministry, and since 2015 not a single new contractor has been approved by the Ministry of Rural Development and Local Government, and that puts—well, that is the information that has been coming out. So if you have—I understand that there is a procedure, but what is the challenge with these regional corporations registering new contractors?

Mr. Chairman: I would like a report from the Ministry about—we are gathering some thoughts that there may be a monopoly on the contracting arrangements, and I—

Mr. Forde: Mr. Chairman, in one of the documents provided by the Tunapuna/Piarco Regional Corporation—I do not want to call out the name of the particular contractor, but out of the 16, 10 areas have the contract for—is for one contractor.

Mr. Chairman: So the Ministry—

Mr. Forde: Sixteen areas, member, and one contractor has 10. I am sure if we decide to even go into it with an audit, with a fine tooth, you will realize that some of the other contractors may be a subsidiary of that same scenario they are talking about.

Mr. Chairman: Yes. So I am hearing there may be a monopoly existing and we need to look at that. It is a great cause of concern and in case even the subcontractors may be also involved in this. So a report from the Ministry, unless you have an answer?

Mr. Seepaul: Yes. Mr. Chairman, I would like to respond. The member is referring to specifically scavenging contracts here. I just want to say that it is not the responsibility of the corporation, nor the responsibility of the Ministry to be awarding those contracts. My colleague on the left here would have indicated that these contracts would have been awarded going back to 2013 and it was the agency mandated to award contracts for SWMCOL.

Ms. Ameen: But apart from and in addition to the scavenging contractors you also have another list of contractors where corporations submit to the Ministry for approval, and the feedback is that the corporations have not been receiving this approval. So if you wish, you could send it in writing to the Committee if time is limited for the answer now.

Mr. Chairman: I would appreciate from the Ministry an overall contracting list, who are the contractors, so it will give us an overall sort of an idea what is happening there to see if, as you say, the perception that we are getting, if we could somehow look at that.

And a very important issue that member brought up also was the fact that certain files may go missing, and I need to find out from the different corporations very quickly because in the essence of time—what measures are being undertaken by the corporation to digitalize its records and to develop an appropriate computer-based record management system to prevent what member said has occurred? Because we had one corporation saying that water had damaged their records and they had no sort of records existing. So, could we get some feedback from the corporations, starting with Couva/Tabaquite/Talparo?

Ms. Maharaj: Through the Chair, our records are placed in two vaults at the main building in Couva. Also, we have fireproof cabinets that are used to supplement our records. However, as I said, my inception there is only year and that is one of the systems that I am looking at to digitize some areas especially the accounting area. So right now that is under consideration. Soon, a document would be put forward to our council and forwarded to Ministry.

Mr. Chairman: Could give us a timeline? Because remember, this is an important issue of keeping up with the times, having records safe. You know your corporation was tardy in the past for giving financial statements, so when you say "soon", we will try to get an idea how soon we could look at this. Give us a timeline, please.

Ms. Maharaj: Okay. Well, looking at what happened and the tardiness of the financial statements, and all our information is recorded manually at this time, I look at the interest of time and to get the works done, I am seeking presently to get quotations from different persons. Also, I understand, before my tenure there was a document that was put forward for PMCD recommendation, but to date I have not found that document.

Mr. Chairman: Documents go missing, we hear the story. Tunapuna/Piarco, could you give us an idea about your record management?

Mrs. Ramdass-Ali: Through the Chair, in terms of our record management we have a fairly satisfactory system; however, we need to digitalize. We understand that. Under the Development Programme there was a request; not this financial year but in a prior financial year for computerization so that we could increase our scope of what we digitalize actually. However, we did not receive funding on that occasion, but we are going to make a request in the new financial year under DP as well. There are a lot of records; storage is definitely a challenge for us in terms of space. With the Freedom of Information Act as well it means that we are required to keep more records. So we understand and yes we are looking at ways that we can do it. Right now we are looking at—we are saving information on our servers and soft copy as well, but we need to increase it.

Mr. Chairman: Could I get a response from Sangre Grande Regional Corporation?

Mrs. Hosein: Mr. Chairman, at the Sangre Grande Regional Corporation we have a manual system where files are stored in accordance with the Trinidad and Tobago manual of registry procedures. These files are stored in the vault at the Sangre Grande Regional Corporation; however, we realize at the corporation we need to digitalize our records. In so doing, in the last fiscal year 2018, we requested funding under Development Programme computerization and we did not receive that funding. This year we propose to include into our draft estimates that request once

again.

Mr. Chairman: Is the Ministry—yes, sure.

Mr. Seepaul: Mr. Chairman, I am pleased to announce that the Ministry of Rural Development and Local Government is on the verge of embarking on an exhaustive digitalizing process of our records. It is the intention of the Ministry that once this starts, that this facility will be made available to all our corporations.

Mr. Chairman: Well definitely, the need to modernize is there, and a question that was put to the members about their satisfaction of actually the open tray trucks before. What am I saying?—our corporation where I live in, the Tunapuna Regional Corporation, we have a WhatsApp connection with our councillor. So we have jumped the gun where we are a little more modernized. Any sort of complaints we send to her—garbage is not picking up, the open tray is not there. So in that way it is a direct link to the councillor. She responds in our WhatsApp neighbourhood chat and I think it is something that we have to look at to get a little better service. So what will come into play there is the telephone bills that we are looking at, even we could be utilizing that, but the service is there. So I can thank for that. So, at this stage we are now coming to an end. I would like to know if any of our members would have any other questions.

Mrs. Baptiste-Primus: Yes, Chairman. Thank you kindly, Chairman, and this question is directed to Tunapuna/Piarco Regional Corporation. Your submission stated that and I quote. "The Accounts Department or unit is headed by a financial officer who is on a third biannual contract", and my question is: What are the arrangements in place to facilitate evaluations of the performance of financial officers? You, Madam Vice-Chairman, or Mr. Deputy Permanent Secretary, can respond because I am not aware who is responsible for evaluating the performance of these financial officers. Is it the regional corporations, which I think it should be because they have direct oversight; or what role if any does the Ministry play? Go

ahead, Madam Chair, and then the DPS would then respond—from your knowledge.

Ms. Haynes: I will have to pass that on to—

Mrs. Baptiste-Primus: Your CEO?

Ms. Haynes: Yes.

Mrs. Ramdass-Ali: Through the Chair, the Chief Executive Officer evaluates the performance of the contracted officers, which would be one of them, the financial officer.

Mrs. Baptiste-Primus: And Mr. DPS, what kind of oversight the Ministry has on this process?

Mr. Seepaul: The Ministry is very cognizant of the importance of performance appraisals. So that whenever the vacancies would arise at these corporations, those who will have served in the positions, their performance appraisal will be closely looked at to ensure that we are looking to fill the positions again with people who are competent and who will served well.

Mrs. Baptiste-Primus: May I enquire with regard to the financial officers, is it the Ministry which reengages the contracted officer, or is it the corporation?

Mr. Seepaul: The role of hiring these officers is that of the Ministry.

Mrs. Baptiste-Primus: On what basis do you reengage?

Mr. Seepaul: Based on the vacancies that exist at the corporations.

Mrs. Baptiste-Primus: Mr. Deputy Permanent Secretary, I was hoping to hear, based on the performance appraisal report from the Chief Executive Officer, because we are talking about reengagement. You do not want to reengage someone who is an underperformer.

Mr. Seepaul: Well, as I would have explained earlier, the point I was making is that the performance appraisal of these officers is key to rehiring or not rehiring.

Mrs. Baptiste-Primus: Chairman, just permit me further. Madam CEO of Tunapuna/Piarco Regional Corporation, of Sangre Grande Regional Corporation, of

Couva/Tabaquite/Talparo Regional Corporation—

Mr. Cummings: You know that one by heart.

Mrs. Baptiste-Primus: I must. Couva/Tabaquite/Talparo service me. I am a burgess and I do not have any complaints to date. There is a happy relationship with the Chairman and the CEO and myself.

Ms. Ramdial: I hope MPs too? [*Laughter*]

Mrs. Baptiste-Primus: Yes, and my other MP. When the contractual period of a financial officer expires that officer must proceed on contract leave before reengagement, do you all ensure that you complete a performance appraisal on that officer? That question is directed to the CEOs.

Ms. Maharaj: Okay. Through the Chair, the present financial officer was hired from 2014. So her service is approximately four and half years. However, apparently a period went before my tenure. There—

Mrs. Baptiste-Primus: Wait, wait, wait. Madam CEO, if these contracts are normally for a three-year period—yes? It ought to be for a three-year period because you really want to encourage the person to stay. So if that person came in 2014, in 2017 the three-year contract would have expired; if it was a two-year contract it would have expired in 2016. We know that you are of recent vintage within the corporation, by being one year in the post, but have you seen evidence on the files of any performance appraisal having been completed on not only the financial officer, but other contract officers?

12.15 p.m.

Ms. Maharaj: To be honest, I did not check but I would have assumed that a performance appraisal would have been conducted.

Mrs. Baptiste-Primus: Do not, Madam CEO, do not, do not. Mr. Chairman, may I—

Mr. Forde: Just a follow-up, the Corp Sec, I do not know how long the Corp Sec at

Couva has been in place, probably, I do not know if she could share some light?

Mrs. Baptiste-Primus: Yeah, she said at the beginning that she was there just about a year.

Mr. Forde: Orrr.

Mrs. Baptiste-Primus: Yes.

Ms. Maharaj: The Corporate Secretary is approximately eight months. She is new also.

Mrs. Baptiste-Primus: Okay. So the other CEOs, Tunapuna and Sangre Grande, with regard to the performance appraisal of the financial officers.

Mrs. Ramdass-Ali: Okay, through the Chair, the present financial officer, it is an annual performance appraisal that is done. Even though the contract is for two years, it is an annual appraisal. So I know personally, I would have done a performance appraisal for my current financial officer last year and I would have been with him for at least some of the months before I would have done that.

Mr. Chairman: I think Sangre Grande would want to also respond.

Mrs. Baptiste-Primus: Yes, she is going to respond.

Mrs. Hosein: Mr. Chairman, it is an annual performance which is done at the end of the year.

Mrs. Baptiste-Primus: And Chairman, I am really comforted at what I have heard and I just hope that the completion of performance appraisal at the end of the contractual period before any renewal applies to not only the financial officer but all officers on contract. Before any renewal, a performance appraisal must be completed. Thank you, Mr. Chairman, and thank you.

Mr. Chairman: Deputy PS, we have been hearing that, you know, when there are staff changes, there is no institutional memory of what went on before, so there might be some sort of policy or protocol in place where new members coming in, are given a sort of a knowledge, an oversight on what went on and what is in the work and to

have that continual level.

