



TWENTY-SEVENTH REPORT OF  
**PUBLIC ACCOUNTS**

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

*FIFTH SESSION OF THE 11<sup>TH</sup> PARLIAMENT*

Examination of the Audited Accounts, Balance Sheets and other Financial Statements of the Rural Development Company of Trinidad and Tobago Limited (RDC) for the financial years 2012 to 2017



## Public Accounts (Enterprises) Committee

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

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

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

## Current membership

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

## Committee Staff

The current staff members serving the Committee are:

Ms. Keiba Jacob	Secretary
Ms. Hema Bhagaloo	Assistant Secretary
Mr. Darien Buckmire	Graduate Research Assistant
Mr. Justin Jarrette	Graduate Research Assistant
Ms. Anesha James	Administrative Assistant
Ms. Natoya O’Neil	Clerk Typist I

## Publication

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## Contacts

All correspondence should be addressed to:

The Secretary  
Public Accounts (Enterprises) Committee  
Office of the Parliament  
Parliamentary Complex  
Cabildo Building  
St Vincent Street, Port of Spain, Trinidad and Tobago  
Tel: (868) 624-7275; Fax: (868) 625-4672  
Email: [PA\(E\)C@tpparliament.org](mailto:PA(E)C@tpparliament.org)

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**Members of the Public Accounts (Enterprises) Committee**



**Mr. Wade Mark  
Chairman**



**Dr. Tim Gopeesingh  
Vice Chairman**



**Dr. Nyan Gadsby-Dolly  
Member**



**Mrs. Jennifer Baptiste-Primus  
Member**



**Mr. Fitzgerald Hinds  
Member**



**Ms. Amrita Deonarine  
Member**



**Mrs. Cherrie-Ann Crichlow-Cockburn  
Member**



**Mr. Foster Cummings  
Member**

## Executive Summary

The Public Accounts (Enterprises) Committee (PA(E)C) is the Parliamentary Financial Oversight Committee tasked with the responsibility of examining the audited accounts of all State Enterprises that are owned or controlled by the state. The Committee examined the **Audited Accounts, Balance Sheets and other Financial Statements of the Financial Statements for the Rural Development Company of Trinidad and Tobago Limited (RDC) for the financial years 2012 to 2017** and produced this report to highlight its findings and recommendations. This report details the issues, endorsements and recommendations made by the Committee to improve RDC's performance.

During this inquiry, the following topics were discussed:

- *An Outdated Strategic Plan*
- *The Timeliness of Financial Statement Audits*
- *A Lack of Operating Efficiency*
- *Dependence on Government Subventions*
- *Inability to retain staff*
- *No Formal Risk Management Policy*
- *No Established Procurement Unit*
- *Project Management Issues*
- *No Internal Audit Function*

In light of the Committee's findings, the following recommendations were made:

- *The RDC should submit a status report on the effect of the implementation of abovementioned initiatives on the company's yearly losses since 2017. This report should be submitted to the Parliament no later than September 04, 2020.*
- *The RDC should submit a status report to the Parliament on the development and timeline for completion of its new Strategic Plan no later than September 04, 2020.*
- *The RDC should submit a status report on measures it will implement to ensure that audit of its financial statements occur within four (4) months of each financial year end as stipulated in the State Enterprises Performance*

*Monitoring Manual. This report should be submitted to the Parliament no later than September 04, 2020.*

- *The RDC should also provide an update on the completion of all its outstanding audited financial statements to the Parliament no later than September 04, 2020.*
- *The RDC should submit on the possible alternative sources of revenue it can generate to supplement its current revenue stream as a means of reducing its Government subvention reliance. This report should be submitted to the Parliament no later than September 04, 2020.*
- *The RDC should submit a status update to the Parliament on its attempts to hire an internal auditor, and quality management professional to better manage and control its risk exposure. This status update should be submitted no later than September 04, 2020.*
- *The RDC should submit a status update to the Parliament on its attempts to restructure its organisation to establish a specifically designated Unit/Department to manage its procurement and disposal needs. This status update should be submitted no later than September 04, 2020.*
- *The RDC should submit a status report to the Parliament on the countermeasures it has implemented to keep contractors on the job and continuing to work with the RDC given the delayed payments they may receive. This report should highlight the successes of each of these countermeasures thus far in helping to keep contractors on the job and it should be submitted no later than September 04, 2020.*
- *The RDC should submit a report to the Parliament on how it plans to operationalise its internal audit function given that it has been defunct since 2013. This report should be submitted no later than September 04, 2020.*

