

VERBATIM NOTES OF THE FOURTH MEETING OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE HELD IN THE JOHN HAMILTON MAURICE ROOM, MEZZANINE FLOOR (IN PUBLIC) TOWER D, THE PORT OF SPAIN INTERNATIONAL WATERFRONT CENTRE, 1A WRIGHTSON ROAD, PORT OF SPAIN, ON WEDNESDAY, MARCH 16, 2016, AT 10.05 A.M.

PRESENT

Mr. Wade Mark	Chairman
Dr. Tim Gopeesingh	Vice-Chairman
Mrs. Jennifer Baptiste-Primus	Member
Mr. Foster Cummings	Member
Mr. David Small	Member
Miss Keiba Jacob	Secretary
Miss Hema Bhagaloo	Parliamentary Intern

ABSENT

Mr. Fitzgerald Hinds	Member [<i>Excused</i>]
Mrs. Cherrie-Ann Crichlow-Cockburn	Member [<i>Excused</i>]
Ms. Shamfa Cudjoe	Member [<i>Excused</i>]

INVESTMENTS DIVISION, MINISTRY OF FINANCE

Ms. Yvette Babb	Director, Social and Economic Transformation (Ag.)
Ms. Chintamani Sookoo	Director, Agro-based Manufacturing and Services Sector (Ag.)
Mr. Dennis Cox	Senior Investment Portfolio Analyst

Mr. Suresh Dan Business Analyst

NATIONAL SCHOOLS DIETARY SERVICES LIMITED

Ms. Stacy Barran Chief Executive Officer

Ms. Vanesa Martina Programme Manager (Nutrition Services)

Ms. Indra Mootoo Accountant

Ms. Karen Lewis-Baptiste Zonal Manager (Operations)

MINISTRY OF EDUCATION

Ms. Gillian Macintyre Permanent Secretary

Mr. Dipnarine Mungal Director, Finance and Accounts Division

Mr. Harrilal Seecharan Chief Education Officer

Mr. Ashram Deoraj Director, School Supervision

Mr. John Roopchan Director, Curriculum Planning
and Development

Ms. Lisa Henry David Director, Education Planning Division

AUDITOR GENERAL'S DEPARTMENT

Mr. Majeed Ali Auditor General

Ms. Jaiwantie Ramdass Assistant Auditor General

Ms. Cyntra Neemarcharan Assistant Audit Director

Mrs. Theodora Lewis-Johncilla Audit Senior

Ms. Nicole Cockburn Legal Officer

Mr. Chairman: Good morning, and may I, on behalf of the Public Accounts

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(Enterprises) Committee, welcome all of you here this morning, officials from the National Schools Dietary Services Limited, also officials from the Ministry of Education, and the Ministry of Finance, Investments Division, members of the media, as well as members of the public. May I, from the outset, indicate the purpose of our meeting—and, of course, the Auditor General of our country.

May I say, from the outset, that the purpose of our meeting this morning, the Public Accounts (Enterprises) Committee, is to examine the report of the Auditor General of the Republic of Trinidad and Tobago on a special audit of the School Nutrition Programme managed by the National Schools Dietary Services Limited. Our Committee is desirous of hearing from the key stakeholders in the School Nutrition Programme to learn the challenges being faced and to determine some of the possible solutions to these challenges.

The role of the Committee is to help—I need to emphasize this—is to help to assist the National Schools Dietary Services Limited deliver services in a more efficient, effective and economical manner. I must advise all here this morning that our meeting is taking place in public and is being broadcast live on the Parliament Channel 11 and radio105.5 FM.

May I, on behalf of the Committee, take this opportunity to invite the Auditor General to introduce his team, followed by the National Schools Dietary Services Limited, followed by the Ministry of Education, and the Ministry of Finance, Investments Division, to introduce their officials with them today, and then we will follow by introducing ourselves. So, Mr. Majeed Ali.