I wish we could keep you here whole morning, we have a lot of questions but I think in the essence of time, Member Forde, I think, will be giving us the last question since he is eagerly willing to.

Mr. Forde: To Couva—and I think we started with Couva and we come back on Couva. There is a memo on the correspondence that you submitted to us, Appendix 3 with regard to the vote book subject where the Auditor II Acting from the Ministry responded. All right.

> An internal report for the period 2017 to 2019 conducted revealed that there is poor transparency.

And this is in quotation.

> Poor transparency, accountability and the depletion of the systems on internal controls governing your business system which is unacceptable in Government accounting and procedures.

Right. So you are with me on that Vote Book? Right. So the question is: On these findings of the Internal Auditor, what measures have been put in place since to address the concerns highlighted by the auditor here? You could give us a quick synopsis but then you can provide it in writing also later.

Ms. Maharaj: Through the Chair, this report was brought to the attention of the Financial Officer and the Acting Accountant I at this time. Discussions were held with them and we are seeking to train the staff in a more in-depth manner because as you would have seen from our organizational structure for the accounting unit, we have a lot of daily-paids who are not fully competent to perform accounting duties properly. So we have to keep training and upon the receipt of this report, discussions have been held and we are seeking to put more measures in place to correct and to mitigate these occurrences.

Mr. Forde: And what I may add too, you know, based on what we have discussed

earlier from the outstanding financial statements, it only shows the whole impetus in order to deal with it, in order to minimize these discussions. And final question before I go, Mr. Chairman, to the Deputy Permanent Secretary, it is something that you can provide for us in writing. From 2010 to present, the various chairmen of the municipalities, they hire their particular staff. They usually have a secretary, a clerk or something of the sort in the office, a driver as the case may be. Gratuities are usually due for these individuals. But I understand that from 2010 to present, some of these officers have not received their gratuities. All right?

I think there is a query right now whether it is that municipality themselves, the corporation should pay it or whether the Ministry of Finance should pay it. So I would just like to—supply us in writing please in terms of the delay and if it is that something can be done in order to—. I see Chairman Rondon is shaking his head there. I do not know, Chairman for Couva, you have that situation by you also too? And Tunapuna/Piarco, I understand that that is a situation. So it is just something that as from the Committee's point of view, we would like to know that they are taken care off. Thanks, Mr. Chairman.

Mr. Chairman: So we will appreciate those comments in writing. And in closing now, I would like to ask the chief officials to make brief closing remarks starting with Mr. Raymond Seepaul, our Deputy PS.

Mr. Seepaul: Mr. Chairman, it has been a very fruitful session this morning. I personally welcome these forums because it can only lead to the strengthening of local government systems and operations. It can only lead to transparent exercises out there and getting value for our taxpayers' money. So, again, we look forward to continuing to meet with you so that local government can be what we would all like it to be.

Mr. Chairman: Thank you, and could Mr. Henry Awong of the Couva/Tabaquite/Talparo Corporation give us closing remarks?

Mr. Awong: I thank you very much, Mr. Chairman, and it has been a learning experience for me here this morning. As was indicated by Deputy Permanent Secretary, I hope it augurs well for the organization, strengthening our systems and everything else. So I am thankful for the opportunity to be here this morning.

Mr. Chairman: Could we get closing remarks from Ms. Onika Myers Haynes, Vice-Chairman of the Tunapuna/Piarco Regional Corporation?

Ms. Haynes: Thank you, Mr. Chairman. I wish to thank the Committee for the opportunity today. I have learnt quite a lot, Mr. Chairman. I will, indeed, take back to council issues for attention and action. Mr. Chairman, we recognize the need for a policy at least on fraud and we need to, once again, at the corporation, follow up with the Ministry as it relates to the registration of new contractors. Our files have been there in that Ministry for three years now, since 2015.

Mr. Forde: Some of the files.

Ms. Haynes: In closing, Mr. Chairman, we recognize the need for reform on local government which would aid us in improving service delivery and that service delivery should redound to the benefit of every single burgess. I thank you.

Mr. Chairman: Thank you. So the tardiness goes both ways. Right? Not just with the corporation, the Ministry also. I would like Chairman Martin Terry Rondon to give us some closing remarks please.

Mr. Rondon: Thank you, Mr. Chairman. I first want to say thanks to the Almighty God and all of us here today for this session. Sessions like these help us to carry the region forward. I have learnt a lot here today and I am going back to Sangre Grande well prepared, equipped in making sure that—pave the way for the other chairman that is coming here that could have the answers to his fingertip.

Before I leave here, I want to share something with you all and what is really not having Sangre Grande go forward as it should. Other agencies are not taking up their responsibilities. Schools will call us, health, police, everybody depend on the

regional corporation. "I and my staff", we do it under humanitarian but "is ah strain" on our finances. So it is an appeal, take up your responsibilities. "Too much ah time", the corporation—people look at the Corporation and "feel we have ah bag ah money". No, no. I thank you all. May God bless each and every one of us.

Mr. Chairman: Thank you. So we have an appeal for other service industries or other providers to come on board and do their part and support which is needed.

So in closing, I would like to thank all the other officials who were present for the attendance and the participation. And I would like to just mention to the Deputy Permanent Secretary that our next carded meeting may be April the 24th at 9.30 at this same venue so please keep that in your agenda; so any sort of further preparation. I would like to thank the members of the media for their attendance and also the Committee members for being present and also members of staff for their participation and support.

If there is no further business for consideration, I will declare this meeting now adjourned.

12.25 p.m.: *Meeting adjourned*.

VERBATIM NOTES OF THE THIRTY-SECOND MEETING OF THE JOINT SELECT COMMITTEE APPOINTED TO ENQUIRE INTO AND REPORT ON LOCAL AUTHORITIES, SERVICE COMMISSIONS AND STATUTORY AUTHORITIES (INCLUDING THE THA) HELD IN THE J. HAMILTON MAURICE MEETING ROOM, MEZZANINE FLOOR, TOWER D, INTERNATIONAL WATERFRONT CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON WEDNESDAY, APRIL 24, 2019 AT 10.42 A.M.

PRESENT

Dr. Varma Deyalsingh	Chairman
Ms. Ramona Ramdial	Vice-Chairman
Mr. Nigel De Freitas	Member
Ms. Khadijah Ameen	Member
Mr. Julien Ogilvie	Secretary
Ms. Khisha Peterkin	Assistant Secretary
Ms. Terriann Baker	Graduate Research Assistant
Ms. Janelle Mills	Parliamentary Intern

ABSENT

Mrs. Jennifer Baptiste-Primus	Member
Mr. Esmond Forde	Member
Dr. Lovell Francis	Member
Mr. Darryl Smith	Member

MINISTRY OF RURAL DEVELOPMENT AND LOCAL GOVERNMENT

Mrs. Jennifer Daniel	Permanent Secretary

Mr. Raymond Seepaul	Deputy Permanent Secretary
Ms. Esther Pilgrim-Soanes	Director of Finance and Accounts

MAYARO/RIO CLARO REGIONAL CORPORATION

Mr. Glen Ram	Chairman
Mr. Ashmead Mohammed	Chief Executive Officer
Mrs. Rajendra Sawh	Financial Officer

PRINCES TOWN REGIONAL CORPORATION

Mr. Gowrie Roopnarine	Chairman
Ms. Sheriffa Heru	Chief Executive Officer (Ag.)
Mr. Mahabir Gheesan	Financial Officer

Mr. Chairman: Good morning, ladies and gentlemen. I would like to welcome you to the Thirty-Second meeting of the Joint Select Committee on Local Authorities, Service Commissions and Statutory Authorities (including the THA). This is our Committee's fourth public hearing pursuant to its enquiry into the financial oversight and financial management within municipal corporations. Members of the listening and viewing audience are invited to post or send their comments via Parliament's various social media platforms: Facebook, YouTube and Twitter.

I would like to invite members from the Ministry of Rural Development and Local Government, to please introduce themselves.

[*Introductions made*]

Mr. Chairman: At this stage I would like officials of the Mayaro/Rio Claro Regional Corporation to please introduce themselves.

[*Introductions made*]

Mr. Chairman: Welcome. Would members of the Princes Town Regional Corporation now introduce themselves?

[*Introductions made*]

Mr. Chairman: A warm welcome to you all. I am Dr. Varma Deyalsingh. I am the

Chairman of this, you know, Local Authorities, Service Commissions and Statutory Authorities (including the THA), this Joint Select Committee. And now I would like my Vice-Chairman to introduce herself and our other members.

[*Introductions made*]

Mr. Chairman: I would like to remind the members of the public that the objectives of this enquiry is to do three things basically:

1. To examine the role of the line Ministry and the executive management of the municipal corporations in promoting and facilitating accountability, transparency in the operations of the municipal corporations.
2. To assist the internal control systems within the municipal corporations; and
3. To examine the proposed local government reform initiatives associated with the management of finances with the municipal corporations.

At this stage, I would like the Permanent Secretary in the Ministry of Rural Development and Local Government to please give us some opening statements which should not exceed two minutes.

Ms. Daniel: Thank you, Chair. It is my pleasure and the pleasure of the representatives of the Ministry to be here once again to meet with this Committee as we conclude the liberations with the final corporations. We again make ourselves available to respond to any issues that would be raised. And just to add that we have benefited tremendously from the point of view that there have been issues that have been raised at these hearings that have been informative and that we have had to pursue and to ensure that we put systems in place to treat with. So we have benefited and we are appreciative of the process, thank you.

Mr. Chairman: Ms. Daniel, I appreciate your effort every time we have this meeting and your interaction with us, and you have seen we have a lot of issues that have come to the forefront of certain misgivings that occur in the corporations that I think we hopefully would be able to address in the future, some of them very

alarming.

At this stage, I would like Mr. Gowrie Roopnarine, the Chairman of Princes Town Regional Corporation to please give opening remarks.

Mr. Roopnarine: It is my first time here and I am pleased to be here. I am looking forward that this interview could help the corporation with whatsoever. We are willing to answer the questions—the questions that we are willing to answer, but we are hoping as well it will assist the corporation after we leave here and go back to our corporation.

Mr. Chairman: Thank you, Mr. Gowrie Roopnarine. But again it will help the country on a whole because as we have seen, we have looked at various corporations and there are a lot of misgivings. We have seen from files, you know, being waterlogged; we have seen accountants, you know, the actual accounting mechanism lacking; we have seen fraudulent cheques; we have seen CEOs come under scrutiny where they are actually involved, the CEOs who should be looking at the running are also involved. And I think the Ministry now would have the challenge, how could we monitor the CEOs?