## Introduction

### Establishment

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

### Mandate

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

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

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

### Ministerial Response

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

### State Enterprises Performance Standards

The (PA(E)C used the State Enterprises Performance Monitoring Manual as a benchmark to examine the performance of State Enterprises. The manual outlines the framework for

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

compliance with official policy and the monitoring mechanisms to be used in assessing such compliance. The Government of Trinidad and Tobago monitors the performance of State Enterprises to ensure that these enterprises successfully execute their mandates and maximize value for money for the national stakeholders and shareholders<sup>2</sup>

### **Election of the Chairman and Vice-Chairman**

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

### **Establishment of Quorum**

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

### **Change in Membership**

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

On November 27, 2018 a decision was made at a sitting of the Senate to replace Mr. David Small as a Member of the Committee with Ms. Amrita Deonarine;

On July 21, 2019 Mr. Foster Cummings' appointment as a Senator was revoked; and

On August 14, 2019 Mr. Foster Cummings' was re-appointed as Senator and as a Member of the Committee.

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

## Methodology

### Determination of the Committee's Work Programme

At its second meeting on Wednesday January 13, 2016, the Committee agreed to prioritise thirty-four (34) State Enterprises as follows:

- Caribbean Airlines Limited (CAL)
- Caribbean New Media Group (CNMG)
- Caroni Green Limited (CGL)
- Community Environmental & Protection Enhancement Programme Company Limited (CEPEP)
- Education Facilities Company Limited (EFCL)
- Estate Management and Business Development Company Limited. (EMBD)
- Evolving Tecknologies and Enterprise Development Company Limited (eTECK)
- National Commission for Self Help Limited (NCSHL)
- National Entrepreneurship Development Company Limited. (NEDCO)
- National Enterprises Limited (NEL)
- National Gas Company of Trinidad and Tobago Limited (NGC)
- National Infrastructure Development Company Limited. (NIDCO)
- National Insurance Property Development Company Limited. (NIPDEC)
- National Quarries Company Limited (NQCL)
- National Schools Dietary Services Limited (NSDSL)
- Palo Seco Agricultural Enterprises Limited (PSAEL)
- Petroleum Company of Trinidad and Tobago (PETROTRIN)
- Point Lisas Industrial Port Development Corporation Limited (PLIPDECO)
- Port of Spain Waterfront Development Limited
- Rincon Development Limited (RDL)
- Rural Development Company of Trinidad and Tobago Limited (RDC).
- Sport Company of Trinidad and Tobago (SportT)
- Telecommunication Services of Trinidad and Tobago Limited (TSTT)
- Trinidad and Tobago Fashion Company Limited

- Trinidad and Tobago Mortgage Finance Company Limited (ITMF)
- Trinidad and Tobago National Petroleum Limited (NP)
- Tourism Development Corporation (TDC)
- Union Estate Electricity Generation Company Limited (UEEGCL)
- Urban Development Corporation of Trinidad and Tobago (UDECOTT)
- Solid Waste Management Company Limited (SWMCOL)
- Vehicle Management Corporation of Trinidad and Tobago (VMCOTT)
- National Flour Mills Limited (NFM)
- Community Improvement Services Limited (CISL)
- Government Human Resource Services Company Limited (GHRS)

### **Fifth Session Work Programme**

At a meeting held on February 5, 2020 the Committee identified the following entities for examination in the Fourth Session of the 11<sup>th</sup> Parliament:

1. RDC;
2. ExportTT;
3. UDECOTT;
4. VMCOTT;
5. Development Finance Limited;
6. Metal Industries Company Limited (MIC);
7. National Enterprises Limited (NEL);
8. Follow-up:
  - PLIPDECO
  - NQCL
  - EMBD
  - NGC
  - CEPEP
  - SPORTT.