Mr. Ali: Thank you, Mr. Chairman, and good morning to you, members of the Committee, the Secretariat, officials of the National Schools Dietary Services Limited, officials from the Investments Division, Ministry of Finance, and officials from the Ministry of Education. I am Majeed Ali, Auditor General of the Republic

of Trinidad and Tobago. My team would now introduce themselves.

[Officials from the Auditor General's Department introduced themselves]

Mr. Chairman: Can I invite National Schools.

Ms. Barran: Good morning, Chairman, Vice-Chair, members of the Committee. Let me say thanks, on behalf of the National Schools Dietary Services Limited, before I introduce, for inviting us. And as Chairman said, this is in fact a Committee, Public Accounts (Enterprises) Committee, to help the National Schools Dietary Services Limited, so we definitely look forward to that. I am Stacy Barran, the Chief Executive Officer, and your servant, National Schools Dietary Services Limited.

[Officials from National Schools Dietary Services Limited introduced themselves]

Mr. Chairman: Ministry of Education.

Ms. Macintyre: Good morning, I am Gillian Macintyre, Permanent Secretary, Ministry of Education, and the other members of my team will introduce.

[Officials from the Ministry of Education introduced themselves]

Mr. Chairman: May I invite the Investments Division, Ministry of Finance.

Mr. Cox: Good morning, hon. Chairman, and members of the Committee, I just want to take the opportunity, on behalf of the Ministry of Finance, Investments Division, to invite members of the team.

[Officials from the Investments Division, Ministry of Finance, introduced themselves]

Mr. Cox: I am Dennis Cox, Senior Business Investment Portfolio Analyst, and I want to take the opportunity to welcome members of the National Schools Dietary Services Limited team, PS, and members of the Ministry of Education. Also the Auditor General and his team, I do welcome you to the panel today.

Mr. Chairman: Yes, thank you very much, and I will take the opportunity to invite the members of the Public Accounts (Enterprises) Committee to introduce themselves, and I would start with my colleague nearest to Mrs. Cockburn.

[Members of the Committee introduced themselves]

Mr. Chairman: And we have our Secretary to our Committee here with us, and her assistants. May I take this opportunity to now invite Mr. Majeed Ali, the Auditor General, to just give our Committee, and the members who are assembled here, and officials, an appreciation of the role of the Auditor General in the context of this Committee and its role and its functions.

Mr. Ali: Thank you, Mr. Chairman. Mr. Chairman, I was appointed Auditor General on April 07, 2015, and we have a great part to play in assisting this Committee in going forward in all areas. Mr. Chairman, an area of concern that I have been challenged with in the past is the procurement in goods and services, using public funds. At present, Ministries, Departments and certain statutory bodies are guided by the Central Tenders Board Act when procuring goods and services. State agencies use their own tender rules and procurement policies which are benchmarked against the Ministry of Finance's Standard Procurement Procedures.

Mr. Chairman, in performing the function as auditor over the years, it has been observed that there is need for improvement in the process for the procurement of goods and services in all agencies where Government funds are being spent. There is a need to achieve value for money and to minimize inefficiencies in the public procurement process, which will create savings that can be used by the Government for the benefit of the country. Procurement rules for the public sector need to be responsive to evolving and expanding markets, and higher stakeholder expectation. To improve the procurement process serious

consideration must be given to the implementation of the Public Procurement and Disposal of Public Property Act, Act No. 1 of 2015. Certain sections of this Act were proclaimed on July 31, 2015. The effect of the proclamation is at the office of procurement regulation and the board which will govern this office now stands to be established, and the procurement regulator stands to be appointed.

I, as Auditor General, and my staff, greatly anticipate the implementation of the proclaimed sections of the Act, and urge the powers that be to move swiftly to ensure that the new procurement law start to operate optimally, and as intended by the legislation. The full functioning of the new law will go a very long way in ensuring that public moneys are spent by the State in the way that is most beneficial to all citizens of Trinidad and Tobago. The law fully implemented will also assist me and my department in carrying out our watchdog role on behalf of the public, and will greatly assist us in promoting transparency and accountability in the State use of public funds.

In closing, I wish to say thank you for taking this time to listen to my concern as Auditor General. I thank you.