And a wide spectrum, we have seen different corporations falling into different areas, falling into different, as we would say, different party areas, because we have different corporations falling, and then, the common thread we see is that corruption occurs in all corporations. So it is something probably a common denominator in probably our national way of thinking that you have, you know, right through. What probably connects us as a people is corruption throughout the corporations, and again we are looking at ways we could somehow tie this in. There are procedures in place, but obviously it is failing, and it is failing as we know.

So at this stage, I thank you for your presence here and I hope you can give us some information, we can give you as a learning body we can come out with something better.

At this stage, I would like to ask Mr. Glen Ram, the Chairman of Mayaro/Rio Claro Regional Corporation to give us some brief opening remarks.

Mr. Ram: Good morning, Mr. Chairman and members of the Committee. On behalf of the team here from the Mayaro/Rio Claro Regional Corporation, we are happy to be here this morning. As you said, this morning it will be an interactive session. I know we are well prepared at Mayaro/Rio Claro this morning to answer any questions that may be forthcoming to us and we look forward to fruitful discussions as we move forward in terms of any discussion that we may have. Thank you.

Mr. Chairman: Thank you, Mr. Ram. At this stage, we would like to open the floor for questions by members and please be reminded that your questions should be directed through the Chair. And persons are reminded that they need to activate their microphone when speaking and deactivate it. And as part of a little house committee procedure, please turn off you cell phones or put it on vibrate while the Committee hearing is being established.

So, Mr. Ram, I know you have a problem with your seaweed in Mayaro/Rio Claro Regional Corporation and I realize that it was a challenging issue for members of the public attending Mayaro and these Easter events. So it is challenging and I am glad you are here because I see you had a busy time this weekend.

I would like to start the ball rolling by asking some questions, specifically with reference to the infrastructural projects being undertaken by the corporation. Have there been any instances over the past five years in which contractors have been paid in advance for work which was not completed? And if yes, explain how the matters were resolved or addressed.

Mr. Mohammed: Mr. Chairman, Mayaro/Rio Claro Regional Corporation—I have been there only two years, so I can categorically say in the last two years no advance payment has been afforded to contractors. All the payments for contractors in the

last two years have been work at the completion of the projects. In our submissions we did articulate a process of how we go about undertaking payment to contractors. I could furnish the Committee with any data on the previous three years, which would be, let us say ’14 to ’17, I would not say categorically no for those periods, but for the period 2017 to present, categorically no.

Ms. Ameen: Chair, through you. With regard to this matter though, there was an occasion previously where another regional corporation got into some hot waters because they were trying to secure the funding before the end the financial year. And I am asking you, I know that in the last financial year there were some late releases to regional corporations where development programming funding is concerned. What are your challenges or the regional corporation’s challenges with completing development projects when you have late releases? And specifically for the ending of the last financial year how have you been able to deal with it? Have you been able to utilize all of funding?

Mr. Mohammed: On behalf of Mayaro again. In the last financial year ending September 30, 2018, the Mayaro/Rio Claro Regional Corporation ran over about three projects, and when I say ran over, it moved from—the close of that fiscal year to the present fiscal year. A couple of such jobs were projects that were awarded under the Special Ministerial Tenders Committee Award. Now, when you have an award under the Special Ministerial Tenders Committee Award what you normally have is a confirmation of funds. So the project is awarded based on your confirmation of funds.

At the completion of the project, again you would then effect payment. You would notice again in our submissions we have two or three such projects. Currently those projects, and we did even indicate how we view a project. We view a project completion in Mayaro/Rio Claro, we view it—it is ended when we effect the payment. So that there are a couple of projects that we are saying right now in

Mayaro are incomplete, not in terms of the actual work, but in terms of the effecting of the payment. Those SMTC awards we have applied to the Ministry of Finance for such payments to pay the contractors because the works have been completed. All right, that is about the major challenge we have in terms of last year's PSIP projects and completion.

Mr. Chairman: So your challenge really is the delay from the Ministry then, the line Ministry in securing payments?

Mr. Mohammed: Well it is not the line Ministry, i.e., the Ministry of Rural Development and Local Government. It is from the Ministry of Finance. The documentation, the paper work, everything has been there for quite a while and we are just awaiting the release of the cheque and the creation of the cheque in order to effect the payment to the contractor, but the work has been completed.

Ms. Ameen: So you still have payments outstanding from last financial year for works completed because it has not been released from the Ministry of Finance?

Mr. Mohammed: Yes.

Mr. Chairman: Could Princes Town Regional Corporation come into this whole scenario now and explain? Do you have a similar problem occurring in Princes Town?

Ms. Heru: Mr. Chairman, the Princes Town Regional Corporation does not have a similar problem. What would have happened as it pertains to the first question that would have been raised, we—the Princes Town Regional Corporation has not in fact paid—made any advance payment prior to the completion of any works, first to begin with. As it pertains to the releases and the development projects, we have been able to complete our projects based on the releases that would have been submitted to the corporation.

Mr. Chairman: So is it that Rio Claro has certain projects that are exceeding the limits that you are getting?

Mr. Mohammed: Mr. Chairman. In the last financial year the Mayaro/Rio Claro Regional Corporation undertook projects that fell under two categories, i.e., the CEO's award which are projects under $300,000 and the Special Ministerial Tenders Committee awards, that is, projects above $300,000. So, for example, one of the projects we have outstanding for payment is the Mayaro market. That was in the vicinity of $490,000 for complete refurbishment, just listed in our document as one of the projects. We have not had that money—as I said the project was awarded based on confirmation of funds, that is, the Ministry of Finance would give you a document indicating that you have a confirmation which is equivalent to an assurance of funding, saying go ahead and do the project. You will receive the moneys, right.

The project has been completed. We have done the application. It has gone through our line Ministry and it has gone to the Ministry of Finance and we are awaiting the Ministry of Finance releasing the funds in order that the Ministry can now approach Comptroller of Accounts in the preparation of a cheque to the corporation.

Mr. Chairman: So has anything been started in the market? Or work has been done already, you are just waiting for completion?

Mr. Mohammed: Yes, the work has been completed.

Mr. Chairman: Completed. Okay.

Mr. Mohammed: That will be a project—as I said, that is a project that was undertaken under fiscal year 2017/2018.

Mr. Chairman: Okay. You are just waiting that payment.

Ms. Ameen: Chairman. My concern, and maybe the Ministry would help answer, would this corporation or corporations who experience this issue run into legal issues with contractors who after sometime may decide to sue the corporation, for instance, or take some type of legal action for delayed payment if so much times passes?

Mr. Chairman: And probably the PS would come into this line of question.

Ms. Daniel: I imagine that is always possible. I would want to give some perspective and that is—now I do not know the facts of the particular projects, and the facts of the matter. But it is very interesting because I think Princes Town Regional Corporation has been standing out over the years, certainly last fiscal and even now. Correct Ms. Soanes?

Ms. Pilgrim-Soanes: Yes.

Ms. Daniel: In terms of their projects, in terms of the timeliness of the commencement of their projects and their ability to execute and complete for the fiscal. But in terms of the question asked by the member, Chair, it is always a possibility that a contractor, I cannot speak to that, it is a possibility.

Mr. Chairman: Looking at the allocation of funds, I realize in the Rio Claro Corporation there were some problems in getting funds for water supply and cesspit cleaning. Again, it seems that you may be starved for funds to provide essential services. There was a newspaper report, I think Mr. Ram had indicated that, I think it went from $1 million to, I think it was, $400,000 to provide the same service. And could you give us an idea, I mean is this a pattern that has happened? Is it a similar thing also? So you will answer that and I am hoping Princes Town Regional Corporation will also come into play. Do you have a problem again with the water supply?

And Ms. Ramdial will ask a question after.

Mr. Ram: In terms of the issue of the truck borne water supply that we would normally receive moneys for under recurrent services, we have not received any funding for this present fiscal year. Yes we have gone through the process and we have applied for funding, but we have not received any funding. Prior to that our funding was approximately $1 million for truck borne for 13 areas. This year we have the same amount of areas and our allocation is only $400,000. So we are in a

predicament at this time because we have not received any funding, and we cannot provide the services to the residents of the region. So we are in a problem at this time.

Mr. Chairman: I feel the pains of your burgesses because water is an essential—very essential supply at this stage.

Ms. Ameen: Chairman. In the Mayaro region there are a number of beach facilities, especially over the last Easter period you had a lot of activity on the coast. Can I ask the Chairman then, how have you been able to deal with supply of water or water trucking supply in the region in the absence of release of funds from the Ministry?

Mr. Ram: Well as I said, we have 13 areas that are devoid of pipe borne water. So persons depend on the Mayaro/Rio Claro Regional Corporation to supply water to these areas. At the present time we have one water tender that is operating at the Regional Corporation. During that whole Easter weekend we had to prioritize, we had to put systems in place to try to provide water. We had some discussions with WASA in terms of them trying to assist in those areas. But as I said, the corporation was only able to do so much with one truck. It was a problem in the area because, I mean, the Easter weekend you have an influx of persons coming into Mayaro, and we had a lot of calls coming into the office asking, persons seeking water but there was only so much that we could have done with one truck, one water tender that we have at this time at the corporation.

Ms. Ramdial: Thank you, Chair. To the Mayaro/Rio Claro Regional Corporation, in your submission you noted that the council intends to acquire a device to detect counterfeit money to prevent the reoccurrence of counterfeit cash received by the corporation. Now for me this is a unique situation. Is it that you have a prevalence of counterfeit cash circulating in Mayaro/Rio Claro? And I understand that you intend on purchasing this device. So what is the estimated cost for this device?

Mr. Mohammed: Mr. Chairman and to the member. This really was a one-off

scenario, in which in our submission, we indicated that on the deposit to the bank, the bank recognized that one of the $100 bills deposited by the Mayaro/Rio Claro Regional Corporation was indeed a counterfeit bill, the number, I think it is registered in the submission.

Coming out from that obviously the deposit was adjusted downward. We have done what we can do in terms of internal training. I mean, most of us know we look for certain watermarks and what have you. We have done some little research with the nearby supermarket cashiers who seem to be on top of their game. We have done that. But we were also told that it is a very simplistic machine, something with light, it is very cheap, I do not think it is something more than—[*Interruption*]—yes, very costly, something probably about $1,000. , I can hazard a guess, I do not know exactly the price. But we are looking to acquire that in order to lend support for it to not have a reoccurrence of such a matter. It is really only a one-off scenario at this stage where we have to date, we have only had that instance one time which is one $100 bill.

Ms. Ramdial: All right. To the Princes Town Regional Corporation, have you had similar experiences with counterfeit cash circulating?

Mr. Gheesan: Through the Chairman to the member. We have no such instance, thanks.

Mr. Chairman: I would like the Princes Town Regional Corporation to give me some feedback on the truck borne water supply. Because we are now looking at the truck borne water supply of the Mayaro/Rio Claro Regional Corporation. Do you have a similar problem in providing truck borne water?