## **The Inquiry Process**

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

- I. Identification of issues in the Audited Accounts, Balance Sheets and other Financial Statements of RDC for the financial years 2012 to 2017;
  
- II. Preparation of Inquiry Proposal for RDC. The Inquiry Proposal outlines:
  - a. Background;
  - b. Objective of Inquiry; and
  - c. Proposed Questions.
  
- III. Questions were forwarded to RDC on May 20, 2019. Written responses were received from RDC on June 7, 2019;
  
- IV. Determination of the need for a Public Hearing based on the analysis of written submissions. In this instance, a written request for additional information was sent to the RDC on June 15, 2020. The deadline for submission was June 30, 2020; and
  
- V. Report the Committee's findings and recommendations to Parliament upon conclusion of the inquiry.
  
- VI. Carrying out follow-up to monitor progress in the implementation of recommendations.

## Rural Development Company of Trinidad and Tobago Limited Background<sup>3</sup>

### Introduction

In 2005, the Government of the Republic of Trinidad and Tobago (GORTT), in its pursuit to accelerate the physical development of the country, established several new State Enterprises called Special Purpose State Enterprises, each with a specific mandate complementary to the achievement of the 2030 Vision for developed nation status.

Traditionally, implementation of the Public Sector Investment Programme (PSIP) directly by the various Ministries faced serious challenges because of skill shortages and established bureaucratic procedures. Over the past years, these problems have been exacerbated by the Government's accelerated infrastructural development in pursuit of its long-term vision. In order to increase the rate of implementation of an expanded PSIP, wholly owned Special Purpose State Enterprises were established by the Government to undertake development in the areas of educational facilities, infrastructure, utilities and community facilities (sports, community centers, markets, etc.)

Past experience has shown that a well-managed State Enterprise can perform efficiently and effectively with the necessary checks and balances for transparency, accountability and good Corporate Governance.

Rural Development Company of Trinidad and Tobago Limited (RDC) was registered on 2nd May 2005 with the mandate to expedite the implementation of projects to upgrade the physical infrastructure, utilities and community facilities to improve the quality of life of residents in the rural communities, creating the environment for economic sustainability. The Company was established primarily to provide Project Management Services for the development and implementation of projects. The services were subsequently expanded to include Contract Administration and Supervision of Construction of the contracts awarded.

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<sup>3</sup> Approved Strategic Plan Oct'14 to Sept'17

The Company's mandate will be achieved by the implementation of the following measures:

- Identification of the needs of the communities in collaboration with the Members of Parliament, Municipal Corporations, Local Government Representatives, members of the communities and other key stakeholders.
- Identification and prioritisation of development programs and projects in collaboration with the appropriate Government Ministry through the line Ministry.
- Design the approved projects to solve the problems in the order of priority agreed with the respective Ministry and stakeholders.
- Manage the process of procurement of contractors and service providers to implement the projects through open or selective tendering in accordance with rules and guidelines established by the Ministry of Finance .
- Administration of the contracts and supervision of the construction to ensure value, quality, timeliness and fulfilment of contractual obligations.
- Training of small and medium sized contractors in Project Management,
- Construction and Site Management, Quality Control and Assurance and Financial Management.

The Company commenced active operations in September 2005 under the Ministry of Planning and Development and was transferred to the Ministry of Local Government in January 2008. In September 2013, the Company was transferred to the Ministry of Works and Infrastructure. In September 2015, the Company was transferred to the Ministry of Rural Development and Local Government

The Company's office is located at Factory Road, Brechin Castle, Couva. The geographic area of responsibility currently coincides with the boundaries of eleven (11) Parliamentary Constituencies in Central and North East Trinidad.