Mr. Chairman: Thank you very much, Mr. Majeed Ali. Mr. Majeed Ali, is there anything that the Public Accounts (Enterprises) Committee can do to assist in the areas that you have identified?

Mr. Ali: My Legal Officer will answer that.

Ms. Cockburn: Good morning, Mr. Chairman. It is our view at the Auditor General's Department that maybe the Public Accounts (Enterprises) Committee, as was said by Mr. Ali, could lobby for implementation of the Public Procurement and Disposal of Public Property Act, sections of which have been proclaimed and are awaiting implementation. We believe that implementation of the proposals under that Act would go a long way in assisting the Department in looking into

properly auditing the use of state funds by Government agencies using public funds.

Mr. Chairman: All right, thank you very much. May I now revert back to where we are, and I wanted to ask Mr. Majeed Ali, how was the School Nutrition Programme identified for special audit by the Auditor General?

Mr. Ali: This audit was done through different areas. We looked at media reports, we looked at the parliamentary interest, we looked at the impact of the programme, the amount of moneys that was spent on the programme, and we also did a risk analysis in this area, and that is how we determined to conduct an audit on this enterprise.

Mr. Chairman: Okay. How can the Public Accounts (Enterprises) Committee identify issues for special audit? Would you want to apprise us?

Mr. Ali: The Committee can help us in identifying issues by looking at our annual report to see where there are areas that are weak and where we raise the red flags in certain areas. Also you can look at, you know, the late submission of financial statements to see why is this an issue and how it can be resolved, and also concern raised by citizens. We think that the citizens play a great part in bringing up ideas through the media, and in that way you all can assist.

Mr. Chairman: Thank you. Are there any other members who would like to raise any matters before I go to the Investments Division?

Dr. Gopeesingh: Through you, Chair, Mr. Auditor General, Mr. Ali, what would be the difference in terms of the work of the Auditor General on matters coming before the PAC, which is the Public Accounts Committee, as distinct and separate from the Public Accounts (Enterprises) Committee? Is there a differentiation in what we are doing at the PA(E)C? And how do you see your role in the PAC versus the PA(E)C? Could you help us?

Mr. Ali: Yeah. The PAC examines the annual accounts of the country of all the Ministries and Departments, whereas the PA(E)C would examine special audits, state enterprises. That is the difference that is there.

Dr. Gopeesingh: And they are all—the Auditor General has responsibility for all those?

Mr. Ali: My Legal Officer can answer that question.

Ms. Cockburn: Whereas, Dr. Gopeesingh, under the Constitution the Auditor General is mandated to annually audit the public accounts, accounts of Ministries and Departments, the Constitution under section 116(3), is not simply but differently. It empowers the Auditor General to audit state enterprises as opposed to mandating him or her to do so. So there is the overlying power on the part of the Auditor General to go into state enterprises to audit as he or she sees fit at any given point. So the main difference really is, with regard to public accounts the Auditor General is mandated to audit, as opposed to with state enterprises the Auditor General is merely empowered to go in when he sees fit.

Dr. Gopeesingh: Thank you very much, you gave a lucid clarification.

Ms. Ramdass: Can I just add something? The Committee asked, and which we can help, I have a concern in that audits like this, if you look on page 3, we utilize section 116 of the Constitution together with section 9(2)(c) of the Exchequer and Audit Act to perform this audit. What happens is, there is not such a clear mandate to do this type of audit. So we cover this audit using section 9(2)(c) of the Exchequer and Audit Act. So probably with legislation reform things can be made a little bit clearer for us to have the powers to allow us to do more in this area. Thank you.

Mr. Chairman: Thank you very much. Mr. Ali.

Mr. Ali: Yes, Mr. Chairman, may I say that I have approached the Attorney

General on this issue and he is willing to assist us to make certain amendment, and to introduce new legislation so we could have value-for-money audit done without any questions asked.

Mr. Chairman: Thank you very much. May I now invite the Ministry of Finance, Investments Division, to share with us your role and responsibilities in this very important area that we are mandated to execute.