Mr. Roopnarine: Yes, Mr. Chairman. We have the same problem in the Princes Town Regional Corporation and also in terms of releases for water trucking, in our last financial year our allocation was $400,000 and at the end of the financial year we got no releases, we awarded the contracts and we had to pay for that in this

financial year. And in the dry season that we are in now, the situation after we had paid we were just over $100,000. So we were only able to award contracts for water trucking just for two weeks or so.

We are fortunate that we have three water tenders in the corporation that we could assist. But at this time it is a crisis within the Princes Town Regional Corporation because not only in the areas where we are responsible for assisting for water, even in the areas that WASA is responsible for, now the electorate is now coming to us because not even WASA is supplying water. For instance at this time I can tell you in the Tableland area they have not had water for over a month and the people have been begging the corporation to assist for water. So it is a crisis within the Princes Town Regional Corporation at this time.

Mr. Chairman: I am sorry it is a basic. The supply of water is a basic need and it is a pity. I apologize for that. I am hoping we can get something to come about, you know, with this Committee that could make some recommendation because it is a basic need that has been denied.

Ms. Ameen: Chairman, the Princes Town Regional Corporation in your submission, I observed that you have submitted a table that indicates that it costs approximately $181,000 for a two-week period to do water trucking in six areas which you listed. And you indicated this is the only two weeks that you have been able to go out. In terms of requesting additional funding, has any action been taken in that direction?

Mr. Gheesan: Through the Chairman, member. As the financial officer, I brought a programme, a supplementary allocation to the council in January of this year and the council approved that. And I have made a submission through the Ministry to the Budget Division for supplementary allocation. Since then we have had no additional funding on water.

Ms. Ameen: All right. Now, while we lament the lack of releases from the Ministry,

I also want to look at the breakdown in your costs and the value for money in terms of the supply for each household. Do you have a rate to determine how much you pay contractors, because from the costs supplied it is clear that, you know, there is a big difference in terms of per household. So one contractor would have been paid approximately $310 per household for the two-week period. Another one was paid about $675 per household for the same two-week period. I am sure you have ways to determine the cost based on the area to be supplied and so on. Can you give the Committee an idea of how you determine what is fair, what is value for water trucking contractors?

Ms. Heru: Mr. Chairman, the corporation seeks permission to provide this information in written submission, please. I am unable to provide that information, presently.

Ms. Ameen: All right. And may I ask you then when your service is ongoing, what system do you have to monitor, to ensure that the water is in fact delivered to whom it is supposed to be delivered and that the volume is what you contracted the contractor to do?

11.10 a.m.

Ms. Heru: Through the Chair, I want to indicate that the corporation has the necessary supervisors in place to ensure that the water that is distributed, is distributed to the persons who it is supposed to go to. Right? There are checks and balances. The Public Health Officers who are directly responsible for the exercise, they have the relevant checkers and all the necessary systems in place to ensure the checks and balances, and a report at the end of the fortnight is provided to the council for their information and verification.

Mr. Chairman: How do you choose these contractors? What process do you use to, you know—is it a transparent process to look at one contractor from another contractor? Can you give us an idea of your process?

Ms. Heru: Okay. Through the Chair, the information, we would invite tenders. First of all, advertisements are placed in the newspapers, tenders are invited. We would have an opening, a public opening. Once there is a public opening, the contractors are invited to present their trucks to be used for inspection. The Public Health Officers conduct thorough investigations on the trucks and the tanks that would be holding the water. The relevant checks are carried out. Based on the report that is submitted, this plays a critical part in the award, the actual award of the contract because, quite recently, we would have had reports coming in—after we would have done the award—and based on the inspection that would have been carried out, we would have recognized that a lot of the vehicles to be used were not suitable.

In light of that, it would have narrowed down to about four or five contractors as the case may be. Due to the fact that we would have had about six areas—if I remember correctly—we would have tried as much as possible, based on the contractor's ability—on his availability of the trucks per se—to award the contracts. So it was done in a very transparent manner.

Mr. Chairman: You have the process to look at it to see if it is working.

Ms. Heru: Definitely.

Mr. Chairman: Well, thank you.

Ms. Ameen: I see in your report that you indicated water will only be distributed to persons having barrels and tanks provided that they are fitted with proper covers. You also have a limit in terms of 1,515 litres of water will be given per household on an approximate five working-day cycle. Seeing that you advised residents to have proper fitted covers, is the quality of water provided, is it drinking quality water?

Ms. Heru: Through the Chair, yes, the water is potable water.

Ms. Ramdial: Again, to the Mayaro/Rio Claro Regional Corporation, I see you

indicated in your submissions that you have a donation register. Can you tell me the reason for this please?

Mr. Mohammed: Mr. Chairman, to the member, before I answer the question, I just want to alert the Committee that our submissions on page 15 of our Objective 2, item one, I will have to think it is a typographical error. I discovered it only on my way up this morning. It says the accounts of the corporation up until fiscal year ending September 30, 2009, have been audited by the Auditor General's Department. I wish to make the correction and indicate this is really 2008, up to 2008. So 2009 is at the Auditor General awaiting audit verification. So I just want to—I do apologize on behalf of the corporation for the error.

Mr. Chairman: So the oversight of any sort of financial impropriety really depends on your internal audited system, also the fact that the Auditor General would come in and check, but you are saying that the Auditor General has not made any sort of thing.

Mr. Mohammed: Mr. Chairman, these are our final—this is our financial statements at the end of the financial year. We have submitted all to the Auditor General, save and except the last financial year which is ongoing at this stage, but the audit process, the final auditing process by the Auditor General, they have only completed up to 2008. In our submission, we indicated 2008. That is the correction I am alerting you to now.

Mr. Chairman: So, I am hearing this morning that factors outside the corporation may be responsible for some of the failures or misgivings of the corporation—financial oversight from the Auditor General, probably finances not coming in to service the corporation in vital instances. I think Ms. Ramdial has a question.

Ms. Ramdial: Yes, going back to my question please. I understand you have a donations register.

Mr. Mohammed: Yeah. This was started primarily out of the huge flood in the last

couple of months, and we got from some foreign persons, the donation of a dinghy, and when we looked at it, we recognized a lot of donations sometimes come to the corporation, but it was heightened during that period, and we recognized that we needed to have some documentation and some paper trail to indicate what company X sent, what company Y sent, so we started a donation register. So it is imperative that everything that comes into the corporation is recorded into that donation register. It is kept at the Secretariat Department, the Corporate Secretary's office so that everything that comes into the corporation via donations is entered there and documented.

Ms. Ramdial: I also see in your submission that you had some misappropriation of some toilet paper. What actions have been taken to rectify further misappropriations—and by a driver from the corporation? What sort of disciplinary action has been taken against that driver?

Mr. Mohammed: Well, Mr. Chairman, you would see that the police—and I would have to say with a change of the police head—we were able to get a report, a closure, and you would see in the report in our submission, they have indicated that the statutory period for laying any criminal charges against the person has expired.

A fundamental tenet of disciplinary action also is that when you are undertaking discipline, it is supposed to be with a level of immediacy. I mean, this incident has happened close to almost a year and a half, a year minimum. There was no action taken. Well, when I say there was no action taken, you are anticipating that coming out of the glaring evidence that seems to have been available is that the matter would have been dealt with via the municipal police, and we only got closure to that the week before our submission here when we had on board a new officer who we indicated completed the investigation and indicated that no further action can be taken, because the statutory period has lapsed. I do not know if it is fate, but the very driver involved is right now the subject of another disciplinary action. So,

in one instance he is—

Ms. Ramdial: Is he still employed at the corporation?

Mr. Mohammed: Yes.

Ms. Ramdial: During an ongoing investigation?

Mr. Mohammed: Well, there is a current investigation in terms of the use of a truck—not necessarily the use of the truck, let me just clarify—whilst driving the truck and his behaviour towards members of the public. And there was also some reckless driving and what have you. The tribunal that was set up for that has been completed. The chairman of that disciplinary tribunal is due to pronounce I think, in a further week or so and complete their written determination, and reconvene the tribunal to issue the decision. If I say what is the decision then I am usurping the function of the tribunal.

Ms. Ramdial: Yeah. Of course.

Mr. Chairman: We would not want to go there. But I would like to say, but what caused the delay in the initial charge that came about? What caused that delay and how could you prevent that from happening?

Mr. Mohammed: The matter was remitted to the municipal police, as you will see in my submission. You have to be very weary of sometimes trying to get involved in the police matters because it is a kind of grey domain about the operations of civilians and police.

Mr. Chairman: The plice, the municipal police fall under your direction also. So in terms of an investigation in speeding it up, would that not fall under your purview? It is just a clarification we will need, because if it happens again we will want to know what is in place for speeding up the process.

Mr. Mohammed: Mr. Chairman, there have been over some time, and I will use the two examples. Another previous Municipal Inspector who felt that the CEO was not his immediate supervisor. I have had over the last month an officer, a Municipal

Inspector coming on board who has recognized that the CEO is his boss. So what I have been able to achieve via the municipal police in the last month is in stark contrast to what I achieved with the municipal police prior.

Mr. Chairman: So there is a whole line of an organizational structure within your corporation?

Mr. Mohammed: Mr. Chairman—

Mr. Chairman: Are you putting one in place then?

Mr. Mohammed: Mr. Chairman, there has always been one. There has always been a clear demarcation that the municipal police fall under the ambit of the corporation and by extension the CEO is the administrative head. But, again, it is subject to interpretation by the individual. That was the problem.

Ms. Ramdial: Just a further question to the Permanent Secretary, in light of what the CEO from the Mayaro/Rio Claro Regional Corporation has just said, is there an overarching policy handed down by the Ministry with respect to workers under police investigations? Is there a policy? Are there any sort of guidelines or rules or any conventions that can be followed with respect to existing workers under police investigation?

Mrs. Durham-Kissoon: With respect to the public service public officers, it is very clear. Where you are the subject of an investigation there are procedures. It is not as clear with respect to daily-paid officers and I do not know the specifics of the situation and I am guessing that the person is a daily-paid officer. So that for public officers, yes they would be—it becomes a disciplinary matter for the public service person.

In terms of the first part of your question, I think the CEO has made it very clear in his response that he is fully cognizant of the fact that as CEO, he is the person who is responsible. That was very clearly conveyed by him. So it is the CEO, and I imagine where there are challenges with someone who is under your authority, then

it is up to you to treat with the matter so that there is no doubt.

Ms. Ameen: I just wanted to get from the corporations a practical view, because when you have daily-rated workers who fall under a union, any form of discipline, the union often intervenes, and I know that there have been expressions of frustration in terms of the position the union would take. How has your approach to discipline with these types of workers or workers involved under investigation, how has your process for disciplining workers been treated?