### Board of Directors

- ❖ Ms. Patricia Alexis Member and Chairman
- ❖ Mr. Augustus Thomas Member and Vice-Chairman
- ❖ Mr. Kennard Charles Member
- ❖ Mr. Mike Mohammed Member
- ❖ Dr. Daynish Maharaj Member
- ❖ Mr. Ashmead Ali Member
- ❖ Mr. Jonathan Boos Member
- ❖ Ms. Sasha Norbert Member

### Management Team

- ❖ Mr. Jason Kissoon Chief Executive Officer
- ❖ Mr. Reeyaz Rajab Manager, Engineering, Design and Construction
- ❖ Mrs. Natalie Danclar-Rodney Legal Counsel/Corporate Secretary

## Issues, Observations and Recommendations

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

### **Observations:**

#### **1. Inability to retain staff**

Project management is an important component that drives organisational success. The delivery of business outcomes is realised through the success of projects. The Committee observed that the RDC did not have the ability to retain a large portion of its staff due to its operating model and compensation structure especially. When projects were not being executed, RDC has surplus labour on its hands and has to reduce its labour force due to being unable to pay everyone it employed. Subsequently when projects pick back up, and resources are again available, RDC must re-engage construction supervisors as well re-hire other employees on short-term and/or part-time employment.

### **Issues**

#### **2. Lack of Operating Efficiency**

RDC was unable to sustain a net profit during the period 2012 – 2017. The decline in profitability which began in 2009 coincided with the global recession resulting in less funding being available for Government's development programme with a direct impact on RDC. The continued loss position of the Company coincided with the change in Government in 2010 during which time:

- Some projects continued from 2009 but no new projects were started in 2010, 2011 and 2012.
- Expenditure was not reduced as the Company was required by the Line Ministry to prepare scopes of work and estimates for a variety of projects on several occasions.

The Company continued to record losses in 2014, 2015 and 2016 for the following reasons:

- Although the Company was allocated three large projects in 2014 and 2015, two (2) could not start due to issues with approvals and alleged unpaid balances to the Consultant, which were not resolved prior to allocating to RDC.

- The third project, the Chaguanas Market Upgrade, started but was pending confirmation of the project and funding.

To reduce its losses, budgets were prepared for each year in question and approved by the board once the allocation had been confirmed in the National Budget. This measure assisted in determining the operational expenses for the fiscal year in comparison to the revenue expected from the approved development programme. With this in mind, RDC:

- Did not spend its limited resources on non-value adding activities;
- Project management deliverables were kept very stringent;
- Managed its projects with a zero tolerance in cost over-run or project deviation;
- Continuously followed up on payment and improved its billing system; and
- Only increased its staff count in line with operational expediencies.

***Recommendation:***

- ***The RDC should submit a status report on the effect of the implementation of abovementioned initiatives on the company's yearly losses since 2017. This report should be submitted to the Parliament no later than September 04, 2020.***

### **3. Outdated Strategic Plan**

The Strategic Plan in use by the company was for the period 2013-2015 and required updating. It was indicated that RDC's new strategic plan was being developed internally but should it become necessary, RDC would seek subject matter expert advice. This plan will be aligned to Vision 2030 and tracked in line with the Vision's Development Plan. At the time of the submission of written responses to the Committee's preliminary questions, the Board of Directors was reviewing the company's new Strategic Plan with a view of allowing closer engagements with its Line Ministry for increased opportunities. Consideration was also being given to holding discussions with the Municipal Corporations about managing their programmes.

***Recommendation:***

- ***The RDC should submit a status report to the Parliament on the development and timeline for completion of its new Strategic Plan no later than September 04, 2020.***

### **4. Timeliness of Financial Statement Audits**

It was observed that the financial statements for the audit of RDC took place significantly later than the statutory guidelines and normal conventions relative to State Enterprises. The commencement period for the respective financial statement audits were:

1. 2014 - January 2017
2. 2015 - July 2017
3. 2016 - November 2017

***Recommendation:***

- ***The RDC should submit a status report on measures it will implement to ensure that audit of its financial statements occur within four (4) months of each financial year end as stipulated in the State Enterprises Performance Monitoring Manual. This report should be submitted to the Parliament no later than September 04, 2020.***
- ***The RDC should also provide an update on the completion of all its outstanding audited financial statements to the Parliament no later than September 04, 2020.***

## **5. Dependence of Government Subventions**

RDC is dependent on Government for funding to pay for projects and the tardiness of payment exposes the RDC to potential claims by contractors. RDC earns its income through a project management fee of 7.5% of the actual cost of the project. Revenue is determined by projects and programs of work to be implemented. This program of work is determined by the Parliament and the relevant ministries annually via the National Budget. If for whatever reason RDC does not receive a project or experiences delayed fee payments, the enterprise is unable to meet operational expenditure and has relied on requests for subvention to keep afloat.