Mr. Cox: Thank you, hon. Chairman, for giving us the opportunity to explain the role and function and responsibility of the Investments Division. Firstly, the Investments Division is responsible for executing the investment policy as prescribed by Cabinet. Accordingly, the mandate of the Division includes oversight, monitoring and, where necessary, the rationalization of government's equity holdings in commercial entities, and which we call the state enterprises.

Our Division acts on behalf of the Minister of Finance in the capacity of Corporation Sole, and carries out the corporate function. I will like to just elaborate on the Corporation Sole, in that by Act No. 5 of 1973, Chap. 69:03, the Minister of Finance was incorporated as a corporation sole. This is a corporation constituted in a single person who by right of office or function has corporate status. Accordingly, it is possible to attach rights and duties to the holder of the office, or function, to convey real or personal property to him or her in his or her official capacity. In short, the Corporation Sole has the same characteristics of perpetual succession and separation of rights and duties of the corporate body as all corporations. Thus, the Minister of Finance, Corporation Sole, has similar legal existence as any corporation.

In the context of today's proceedings, the specific role of the Corporation Sole is that of equity shareholder in what we call the state enterprises, although there is no legal definition of state enterprise but, you know, in practice we refer to

state companies, companies where we have a shareholding as state enterprise. In particular, we make reference to National Schools Dietary Services Limited, where we function in the capacity of Corporation Sole, equity shareholder. The Investments Division, in particular, we are staffed by a number of professionals, accountants, economists, business administrators; we have researchers. In terms of the job function, we have business analysts, we have directors; we have, also, research officers, who carry out the function of the Investments Division.

We are guided by, what we call, the *State Enterprises Performance Monitoring Manual*. This is a document that we use as a, you know, it is a guideline. It is a set of guidelines, I should say, and although there is no legal teeth, as we would say, we use that to direct state enterprises, or state entities, to function in such a way that they demonstrate good corporate governance practices. In this manual we have a lot of requirements. We stipulate a lot of conditions in terms of reporting requirements, in terms of timeliness in submitting reports, like the monthly cash flow report we have the audited financial statements. We have provisions for the holding of shareholders meeting, AGM. We have, in terms of completing the audit, and to have the audit examined—in most cases the Auditor General allow a private accountant to conduct the audit because—in terms of the quantum of state entities that exist.

In particular, when we talk about—sometimes we encounter infringement in terms of the guidelines that we set out and as Corporation Sole we would step in, in terms of trying to persuade, or to coerce. In other words, use moral suasion since we do not have coercive, you know, mechanism, so we use moral suasion to get state entities to comply with the guidelines as set out in the state monitoring manual.

However, in going forward, in looking into the future, we are proposing that

maybe the Corporation Sole may need to have some legislative mechanism so that we can enforce compliance in terms of the state entities. It may sound punitive but sometimes you need to act, you know, you need to use strong force to get, you know, it is normal human being reaction, you know, to get compliance. But so far we have been using moral suasion. In terms of the corporation and state entities, they have been trying their best in terms of complying with the guidelines set forward, which is very positive, and we encourage them to meet these monthly reports, you know, to submit their monthly reports so that we can have an idea of what is taking place there.

In recent times we had the Central Audit Committee, which is a part of the monitoring mechanism. The Central Audit Committee would go into a state enterprise on the instruction of the Minister of Finance and he would examine areas, or activities that are more or less in the public domain, or sometimes we identify it from looking at the monthly reports or from the board minutes, and he would, you know, the team would conduct special investigation in terms of audit. And these are basically internal audits. The team would look at the internal audit function to ensure that the internal controls are in place, or where there are deviations in terms of—or gaps in terms of the controls, they would make recommendation to the Minister, and the Minister then would contact the company through the line Ministry. So that all would be on board in terms of dealing with the situation. So, I think, without further ado, I think I have said—

Mr. Chairman: May I ask, what is the role of the Investments Division in assisting the PA(E)C in carrying out its duties and mandate under the Constitution?