Mr. Mohammed: The Mayaro/Rio Claro Regional Corporation, you can safely say it seems that we do have quite a number of disciplinary actions that are undertaken. When we undertake a disciplinary action, we have, obviously, the necessary reports from the supervisors. We also ask the workers to present their own reports and due process is followed. When we convene a disciplinary hearing—okay. There is a recommendation that would come out of the Industrial Relations Department, whether disciplinary action should be pursued. If that recommendation comes from the Industrial Relations Department, a note is written to the CEO and I would determine a chairperson. Sometimes you look at what are the potential ramifications, you will then determine there are some actions in the collective agreement that require a category of officer undertaking the chairmanship of the tribunal. So as the CEO, and after some experience, you will gather where one would lead. So you will know what level of officer you will put to chair some offences.

Once you appoint the chairman, the union is duly informed when the hearing is to be convened and, as usual, the processes are followed. Witnesses can be called on behalf of the aggrieved worker. The hearing goes on. The Chairman would normally make their decision and get back to the committee on whatever measures or disciplinary measures are recommended will be undertaken—if it is suspension—it there is no clear evidence, the worker is exonerated, whatever is the determination

that takes place.

Mr. Chairman: So you are tied down by, again, probably the unions also coming into play, then sometimes workers who may not be following the chain of authority, it is like the tail wagging the dog. So you have that instance where you may not be able to actually enforce or ensure that your workers follow your directive. So, you have been putting things in place for that.

Mr. Mohammed: I, personally, at Mayaro/Rio Claro Regional Corporation have not found the union to be difficult in terms of—obviously the union makes representation. That is part of their function, to make representation, but I have not found it to be a challenge. Right? I think clearly our mode of undertaking action has stood up over time.

Mr. Chairman: Member De Freitas has a question.

Mr. De Freitas: Thank you, Mr. Chairman. Good morning, again. So we have interviewed quite a number of corporations thus far, and there has been a common thread through the majority of them in relation to the presence of a financial officer at the corporation. Now, I noticed that both the Princes Town Regional Corporation as well as the Mayaro/Rio Claro Regional Corporation both have a financial officer. One of the issues that the other corporations outlined was the ability to hire and retain a financial officer and there was a requirement to have certain criteria for that post, that is, the ACCA certification, chartered accountants and what not. What have both the Princes Town and the Mayaro/Rio Claro Regional Corporations done differently that you have been able to hire and retain a financial officer where other corporations have failed?

Ms. Heru: Through the Chair, I would want to say at the Princes Town Regional Corporation, the financial officer, the position of the financial officer, that position has constantly been filled. On completion of the officer's contract, we have been fortunate—well, considering the recruitment process after the interviews and what

have you—to get a financial officer in place. In the absence, it may be a month or two. A note is taken to the council seeking approval to retain the financial officer on a month-to-month contract until the position is filled at the Ministry's level.

Mr. De Freitas: So I am going to assume that the person who has been in that post has not been the same person, let us say, over the last 10 years. It has been different people?

Ms. Heru: Through the Chair, we are fortunate again. It would have been the same person, Mr. Mahabir Gheesan.

Mr. De Freitas: Okay. So you have one person that is renewing the contract and staying in the post. So, again, because you are right, at Princes Town, I am seeing the person has 23 years' experience and I am just trying to find out why there is success in two corporations and it is so hard in the others, and I am just trying to find out if you all are doing something different or if it is just pure luck.

Mr. Mohammed: Mr. Chairman, Princes Town might be fortunate. Again, I said, I assumed in Mayaro approximately two years ago. We did not have a financial officer for a period from 2017 for about six months—an interregnum of about six months, prior to Mr. Sawh coming on board in May of 2018. We have not been that fortunate but, however, the position of financial officer is one that is provided to the municipal corporation for Mayaro especially through the Ministry. So they undertake the recruitment and selection process and on determination they allocate an officer to the various corporations and, in our case, Mr. Sawh went through that process and was allocated to the Mayaro/Rio Claro Regional Corporation in about May 2018.

Mr. De Freitas: So that it begs the question to the Ministry, maybe the Ministry is best suited to answer that question: Can you indicate what would cause the success in these two corporations but the other corporations have difficulty?

Mrs. Durham-Kissoon: Through you, Chair, as explained by Mr. Mohammed, it

is not a matter of luck so much. Given his own experience at that corporation, it has to do with the point in time. So, right now, both corporations have the positions filled. At this point in time, all but one corporation—because we did share with you previously that we went through the recruitment process and we were able to bring persons on—the last position to be filled, the person is currently out of the country but on her return, she is supposed to assume within a month.

Although just to share with you, just to be frank, the person had a preference in terms of the district that they would have preferred, the corporation they would have preferred to serve at. So we are hoping that given that she was not placed where she preferred to be, closer to home basically, that she will assume and that is our reality. For some persons, it has to do with a job being in a location that you are comfortable with and so on.

I would add that we had shared previously that the remuneration is an issue. We did make a representation to the CPO and I imagine, I should say, that we were successful. However, we were not really as successful as we had hoped. We got an increase and I do not want to breed discontentment with the financial officers we have here, so I probably should not continue on this note.

Mr. Chairman: But could you mention how much you got the increase by? [*Laughter*] But you would not want to say that.

Mrs. Durham-Kissoon: What would I say, what would favour the persons here is that we will continue to make representations. We are not satisfied but it is an increase, so—and we are heading in the right direction in that we have been able to fill positions that had previously not been filled.

Mr. De Freitas: So you were saying, just to move along that line because it is not very often that we are doing enquiries and before the full enquiry is done that we are getting feedback on interviews that would have gone prior. So it is very good news to hear that these positions are being filled because what we did realize in the other

interviews that have gone, was that these financial reports were outstanding for quite a number of years in some of the corporations, and that is why it stood out to me that the mere fact that Princes Town and Mayaro/Rio Claro Regional Corporations had financial officers and have had this position filled for quite a bit of time, that when you look at the financial reports, they are up-to-date and it is just at the level of the Auditor General that you are seeing where there is a little backlog there, which is completely out of the corporation's control. So it is very good to hear that these positions in the other corporations are being filled. So can we have some assurance that these other corporations will now move with some level of speed to have their financial reports brought up-to-date given that these position are filled? You said it was all or just one that is outstanding right now, but soon to be taken up, yes?

Mrs. Durham-Kissoon: Yes.

Mr. De Freitas: That is very good news. Mr. Chairman?

Ms. Ameen: Chairman, before we move away from that topic, I just want to ask, in terms of the appraisal for the officers, the appraisals are done close to the expiration of their contract and sent to the Ministry. So is it that the corporations have the opportunity to say how the performance of their financial comptroller is, and does it influence them being given another contract period?

Mrs. Durham-Kissoon: Yes. Chair, through you, yes it definitely does play a part and, honestly, again, because of the issues that have been raised in this forum, it has become even a measure of assessing and, certainly, of expectations for deliverables on the part of the financial officers. That has been even more emphasized.

Ms. Ameen: And I also want to ask, I want to remind this Committee and the members of the public that the appointment of financial officers is an interim measure put in place because the Act 21 of 1990 provides for Chief Officers including Chief Financial Officers and the Chief Officers have not yet been—for some reason, there has not been an application of that part of the Act. Can we have—

because this will be our final hearing with these regional corporations on this matter—an update from the Ministry as to if efforts are being made to have Chief Officers, including Chief Financial Officers placed at the regional corporations and what are the challenges?

Mrs. Durham-Kissoon: Chair, through you, the Ministry would have shared on a previous occasion that while the Act speaks to Chief Officers and the positions are permanent pensionable positions, the use of positions on contract, I do not know that it is seen as interim from the point of view that there is a legal notice that confers all of the powers of Chief Officers to these designated persons. I have the Legal Notice in front of me so that the Corporation Secretary, the Corporate Secretary on contract, Treasurer, Financial Officer and so on—so that there is no failure in terms of the powers of the persons in those offices.

Ms. Ameen: The question was with regard to if it is going to be implemented and what are the challenges? What we missed with contract officers is continuity in cases where people do not stay for longer than a one-year contract period, but if you could update us as to what the challenges are with filling the Chief Officers positions? If you not do not have the answer now and you want to send it—

Mrs. Durham-Kissoon: The positions are not actually vacant. They were never created in a permanent capacity. So it is not a situation where the positions are not filled. Well, except, I think, for a Treasurer position at one of the corporations. But for the rest, the positions have never been created in a permanent way. In terms of the future, I cannot speak to that. If it is seen as something that is immediate and that has to be attended to, I think the Ministry is satisfied with the arrangement that exists currently and you know, even in the case of Princes Town we see that there has been continuity. The person has served, has served well and the person has been contracted over a period, over and over again.

I suppose one can argue that where the performance has not been as stellar

possibly as the financial officer at Princes Town, the opportunity would then be—the possibility is that the person will not be continued and I suppose therein lies what some would say as an advantage in the other arrangements. I think there is a give and take for both.

Mr. Chairman: Well, Permanent Secretary, I looked at an article on the 3rd of August, 2017 in the *Guardian* newspaper, "'Bobol' probe underway at Princes Town Regional Corporation" where the Local Government Minister, Kazim Hosein, said he is going adopt a zero tolerance stance against allegations of corruption and corrupt behaviour. And, in his release, he stated that he would have a corporation audit be undertaken. Also, a recommendation he made was, you know, in terms of persons having to report levels of corruption, there should be a way of having a phone-in—somebody can phone, use a line to your Ministry to get that level of corruption. So two things I want to ask: Has that probe audit been undertaken and has it been completed? And, two, has the hotline that the Minister suggested should have been implemented since 2017, been established?

11.40 a.m.

Mrs. Daniel: Chair, I cannot speak, at this point, to the Princes Town audit. I can say that there are and have been a number of audits, and when I speak to audits now at the level of the Auditor General's Department, a number of audits have occurred at various corporations. So audits have occurred. I cannot speak to the Princes Town matter arising in 2017, specifically, but I am saying that audits from time to time have occurred at the level of the Auditor General's Department. In addition, internal audits are conducted from time to time, specific audit enquiries, investigations as matters are brought to the attention of head office, and that practice continues.

Mr. Chairman: You are speaking about internal audits within each corporation?

Mrs. Daniel: Chair, I think, again, at the very start we had indicated that a number of corporations, these two present with us today being two of those, do not have a

dedicated internal audit section. The head office internal audit would be responsible for doing auditing work and that would include audit enquiries or specific investigations from time to time. And I think we had also indicated that in the past few months what we had introduced was a system of rotating the auditors to different corporations to do intense work for a period of one month under the guidance of the CEO.