***Recommendation:***

- ***The RDC should submit on the possible alternative sources of revenue it can generate to supplement its current revenue stream as a means of reducing its Government subvention reliance. This report should be submitted to the Parliament no later than September 04, 2020.***

## **6. No Formal Risk Management Policy**

RDC at the time of the inquiry did not have an umbrella risk management policy, however throughout its business model risk has been managed in isolation by the various departments. When asked whether identified risks were mitigated by existing internal controls and evaluated, RDC indicated that it did not have the manpower or resources to engage in such an important exercise at the enterprise level. However, RDC mentioned that from time to time when matters raised at management meetings surrounding potential risk exposure were brought forward, they were collectively discussed and addressed after taking on the advice of a subject matter expert. In an attempt to monitor its risk management procedures, RDC indicated that discussions were being held to consider improving its organisational structure to facilitate an internal auditor, and quality management professional.

***Recommendation:***

- ***The RDC should submit a status update to the Parliament on its attempts to hire an internal auditor, and quality management professional to better manage and control its risk exposure. This status update should be submitted no later than September 04, 2020.***

**7. No Established Procurement Unit**

RDC did not have a specifically named Procurement Unit. These responsibilities were subsumed by the Legal Department, which has kept abreast of the current legislation however, the Department was understaffed. RDC sought to restructure its Legal Department and overall Organisational Chart to establish the necessary structures towards the successful implementation of procedures and systems required by the impending full proclamation of the Public Procurement and Disposal of Public Property Act, 2015. Within its existing system of procurement, the Company's Board and Tenders Committee provided oversight over the larger scales of awards while awards for smaller operational supplies or services were monitored by Heads of Departments and the Chief Executive Officer.

***Recommendation:***

- ***The RDC should submit a status update to the Parliament on its attempts to restructure its organisation to establish a specifically designated Unit/Department to manage its procurement and disposal needs. This status update should be submitted no later than September 04, 2020.***

## **8. Project Management Issues**

The challenges experienced by RDC with respect to managing projects stemmed from, among others, delayed interim payments to contractors, which directly affected the overall project completion time. This resulted in an overall lack of interest in the job by the contractor, leading to the withdrawal of resources and ultimately a lack of quality. Rectifying this problem has been an ongoing process, however mitigation measures were put in place to select contractors based on their capacity/capability to substantially complete jobs given the time-variant payment schedule of the executing agency.

### ***Recommendation***

- *The RDC should submit a status report to the Parliament on the countermeasures it has implemented to keep contractors on the job and continuing to work with the RDC given the delayed payments they may receive. This report should highlight the successes of each of these countermeasures thus far in helping to keep contractors on the job and it should be submitted no later than September 04, 2020.*

## **9. No Internal Audit Function**

For the period 2006 to 2013, RDC's internal audit function was outsourced to Vishnu Maharaj & Company. From 2013 to the time of the inquiry, this function was non-existent. Despite having one position of internal auditor on the established organisational structure, no one has been employed in that capacity since the company's incorporation in 2005. During October 2018, RDC advertised this vacancy unfortunately do to challenges and commitments to meet other salary payments the vacancy was not filled.

### ***Recommendation***

- *The RDC should submit a report to the Parliament on how it plans to operationalise its internal audit function given that it has been defunct since 2013. This report should be submitted no later than September 04, 2020.*

## **Conclusion**

The Committee's examination was hindered due to the impending dissolution of the Eleventh Parliament and as such, the Committee's Report is based on the preliminary concerns raised from the RDC's first responses to the Committee's questions. Attached as Appendix I is the supplementary questions that arose from the initial areas of concern the Committee had with the RDC's first submitted written responses. The responses to those questions would have helped form the basis of the Committee's overall Report if time permitted.