Mr. Cox: The Investments Division, as I said, the guidelines, we set out all the requirements in terms of reports, and, in particular, the audited financial reports, then we have the administrative report, which these reports are tabled to

Parliament, and those are the reports, I guess, you were referring to. We would request from the state entity to submit the report in a timely manner. If there are any violations we would write them and sort of coerce them into submitting the report, and, basically, this is our main function. In some cases what we do, to facilitate the line Ministry, we would do, what we call an analysis of the financial statements so that we can recognize strengths, weaknesses, we could look at the trends, we could look at areas of deficiencies, or areas of positive performance indicators, so that we can give the line Ministry an idea as to what to look for about how the state entity is performing in terms of the financial statements.

Dr. Gopeesingh: Mr. Cox, for the benefit of the viewing national population, you said that there is no strict legal definition for state enterprise, but from your situation, the Investments Division and from the Auditor General's knowledge, what would you consider as a state enterprise? I heard you differentiate state entity and bringing together state enterprise, state entity. And, also, there are a number of special purpose companies that have started a few years ago. Could you, or the Auditor General, help us elucidate, what would you consider as state enterprise?—and in terms of ownership, ownership by the State, how much would you—partial ownership by the State, or full ownership by the State. And, in addition to that, how many state enterprises do we have nationally, fully owned by the State and partially owned by the State? If either one of you—

10.35 a.m.

Mr. Cox: Okay. Member, I will attempt to answer the question. We define state enterprise as an enterprise where you have 51 per cent or more equity held by the Corporation Sole. All right? So we will have 100 per cent which is fully owned and we will have partial or majority owned which is 51 per cent and over. Okay? There is also a distinction in terms of the statutory bodies. You have statutory

bodies which—these bodies are owned by the State, but there is no equity in the capital structure. Now, these entities are formed by Acts of Parliament and so there is no equity from an accounting perspective. There is no equity in the capital structure that they are belonging to the State or owned by the Corporation Sole.

Dr. Gopeesingh: Just a follow-up. But if the State provides the funding for those, generally, for the work of those enterprises, where would that classification be? Is that what we call the special purpose companies or some of these special purpose companies belong to what you are speaking about?

Mr. Cox: No. The statutory bodies are different entities, just the ownership structure is different. The Government owns—the State owns the entity. I will just give an example, like NIB. The State owns the entity, but there is no share capital as such. All right? In terms of the special purpose company, this is a definition that was created some years ago whereby these companies were created—were established, sorry—to do special functions. For instance, UDeCOTT would be a project management company. So it was created to do project management. National School Dietary Services Limited, it was created or established for the purpose of preparing meals and providing meals to schoolchildren. So there are special purposes for these companies.

Dr. Gopeesingh: But they receive the funding from the State?

Mr. Cox: From the State. Yes.

Dr. Gopeesingh: And so therefore, would you consider it, if they receive the funding and you said state enterprises is 51 per cent owned by the State, if the funding is provided for them, would that fall under the classification of a state enterprise even though it has been nomenclatured as a special purpose company?

Mr. Cox: Yeah. The special purpose companies basically are those that are—depend on what we call subvention; the other state entities do not require

subvention. In other words, they are self-sustained. But the special purpose company, the State has a responsibility to fund these operations through subventions.

Dr. Gopeesingh: Thank you very much for those answers. How many state enterprises do we have fully owned and partially owned?

Mr. Cox: Forty-seven wholly owned, seven majority owned and five minority owned. In other words, the State has minority share, less than 50 per cent equity in those companies.

Mr. Chairman: All right. May I—you said earlier on that your division conducts regular financial analyses of state enterprises. Would you be willing to share with the PA(E)C those financial analyses that your division conducts on a regular basis?

Mr. Cox: Yeah. The first answer, definitely, we are willing to share the information. As a matter of fact we had a recent meeting where we discussed, you know, when we do our analysis in-house, sometimes it is not being shared out there. So, you know, I think the point that you raised there is very timely in that we do the analysis because we look at the profitability ratios, we look at the solvency ratios, we look at liquidity of the company, we even look at the efficiency ratios in terms of the efficiency of operation, our efficient use of assets. And this information is kept in-house. We inform the company and this, you know, these sorts of data, you know, can be shared with the Committee.