Mr. Chairman: Well, I am pleased that has been implemented, but I am looking at if the Minister had given an undertaking that that would have occurred since 2017. I was hoping by now we would have had some sort of answers. So has Ms. Esther Pilgrim been able to give us some sort of feedback of any audit that has occurred in the corporations, especially Princes Town since that was highlighted by the esteemed Minister?

Ms. Pilgrim-Soanes: Chair, I am unable to provide such information at this time.

Mr. Chairman: Could we get it in writing, please?

Ms. Pilgrim-Soanes: The last audit we have from the Auditor General with respect to Princes Town is 2016. The 2017 financial statement was submitted and the Auditor General is yet to report on that statement. As just said by the Permanent Secretary, the internal audit department, they are responsible for providing the service to the corporations that do not have an internal audit department.

Mr. Chairman: Well, I guess the directive that the Minister gave, I think, should be forthcoming soon in terms of not just providing the internal audit but of actually ensuring that his request be made.

Ms. Ameen: Just now, Mr. Chairman. For the purpose of public information, can you just share, when you have audits from the Auditor General and you have delays for, in some periods 10 years, in some cases, how does that interfere with the operation of the regional corporation as opposed to the audit by the regional corporation themselves, the internal audit?

Ms. Pilgrim-Soanes: Chair, member, with respect to the two corporations that are here, they are basically up to date because they have submitted—both corporations have submitted financial statements for 2017. So it is only the 2018 statements that are outstanding. With respect to Mayaro/Rio Claro, as the CEO said previously, the 2008 was audited. So that problem is not the problem of the corporation but at the Auditor General's side. With respect to Princes Town, the Auditor General has audited 2016 so they are basically up to date with the audit. In the meantime the internal audit department responsible for the ongoing oversight of what goes on in the corporation, because the internal audit department is supposed to be a tool of the management.

Mr. De Freitas: Mr. Chair, just going a little further in relation to statements just made, so you are saying—it is Princes Town or is it Mayaro where the Auditor General is up to date in terms of assessing its report?

Ms. Pilgrim-Soanes: Princes Town.

Mr. De Freitas: Princes Town.

Ms. Pilgrim-Soanes: Princes Town, 2016, completed 2016—

Mr. De Freitas: Right. That is the Auditor General, yes?

Ms. Pilgrim-Soanes: Auditor General, 2016.

Mr. De Freitas: Has the Auditor General given any feedback as to why it is taking so long for Mayaro/Rio Claro?

Ms. Pilgrim-Soanes: Chair, member, I have no information. I cannot pronounce on that.

Mr. Chairman: I would like to just establish the fact, Mr. Ram, I think, mentioned the fact that there was private funds coming in through their donations—

Ms. Ameen: Items.

Mr. Chairman:—items, items coming in, items, is this a practice in all corporations that exist? Does Princes Town also have that donation policy that corporate citizens

may be able to donate certain things? And I am seeing Rio Claro's attempt to put some level of accountability into what they get and where it is disbursed. Does the Princes Town Regional Corporation have a similar policy? So I am directing that question to you. And then, in terms of Ministry, is that a standard policy where these outside corporations can get funding? Is there something in place to prevent some sort of, you know, corrupt practices that we have given? So, one question directed to Princes Town, do you have a policy like that, and number two to the Permanent Secretary.

Mr. Roopnarine: Mr. Chairman, at the Princes Town Regional Corporation what we have is an established Chairman's Fund, however, we never collected any donation from any private citizens. We have never done that before.

Mr. Chairman: So in this fund—how do you get allocations from this, via the Ministry of Finance?

Mr. Roopnarine: No. The Princes Town Promenade that was developed, not really with allocation from the corporation, and that is what we put into the Chairman's Fund. However, at this time not even that is used by the corporation.

Ms. Pilgrim-Soanes: Chair—

Mr. Gheesan: Mr. Chair—

Mr. Mohammed: Mr. Chairman—

Mr. Chairman: Let us go with—who wants to go first?

Mr. Gheesan: Chair, let me clarify. In 2016 we had established the Chairman's Fund account which is separate from the Consolidated Fund, and it was also established in the resolution of council that the funding from the Princes Town Promenade will be directed towards the Chairman's Fund account, and that went into the Chairman's Fund since then. And until the new piece of legislation came recently and that was stopped when the Minister of Finance made that part of the statement. Since then we have stopped placing any funding from the Promenade

into the Chairman's Fund account and it is now directed into the Consolidated Fund. Apart from that the council had also made a resolution to have the same funding, 100 per cent of that goes into the Chairman's Fund account, and we have made an application through the Ministry to the Minister for approval, and that is where we stand at the moment.

Mr. Chairman: Do you mind clarifying the statement about the Minister's statement in terms of the fund?

Mr. Gheesan: The Act had stated that the Chairman's Fund, the corporation can establish the Chairman's Fund, which, you know, we can have donations and as such come into the fund, into the Chairman's Fund account, and the chairman can use these funding to help alleviate some issues in the region, like donation to clubs and charitable institutions. That was established in 2016 for the purpose, and the funding, as I said in the beginning, went from the promenade into the account until January of this financial year. And it has stopped since the Minister of Finance had made the—and when all corporations were supposed to stop the funding going to the Chairman's Fund, and this is where we are at this point time. And due to that we have, as I said before, the council had passed a resolution to have the funding, 100 per cent of that funding goes to the Chairman's Fund again, and we had written through the Ministry to the Minister of Finance for the approval, which we are awaiting now.

Mr. Chairman: Approval to put it in the Consolidated Fund?

Mr. Gheesan: No, to place the funding from the promenade to put into the Chairman's Fund account.

Mr. Chairman: So therefore the Chairman's Fund, you are basically not—

Mr. Gheesan: Yes, it is separate.

Mr. Chairman: Is it still active?

Mr. Gheesan: Yeah, it is still active, and until we get that approval from the

Minister of Finance to continue the—

Mr. Chairman: And does Rio Claro have that Chairman's Fund still existing?

Mr. Mohammed: Mr. Chairman, the Rio Claro Regional Corporation, we have our two established funds, which is for the Consolidated Fund and the Chairman's Fund. However, in this scenario it started this discussion where we said in the Mayaro/Rio Claro Regional Corporation we established a donation register. And I want to read specifically from page 12 of my submission.

Mr. Chairman: Sure.

Mr. Mohammed: It says:

> A donation register was established to keep track of donated items. Senior officers of the corporation were advised to have all instructions relative to any item donated to the corporation recorded in the register and approved by the CEO.

There is absolutely no funds that go into this register. We do not accept cash. When we talk about donations, and I said the genesis of this was in the big flood where people were donating food stuff, toilet paper—if we come up again, dish washing—no, not dish washing—cleaning liquids; the whole gamut of—

Ms. Ramdial: Flood relief.

Mr. Mohammed:—flood relief items. And I guess it was—the standard one we had in Mayaro was from two foreign persons in Britain, the dinghy. So when we thought that coming, we recognized that we had to have some accountability and some measure of accounting for what was donated. So as it came into the corporation—and hence the reason I said all these things—people were just receiving things. It was a bit of a frenzy that occurred during the flood, "eh". So what we tried at best, and we may have missed things, is that when items came in we entered it into the register so at least from—bearing in mind it was from the public, we viewed it as having some measure to account for what the public donated.

So we could have said 100 pounds of flour was donated by Mr. X, was distributed in Mafeking in case the person wanted any feedback on their donation.

Mr. Chairman: Well, I applaud your levels of trying to seek accountability, but remember gift-giving is something that we have to be very suspicious of, especially what we have been seeing across certain corporations. And I am clearing something, so you do not have in Princes Town, a donation registry, but you have a Chairman's Fund still existing but in abeyance right now? So do you receive funding from any sort of private enterprise? Let us say some private enterprise wanted to donate some money, do you have any sort of donations coming in terms of funds, in cash to the Chairman's Fund, or any sort of funds you have set up?

Mr. Gheesan: Chairman, at this point in time, no.

Mr. Chairman: And does Rio Claro, do you have any sort of funds available where corporate citizens could put moneys into your—

Mr. Mohammed: No.

Mr. Chairman: And to the Permanent Secretary, is this an acceptable practice to get funds? Is there a level of accountability? Should something be put in place?—because I am understanding the Minister of Finance had some reservations about the fund before. But has any checks and balances been put in place where if you are getting funds how you would, you know, look at the fund, disburse it, account for it to make sure that, you know, that level of gift-giving is not there to get favours done?

Mrs. Daniel: I will ask the DFA to elaborate on this issue, but I think, generally, it is not an issue of persons receiving funding in that way, but in her explanation it will be clear as to how funds, the moneys that make up the Chairman's Fund, how it is derived.

Ms. Pilgrim-Soanes: Chair, member, the Act provides, section 110 of the Act provides for a Mayor's Fund for the purpose specified in the resolution. So, the corporation, the councils would have their resolution and they will apply to—they

will submit it to the Minister of Rural Development and Local Government for approval. Section 2 says:

> The revenue of the Mayor's Fund shall be derived from such donations and other contributions as may from time to time be received for the Mayor's Fund, and the Mayor's Fund is audited by the Auditor General separate from the Consolidated Fund.

So it is separate. The Finance Act No. 19 of 2018, which was assented to on the 31 December, 2018, there was an amendment to the Municipal Corporation Act that says:

> "A council may deposit into and withdraw from the Mayor's Fund such moneys, fees and charges collected by the corporation as the Minister with responsibility for finance may authorise."

The Ministry has written to the Ministry of Finance requesting guidelines how to effect the amendment. We are still waiting on the response from the Ministry of Finance.

Mr. Chairman: And how long have you been awaiting this? Could you elaborate?

Ms. Pilgrim-Soanes: Pardon, Sir?

Mr. Chairman: How long have you been waiting for the Ministry's response?

Ms. Pilgrim-Soanes: The first request was made on the 24th of January. We sent one on the 7th of February, the 26th of February, and we had followed that up with a meeting on the 9th of this month, which was convened by the Comptroller of Accounts.

Ms. Ameen: Chairman, the amendment allows each corporation to get approval from the Ministry to move funds from the Consolidated Fund, to use fees, and so on, and put it towards the Chairman's Fund. This did come to Parliament and there was a debate on it. My concern is in terms of the use of these funds. Apart from auditing, do you have or do you intend to provide a policy, a guideline in terms of what the

funds could be used for?—because my concern is that the fees generated from the market should generally be used towards the improvement of the market. The fees generated from the use of the cremation site should help improve the cremation site.