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

Mr. Wade Mark  
**Chairman**

Dr. Tim Gopeesingh  
**Vice-Chairman**

Mrs. Cherrie-Ann Crichlow-Cockburn  
**Member**

Mr. Fitzgerald Hinds  
**Member**

Mrs. Jennifer Baptiste-Primus  
**Member**

Dr. Nyan Gadsby-Dolly  
**Member**

Mr. Foster Cummings  
**Member**

Ms. Amrita Deonarine  
**Member**

## **APPENDIX I**

### **Questions for Additional Information**

## Issues: Timeliness of Financial Statement Audits

It was observed that the financial statements for the audit of RDC took place significantly later than the statutory guidelines and normal conventions relative to State Enterprises.

The commencement period for the respective financial statement audits were:

4. 2014 - January 2017
5. 2015 - July 2017
6. 2016 - November 2017

### *Proposed Questions:*

1. What were the reasons for the non- finalization of the RDC's audited financial statements within 90 days of the company's year end?
2. What systems and internal controls have been instituted to accommodate and complete the Audit of the Financial Statements, within 90 days of the company's year end?
3. As recommended by the external auditors, has RDC's Board and Management installed:
  - a. The Tenders Committee;
  - b. The Project Assessment Committee;
  - c. The Finance Committee; or
  - d. The Audit Committee.

What are the costs and benefits of installing these Committees'?

4. Has the RDC retained the services of the same external auditor for its 2017, 2018 and 2019 financial audits? If no, what has been done to reduce the likelihood of delays caused by:
  - a. Preparation of Audit File;
  - b. Finalisation of prior year audited financial statements by the outgoing auditor;
  - c. Adjustments and synchronization of prior year Opening Balances following Audited Financial Statements and Trial Balance; and
  - d. Closing meetings with the CEO and Finance Department Implication?
5. What is the status of the audits for the 2018 and 2019 financial statements?

6. What challenges were experienced by the Line Ministry and Ministry of Finance with regard to the company:
  - Current operational size and capacity;
  - Current timeliness and performance on assigned projects; and
  - Assessment of present and future operations regarding funding via Subventions and Project Management.

### **Issue: Mission, Policy & Strategic Plan**

#### *Proposed Questions:*

1. What is the reason for the RDC still utilizing a strategic plan for the period 2013-2015 in the year 2019? What is the percentage of the objectives in the strategic plan for the period 2013-2015 that has been achieved?
2. How does the RDC receive the projects it is mandated to provide management services for?
3. Which rural communities fall under the RDC's jurisdiction?
4. Can the RDC be classified as the Government's project manager for development projects in rural communities?
5. How many claims have been brought against RDC due to tardy payments?
6. What is RDC's staff turnover rate? What are the implication of this rate to the achievement of the vision of the Company?
7. Which units have the highest staff turnover rate?
8. Has there been any loss of staff in any of the units that are critical to the RDC's core operations? If yes, how has these losses affected the company's performances?
9. How long has RDC's offices and primary operations been housed at the Caroni Limited building in Brechin Castle, Couva?
10. Does the building meets OSH standards? If no, given that the building is very old and continuously requires minor and major repair works to continuously keep it in a habitable and safe condition, has consideration been given to locating an alternative location that meets the organizational health and safety needs of the company?

## **Issue: Operating Efficiency**

### *Proposed Questions:*

1. What is RDC's debt position?
2. Given that expenditure could not be reduced at the Company because it was required to prepare scopes of work and estimates for a variety of projects on several occasions by the Line Ministry, how many of those projects were actually started and completed?
3. What is the average cost to prepare scopes of work and estimates for a development projects?
4. What were the other two large projects that the Company was allocated between 2014 and 2015, that could not start due to unresolved issues with approvals and alleged unpaid balances to the Consultant prior to being allocated to RDC?
5. What is the difference between the subvention received by the RDC and the actual operational and administrative expenditure it incurred from 2012 to present?