Mr. Chairman: Okay.

Mr. Cox: So we are very informative.

Mr. Chairman: We will be in contact with you. Now the other area I wanted to ask you, is the role of the Investments Division in ensuring the implementation of recommendations by the Auditor General when he conducts special audits; in this specific instance we are referring to the Schools Dietary Services Limited. What is

the role of the Investments Division in ensuring the implementation of those recommendations?

Mr. Cox: Now, the first line in terms of responsibility, the line Ministry is the direct, you know, they are directly responsible for the state entity that falls under their portfolio. So in the case of the Ministry of Education they are the first point of contact. However, the Ministry of Finance is always willing to assist in the areas that we feel that we have the competencies in, in terms of especially the financial analyses, in terms of assisting the line Ministries in those areas.

Mr. Chairman: So are you saying that it is the role of the Ministry of Education to implement, as the line Ministry, the recommendations by the Auditor General, and your role, even though your role is to monitor and to evaluate the activities of that agency, you are not really committed to implementing those recommendations? That is the responsibility of the Ministry of Education. Is that what you are saying?

Mr. Cox: The Ministry of Education or the line Ministry is the first point of—if I can use the word—attack.

Mr. Chairman: Right.

Mr. Cox: In other words, the Ministry of Education would look at the operational aspect of the state entity. The Minister of Finance would look at the corporate governance aspect. So you would find that the Ministry, in terms of operational issues which would derive from the audit, would be the responsibility of the Ministry of Education to have it to enforce.

Mr. Chairman: Well let me just follow up again. What is the role, if any, of the Investments Division in the monitoring and evaluating functions re the delivery of quality meals for schoolchildren in the primary and secondary and special schools? Do you have any role whatsoever in this particular area or is that, again, a function

and responsibility for the Ministry of Education?

Mr. Cox: Yeah. Mr. Chairman, we sort of tried to divide the responsibility in that operational issues, which would be the actual function, the day-to-day functions of the state entity, that should be the role of the line Ministry. Whereas the broader issues which are structural corporate governance issues will be treated at the level of the Ministry of Finance. So there are two lines.

Mr. Chairman: Okay. So you deal with the macro?

Mr. Cox: The macro.

Mr. Chairman: And the micro?

Mr. Cox: Yes. And sometimes we would miss some of the micro issues.

Mr. Chairman: Okay.

Mr. Cox: Because the operational issues, we are not there to monitor the day-to-day operations of the company.

Mr. Chairman: Okay. Let me follow up again with another question. What is the role of the Investments Division in ensuring proper oversight and accountability in these state enterprises? What is your responsibility and role?

Mr. Cox: Okay. Let me use an example to more or less bring out the point or to bring out our basic responsibilities and functions. In this particular case where the Auditor General identifies certain, you know, certain weaknesses in the operations of the company, those issues may not reach the Corporation Sole or the Ministry of Finance's Investments Division. However, in monitoring the Minutes of the meeting or the board meeting we would see where the board received a report from the Auditor General and we would look at the content of the report or how the board addressed it. They may have tabled the issue at the level of the board. We, in doing the monitoring, which we use the board Minutes as part of the mechanism to monitor, we had identified that there is an issue, a critical operational issue that

we may need to focus on. In such a case like that we would monitor a little deeper into the operations because it would impact on the overall performance of the company. So in a case like that, we would have even a joint role as the line Ministry in terms of ensuring that the company meets or operates in such a way that it meets best practice. I do not know if I identified—if I was clear.

Mr. Chairman: May I now invite the CEO of the National Schools Dietary Services Company Limited to make your opening remarks, and then we will ask the Permanent Secretary if she would like to add anything to what you have said before we ask our members to further enquire into areas of concern. So I now invite Ms. Stacy Barran.