However, very often the Chairman's Fund and the Mayor's Fund could be used to make contributions towards charitable events, to host cultural programmes, to have social events, and so on, and the concern is that the fees from the market and the cremation site, and other revenue derived from the services of the corporation could now be going towards feteing, and in an extreme case, but certainly it would not be going towards what the intention should be. My concern is, now with this new requirement or new allowance to allow the revenue to go towards the Chairman's and Mayor's Fund, if you would have new guidelines for the use of these funds.

Ms. Pilgrim-Soanes: Chair, member, that is what we await from the Ministry of Finance. We asked for the guidelines and the procedures to effect the amendment and we did put forward some controls that could be considered.

Ms. Ameen: So you have, okay.

Ms. Pilgrim-Soanes: And if I may say so, member, what you have just mentioned was one of the controls that we put forward.

Ms. Ameen: Okay. I have one more question, Chairman. The Princes Town Regional Corporation, it was stated that there were two cases of fraudulent incidents perpetrated against the corporation by an external company. I want to ask what modifications has the corporation made in its internal controls in an effort to deter or hinder future attempts at fraud?

Mr. Gheesan: Through the Chair, member, at this moment, after the incident, we have introduced—any company or person making any payments to the corporation, to do it in cash or in certified cheques. And in our corporation we indicate that by a written—on our notice board, that any payments to the corporation would be by

certified cheque or cash only.

Mr. Chairman: But during the tenure of the current council, have there been any instances of missing financial documents and/or arms and ammunition?—because in your submission you described the current security arrangements in place, you know, for the safety and storage rooms. So have there been any instances of missing arms, ammunition or financial documents?

Mr. Gheesan: Chairman, at this point in time, no.

Ms. Ameen: Chairman, I just want to follow up on the question that I asked earlier with regard to the attempts to defraud the corporation. The corporation, the contractor involved, is this contractor still being allowed to tender for projects even though he produced a bounced cheque or is there a hold on that person offering their—

Ms. Heru: Through the Chair, the contractor is not allowed. He has not been allowed to.

Mr. Chairman: I think we had elaborated to the Ministry, via the PS, that the systems of looking at the contractors, red-flagging certain contractors who may not have been giving work, you know, that it is worth—satisfactory work, that since the purview is under the Ministry, your Ministry, at least you have that red flag of the contractors to know when you are hiring them at further instances. I think you said that would be undertaken sometime in the future.

Mrs. Daniel: Chair, strictly speaking, it is not under the purview of the Ministry. What has been made clear from the start is that the CEOs are accounting officers and they have to ensure that systems are in place in their house. What I can say is that recently we convened—there was a meeting with the Procurement Regulator—very helpful meeting—with the Ministry, the CEOs, and the chairmen of councils actually, to provide information in terms of what the practice should be going forward. I think the regulator committed to even meeting with members of each

council individually, to provide guidance for what is to come. So that I do not want to take away from the fact that, yes, there are things that the Ministry will do, but it is up to the corporations at the level of the CEO to put systems in place.

Mr. Chairman: And I drew in a previous meeting we had that even the CEO needs to be monitored, because there are instances where the CEO was allegedly involved in certain corrupt practices. So who would guard the guards, eh? So, I am pleased that the Public Procurement and Disposal of Public Property Act will be coming soon. And I would like to ask the members of the corporation, did you set up an office already in preparation of this public procurement, you know, because it is coming soon and you are mandated by law to set these bodies up in your own internal auditing departments? Could you give me some idea, first Princes Town and then Rio Claro?

Ms. Heru: Through the Chair, based on discussions being held with the Ministry and guidance being given to the corporations. We are in the process of putting the necessary things in place to deal with all that is required based on the legislation going forward.

Mr. Chairman: So who are the members of the committee, because I think you are mandated to set up a committee? Who are the members of this committee? And have you sought procurement training for staff responsible for executing the functions?

Ms. Heru: Through the Chair, the committee consists of the CEO, the financial officer, the chief technical officer who is the engineer, and the county superintendent. Presently, that is what our committee comprises of, and based on the other resources as it pertains to training, we are in discussion with the Ministry as to have the necessary training provided to the officers.

Mr. Chairman: Would Mayaro/Rio Claro, you know, seek to elaborate on their perspective on the procurement committee that it is due to be established or should

have been established, or in the process of being established?

Mr. Mohammed: Mr. Chairman, at Mayaro/Rio Claro, it is in our submission on page 20. Arising from that meeting that the PS spoke about, I think the PS may have specifically answered my question, and she said, "Mr. Mohammed, you would have to—whatever staff you have right now, that is going to be the staff until the specialists are provided, I will have to work the system". Notwithstanding that, the existing staff who was referred to as the tender's clerk in the corporation, were sent on training. The training was articulated. The financial, it takes in procurement on the 11th and 12th March, and was also sent on the financial approach to procurement on the 6th to the 8th of February, 2019, which is quite recent.

In addition to that, the Corporate Secretary at the Mayaro Regional Corporation—well, she is on vacation also at this time—we have been going through aspects of the Act which was really, if you want to call it—the basic aspects of the Act that we can deal with and we have been working on that. We have also further developed the annual procurement listing for all departments. You would see we also indicated it is required by the Public Procurement and Disposal of Public Property Act; has been completed. That is what we are doing in terms of preparation for the expected new procurement legislation. I saw Princes Town articulated a position where they were highlighting what they currently undertake. We have something similar in which all tender evaluation is evaluated by a line officer. In other words, if it is a procurement issue that comes out of the Public Health Department, the head of the Public Health Department, that would be the doctor, along with a team who would sit down and do the evaluation.

If it is a tender that is coming out of the engineering department, the engineer would sit with that, and, as we say, basically, whatever is the item to be procured, the committee would be determined by where that item falls. So it is basically that and the Committee makes a recommendation once it is keeping like with issues of

NIS, VAT, PAYE. In terms of infrastructural projects, what is something that has come on board is the fact that we have to be OSH compliant, so that is now a factor that we have to take in when we are building estimates and undertaking work, especially if you are in the Mayaro/Rio Claro region. It is also the region that houses a lot of the offshore platforms and contractors who are guided by very stringent and strict OSH requirements. So, we have had a lot of it from the OSH board who expect us to be performing at that level, and we really have some challenges in meeting the standards required in terms of our funding and having our workers and our systems in place for that. But that is where we are in terms of public procurement, Mr. Chairman.

Mr. Chairman: Ms. Ameen.

Ms. Ameen: Chairman, there have been concerns from other regional corporations that even though the regional corporations have interviewed and have sent to the Ministry a recommended list of contractors, that you have not had approvals for contractors since 2015. Is this the case in Princes Town and Mayaro Regional Corporations and how is this affecting your ability to carry out your functions?

Ms. Heru: Through the Chair, the Princes Town Regional Corporation faces a similar situation as the other corporations as it pertains to the list of contractors that would have been submitted since 2015. Those contractors, we have not had approvals, however, the list of existing approved contractors at the corporation are what are being utilized, and it is quite a lengthy list. So it is not really affecting what works have to be conducted at the corporation.

12.10 p.m.

Mr. Mohammed: In page 32 of our submission we indicated clearly, the corporation does not approve any contractors—the corporation has no approved contractors for fiscal year 2015 to 2019. The authority to do so rests with the Minister of Finance. However, the 99 contractors who have been prequalified by

the corporation was submitted to the Ministry of Rural Development and Local Government for onward transmission to the Minister of Finance for his approval of the contractors.

We have also for ease of reference attached a list indicating the 99 that were prequalified by the corporation for the years 2015 to present. We also indicated to you a list of those contractors who have been approved prior to 2015. Sad to say that we have to follow the dictates of having only those that have been registered and approved so that we only go with contractors on our listing approved until 2015. That listing is appended for ease of reference as well.

Ms. Ameen: Chairman, 2015 is four years ago. Because regional corporations provide employment for people within the region, many even smaller contractors or who have labourers working with the region that you represent, and your burgesses would be affected directly as well, I am sure that this must be a concern. For the elected representatives certainly, that their burgesses would have been denied the opportunity to do work for the corporation.

In previous hearings there were corporations who indicated that from time to time they use an open tender policy to allow persons who may not have been registered from 2015, but who meet other requirements, other financial requirements, an opportunity to share in the pie, so to say. Is this a consideration that either corporation has given to open it up, as they say, rather than stick to the approved contractors that you have had no addition to since 2015?

Ms. Heru: Through the Chair, the Princes Town Regional Corporation we have only applied this to the registered approved contractors. We have not gone the way as indicated by the member.

Mr. Mohammed: To stay within the parameters of the regulatory framework, I am only empowered to undertake the contractors registered up until 2015.

Ms. Ameen: I do not know if the Permanent Secretary or anyone from the Ministry

could provide some information, so that other corporations would not be running afoul of the regulations, but at the same time would not be doing a disservice to the small contractors in particular within the region.

Mrs. Daniel: Chair, this issue, the process is that the corporation would write to the Ministry and the Ministry would in turn write to the Ministry of Finance. That has been done over time and, in fact, coincidentally the Ministry by memos dated March 15, the Central Tenders Board responded to the numerous requests over the years for additional contractors to be included, and I, if I may, I will read what was conveyed to us. They referred to our applications requesting approval for the registration of contractors for "X" district, "X" corporation:

> Please be advised that the applications were submitted to the Minister of Finance for approval. No approval was granted. In the circumstances the undermentioned applications are returned.

We have followed up with the Central Tenders Board, and we need to be mindful of what is happening. There is the Procurement Regulator to come on the scene, and what we have been told informally is that in a way these things were held in abeyance because of the expectation. We have spoken to the CTB quite recently on the matter as to whether in that kind of scenario, the corporation should go out to open tendering, and they did indicate that that would be acceptable. So the Ministry will advise.

Now some of corporations, as shared with us here, have been doing that. I think even Princes Town when you shared earlier on about your water trucking contract you mentioned that you use the open tender system. So that it is used, and we are now saying that we have been advised that that is an acceptable way to go about your business until the new procedure comes into place.

Mr. Chairman: Well we could probably share that information to the rest of the corporations, because some have things that are working in some aspects, and other

aspects are deficient. So probably the Ministry may take that line of action.

Ms. Ramdial: Thank you, Chair. My last question to both regional corporations: How do you currently maintain your financial records, is it purely manual or do you have part digital, part manual, or are you on the road to fully digitizing in terms of maintaining financial records? We will start with the Princes Town Corporation first.

Ms. Heru: Chair, our system is a manual system that is utilized at the corporation.

Ms. Ramdial: Any plans to digitize?

Ms. Heru: Not in the near future, given the limited resources, allocations and all of that. That has not been considered.

Ms. Ramdial: Mayaro/Rio Claro.

Mr. Mohammed: Chair, through you to the member: The Mayaro Corporation, we have a dual system where we have the manual documents. We were able to afford the scan system through the period 2012 to 2018 as a part of the accounting software where only goods and services, payment vouchers, would have been scanned at the process in time.