## **Issue: Risk Management**

### *Proposed Questions:*

1. What are the reasons for the RDC not having a risk management policy?
2. What benefits has the company realized from having its business model risk managed in isolation by various departments?
3. What manpower and resources does the RDC deem necessary to assess whether identified risks are mitigated by existing internal controls?
4. In response to a request for the company's last audit reports, RDC indicated that it was completing its Audit for the year 2017/2018 and the other reports could be referred to in Appendix 14. However, Appendix 14 only has audit reports for the years 2008-2011. Could the RDC provide an explanation as to why no audit reports were conducted during 2012 to 2017?

## **Issue: Procurement Policy**

### *Proposed Questions:*

1. How long has the RDC been without a formal Procurement Unit?

2. How long have the procurement operations of the RDC been executed by its Legal Department?
3. How many staff member do the legal department consist of, their experience and qualifications?
4. If the procurement legislation is currently partially proclaimed and soon to be fully assented to, why is the RDC now at the discussion stage of reviewing its organizational structure to establish the necessary structures towards the successful implementation of procedures and systems required by the impending procurement?

### **Issue: Project Management**

#### *Proposed Questions:*

1. How does a company mandated to provide project management services not have a project management unit on its establishment?
2. What are the reasons for not having a formal project management unit at the company?
3. Does the company has a register for contractors?
4. How are contractors selected for a project? Provide an example.
5. How many persons are employed by the RDC to monitor the services of the selected contractors?
6. How are the quality, flexibility and resource utilization of services provided by the selected contractors evaluated to ensure value for money and accountability?
7. What key performance indicators are used to measure and evaluate the services of these contractors? Provide an example.
8. How long has the RDC initiated mitigation measures to ensure it selects contractors based on their capacity / capability to substantially complete jobs given the time-variances that may occur when receiving payments for works done?
9. Why were no actual costs attributed to the following projects:
  - a. New Pavilion at Arena Recreation Ground, (Concord);
  - b. New Pavilion at Jerningham Road Recreation Ground, Cunupia; and
  - c. New Pavilion at La Horquetta Phase 5.
10. What criteria were used to select committees by the RDC to provide services?

11. Which rural communities have benefitted from the Project Management Services provided by the RDC since its incorporation in 2005?
12. How did the major cash flow problems experienced during 2016 and 2017 which resulted in significant delays in fees payable to contractors affect the RDC's service provider relationships?
13. What is the outstanding sum of fees payable to contractors to date?

#### **Issue: Internal Auditing**

##### *Proposed Questions:*

1. Given that one position of internal auditor is on the company's established organizational structure, why was the internal audit function outsourced to Vishnu Maharaj & Company for the period 2006 to 2013? What is the cost of outsourcing this function verses having company's staff perform this service?
2. Given that the company's internal audit function has been defunct since 2013, how does the RDC know whether its internal controls are efficiently operating by modern day standards if they have not been tested by auditors?

#### **Issue: Property, plant and equipment**

##### *Proposed Questions:*

1. It was stated earlier that RDC's internal audit function has been defunct since 2013, therefore, who is the internal auditor that carries out analyses on the company's fixed assets whilst also documenting findings and issuing recommendations?
2. What was the effect of not having a Finance head of department between the periods 2013 to 2018?
3. When will the company commence the recruitment of Finance head?

#### **Issue: Administrative and other expenses**

##### *Proposed Questions:*

1. Why was maintenance of the CEO's vehicle added to the company's motor vehicle expense in 2013?
2. How many vacancies are presently in the company's Legal Unit?
3. How many core operations/activities have been subsumed by the Legal Unit?

4. How many more employees does the Legal Unit need to operate optimally?

### **Issue: Internal Fraud Policy**

#### *Proposed Questions:*

1. In the absence of a fraud policy to guide processes when instances of fraud arise, what processes currently guide how the company treats discoveries of fraud?
2. In what instances has the assistance of the police been sought?