We do have to extend the system towards other documents. So right now we are in the process of looking at that with head office IT, as well as our IT unit to see what feasible system we could have done, to continue with that system for all the documents both legal and financial in the corporation.

Ms. Ramdial: Just one more question. Where do you store your records at this time, financial records that is, Princes Town Corporation?

Ms. Heru: We have a heavy vault that is properly secured.

Ms. Ramdial: Fireproof?

Ms. Heru: Fireproof.

Ms. Ramdial: At the corporation?

Ms. Heru: At the corporation.

Ms. Ramdial: And Mayaro/Rio Claro?

Mr. Ram: At our administrative building we do have a concrete walled steel door vault. We have a vault keeper as well and that is where all our financial documents are stored.

Ms. Ramdial: Thank you.

Mr. De Freitas: Mr. Chair, thank you. This is to Princes Town. Based on the internal audit check conducted by the Ministry it was revealed that all documents requested by the internal auditors were furnished, with the exception of a void cheques file. To date has the corporation furnished the Ministry with that void cheques file?

Mr. Gheesan: Through the Chair, member. The staff at the corporation had—well we had responded to the Ministry and we have our document, and those minor errors corrected, and the file has been prepared. So it is still our position in the regional corporation.

Mr. De Freitas: So you still have the void cheques file? You have not sent it to the Ministry yet?

Mr. Gheesan: Not yet. It is a big document, and as a matter of fact we are trying to get the council to make approvals so that we can advertise those cheques, which we are going to do in the next week.

Mr. Chairman: To Mayaro/Rio Claro Regional Corporation: It was noted that an estimated amount of $95,000 was spent on legal services for three High Court matters. Please indicate in general terms what these court matters are concerned with and how long have these matters been with the courts?

Mr. Mohammed: Chairman, I did not hear the second part of the question, sorry.

Mr. Chairman: How long have these matters been before the court?

Mr. Mohammed: The specifics, Mr. Chairman, I will submit that in writing, but I can give you, just off the top of my head, two of these matters are related to

scavenging contractors who, over a period of time, as far as we are concerned in Mayaro, did not honour the terms of their contractual obligations. And bearing in mind it was the markets involved, the corporation had to send in internal staff to have it at some sanitized or hygienic level, if you want to call it that, over time.

One of the actions we filed, we got a court award of, I cannot remember the figure, around $1 million, either up or down of $1 million. However, the decision has been challenged on one matter. Those were two matters. And the third one involves a woman who, again, alleges that she was injured, for quite a substantial sum, by falling into an open manhole. So basically those are the three matters, just basically I can give some cursory information. If the Committee so requires I can do detailed submissions.

Mr. Chairman: We will appreciate those details in writing. So in closing I want to ask, does any member have any—?

Mr. De Freitas: In relation to the void cheques, I have another question. Has the corporation completed the list of unpresented cheques for September 2018?

Mr. Gheesan: Yes.

Mr. Chairman: I must say, in terms of manholes, is there a problem in your corporation with that, in Rio Claro, a lot? Because in certain other corporations there are a lot of complaints from members of the public

Mr. Mohammed: Mr. Chairman, the price of steel by the scrap market, and using by the scrap iron dealers, seems to be lucrative, so you have a lot of that. What we have done because of funding issues we have now gone from steel in certain instances to using lumber. It is really just literally plugging the hole. That has not been removed in most instances, but we have had a number of instances when the manholes are made out of iron, metal manhole covers, they are removed.

Ms. Ameen: Chairman, I just want to say for the record that there have been manhole covers made out of solid vinyl, a plastic type material that lasts longer. It

is more expensive but it lasts longer than the wood. It is an option for you.

Chairman, before we close though, at present on the entire east coast there is the whole challenge of the Sargassum seaweed. Well I think, Mayaro Regional Corporation, you have a substantial portion of the coast. What role is the corporation playing in attempting to clear up the beaches, and what challenges have you had?

Mr. Chairman: Does the Ministry of Tourism also play a part in that?

Mr. Mohammed: Mr. Chairman, the beach first and by extension the shoreline and the coastline, the beach front is the remit of the Ministry of tourism. However, the Mayaro/Rio Claro Corporation we have this Sargassum seaweed problem for a number of years. We have tried as best in house over what we call the peak period, which is where we have a high local—whether it is local or foreign tourists, people flocking to the beaches of Mayaro, it is for the Carnival period, the Easter period and parts of what we call in Trinidad the "summer vacation".

Over this Easter weekend we paid our workers some overtime. They would go and do in what we call the high traffic areas, where large amounts of people flock to that beach front, and we have done some clearing. But the problem with the seaweed is if you clear it 10 o'clock in the morning, by two o'clock in the afternoon it is back there. The volume that is out in the waters itself it comes in. So no matter what you do, it repeats itself very quickly in a couple of hours. So all we do is what we have to say is cosmetic.

Mr. Chairman: So does the Ministry of Tourism support you in that venture? Because I am hearing this morning that you may not have been getting the adequate support from various Ministries. Does the Ministry of Tourism, whose duty this falls under, come up to mark to support this venture?

Mr. Mohammed: Mr. Chairman, support? I am gathering what you mean by support is three-pronged, right? Whether you are lending some machinery, we do not get any from the Ministry of Tourism. Whether you are lending personnel, we

do not get any from the Ministry of Tourism. Whether it is for funding, we do not get any from the Ministry of Tourism. However, with everybody, the social media and the public outcry is directed toward the Municipal Corporation, the Mayaro Corporation in this instance. So we as best as possible try to do, as I said, some cosmetic works to make it usable.

Ms. Ameen: Chairman, through you, is this an area that you see as a special need in your corporation for funding or to provide support?

Mr. Mohammed: I know in our estimates for the last couple of years and inclusive this year, recurrent estimates, we have being asking for funding to deal with it. With the constrained economic circumstances, we have not been successful.

Mr. De Freitas: Is the corporation aware that that this particular problem has been utilized to a sort of an advantage in other countries, where they take the seaweed and they dry it and do some processing of it, and then create a product out of it? Have the corporations ever looked into that as a way of treating with the issue?

Mr. Mohammed: If I can term it at this stage, "expressions of interest". We have had a lot of persons asking and enquiring. When we remove the seaweed we place it at a site in Mafeking, for people who know the region, where we have our cremation facility. It is there, and we allow it to be used for public consumption. Anybody who wants, they can come and take, whatever. These persons who—and I am just using this term loosely—these expressions of interest we have articulated that to them, but there has really nothing been forthcoming.

Mr. Chairman: Well, I think probably small business enterprises should, you know somebody could explore that because it is a business opportunity. So thank you for that suggestion, Mr. De Freitas. I hope someone could now take that up and use that opportunity.

So in closing, since there are no other questions I presume, I would like to invite the chief officials to make brief closing remarks, starting with the Permanent

Secretary, Mrs. Jennifer Daniel.

Mrs. Daniel: Chair, I would start by providing a commitment or an explanation that we are aware of funding challenges, and we have compiled a list of critical areas. I am sure to all corporations all of the areas are critical, but we have worked out a list of critical areas to make approaches to the Ministry of Finance for funding. In fact, the request for that came from that source. So that information, if it has not been provided as of yesterday it will be provided, and we are hopeful that we will receive the funding in critical areas.

Thank you again for the opportunity to be here and to pursue matters. I will confess that because we have been coming back and coming back, it has probably forced us to be on our toes and ensure that we follow through on certain commitments. So rest assured that we will continue, even though we do not have to come back, with our efforts to put things in place to ensure that there is continued and improved financial oversight of the corporations. Thank you.

Mr. Chairman: Well, I also enjoyed your presence here in the past few meetings, and I think we may decide to have another meeting, who knows, as a follow-up. So thank you, and I noted you have noticed the challenge that we face and I am hoping you can work towards that.

Would the official of the Princes Town Regional Corporation, the Chairman, Mr. Gowrie Roopnarine, give some closing remarks?

Mr. Roopnarine: Thank you, Mr. Chairman. It was a pleasure, it was a learning experience here this morning into this afternoon for me. But I am sure, Mr. Chairman, you also would have realized some of the challenges we are having in the corporation. And I am really hoping that one of the persons who was listening today is the Minister of Finance, because at the Princes Town Regional Corporation some of the tenants, where our councillor's office is, are now sending letters to me that they will be evicted by the end of this month, because for this year we have not

received any funding to pay these landowners, even the councillors, even the stipend to run their own offices, no funding.

Mr. Chairman, I am sure you heard when the representative from the Ministry mentioned that since January a correspondent going to the Ministry of Finance just to sort out something for the Chairman's fund. At the Princes Town Regional Corporation we do not use the Chairman's fund to fete or to "lime", but we use it to uplift the youths and the needy in the region. For the Easter gone we could not even use that opportunity to give a group that would try to better the lives within the region as much as a $500 to help. So I do hope that the Minister of Finance really listened, and something positive happens out of this. I thank you very much.

Mr. Chairman: I appreciate your presence here. As you say, it is a learning experience for you, and I am sorry to keep you in the afternoon as you mentioned, but we are about to close.

At this stage I would like the Chairman of the Mayaro/Rio Claro Regional Corporation to give some closing remarks. I must say that the last Chairman I knew there was the late Hansraj Sumairsingh, and I realize sometimes a chairmanship job may be a dangerous job. I thank you for your presence and I would like you to give some closing remarks, please.

Mr. Ram: Thank you very much, Mr. Chair, members of the Committee. I really want to thank you all for having us here this morning into this afternoon. You know, a lot was said, a lot of questions were asked, and I think in terms of the Mayaro/Rio Claro Regional Corporation we were able to answer as best as possible the questions asked. We just look forward to in terms of the issues that were raised here, that it could be a bit beneficial to the corporation. I do not want to reiterate some of the issues that were raised, but I just want to point out that the issue of funding is a major concern, and in order to do our jobs the way we are supposed to, we need to receive this funding to deliver to the burgesses of the region. So I am hoping that whoever

the powers may be, that we receive the funding to actually deliver to the people of the region of Mayaro/Rio Claro. Again, I say thank you to you and your members for having us from the Mayaro/Rio Claro Regional Corporation.

Mr. Chairman: Thank you to you and the officials. I want to thank all the other officials for their attendance and their participation. I want to thank the members of the media for their attendance, and to thank the Committee members and staff for their participation and support. This is the Fourth Meeting we had in this regard, and I am saying that the report will be forthcoming hopefully shortly, and then we may hopefully get some sort of relief to the members of your committee and your burgesses. And at this point, if there is no further business for consideration, I would say that I would like to declare this meeting adjourned, and thank you again for coming. Please reach safe back to your places of work.

12.32 p.m.: *Meeting adjourned.*