Ms. Barran: Thank you, Chairman and Vice-Chair and members of the Committee, Auditor General, our PS, members of the Ministry of Education and of course our Corporation Sole, Ministry of Finance. Let me just give a brief overview of the programme, who we are. And of course, we are the National Schools Dietary Services Limited, responsible for the School Nutrition Programme, and we provide on a daily basis approximately 91,000 lunches and 59,000 breakfasts. The objectives of our programme are as follows: one, to provide as a weekly average approximately one-quarter and one-third of the recommended dietary allowance of nutrients for the child through breakfasts and lunches respectively; two, to contribute to the improvement of the nutritional status of the child and to enhance learning ability; and three, to further stimulate the agricultural sector by utilizing local produce wherever possible in the meal plan.

We stand very proud today to say that we continue to achieve our mandate of providing over 25 million safe meals per year. We achieve this through our hard-working staff of 65, of which 40 are field officers who visit the kitchens, the facilities, on a daily basis. Our public/private partnerships with our caterers—we

have 76 caterers contracted to the programme, and we have over 70 suppliers inclusive of small bakeries, roti suppliers, cassava processors, orange peelers, and the list goes on.

The programme continues to maintain—and I say this especially since last week was International Women's Day and we continue to have as our entrepreneurs, our caterers, 75 per cent as women. This is a major achievement to highlight as it helps to mould young females into successful business women. Even some women still serve the programme in the full capacity and started as volunteers without any payment. To date, the programme employs over 3,000 workers directly and indirectly through the downstream industries, if we add all of them.

Today, as we stand before Trinidad and Tobago, we stand committed to serving good health through good nutrition and through good food, our local food. Last week we took a cross-section of schools in various parts of the country where all the children in those schools got a taste of all local. We served local rice, callaloo, local chicken and plantain. It was well and totally enjoyed. Every grain of rice was consumed. And I am sure our Prime Minister, as he envisioned it to be, he makes that call for the programme to use all local ingredients.

The students were very happy. They were very proud as we visited those schools with the rice farmers and they actually met with those students. And, you know, it is in fact an achievement because it stands as 23 years since we have served an all-local menu. We are currently working with our chefs in developing all local menus, and although we might not be able to replace all foreign products immediately, we still aim for short-term targets. For example, we are aiming at 10 per cent local rice, 40 per cent cassava, and the list will go on. There will eventually be greater foreign-imports substitution.

As a country we are well poised with all other countries such as the United Kingdom, Brazil to name a few. We are among the 330 million— children receiving school meals. In almost every country in the world governments are investing over \$30 billion on school feeding every year, according to the World Food Programme in 2002. We must be thankful to our governments both past and present that they too have also seen the great importance of this programme. Therefore, investing into this programme, ladies and gentlemen, is ensuring that every child has a brighter future. It allows our children to focus on their studies rather than their stomachs which helps increase school attendance as well as cognitive development.

I stand before you as a committee and we definitely look forward to the comments and the recommendations that you would make. I also have to say thanks to the Auditor General after we did, in fact, receive the report. You have worked hand in hand with us and the recommendations we have all tried to improve on the programme. Chairman, thank you.

Mr. Chairman: Thank you very much. And may I ask the Permanent Secretary, Ministry of Education, if you would like to make an intervention at this time, you can do so. I invite Mrs. Gillian Macintyre.

Mrs. Macintyre: Thank you, Mr. Chair, and I thank the members of this Committee for inviting the Ministry of Education to be part of the dialogue this morning on what I consider to be a very important initiative that started in Trinidad and Tobago many years ago, and I think it has held up as a model in the Caricom region and contributes to our national development.

I note the vein of the discussions as initiated by the Auditor General this morning and I welcome them. In fact, they have in fact been concerns that have been raised at the level of the board of PSs, because it comes back to the

relationship between a state enterprise and the Permanent Secretary.

As many of you would know, in the legislation there is a defined relationship for the Minister, but for example today the Permanent Secretary is required to be here with the company, not the Minister. But there is no legislation, there is a lack of clarity as to what is the exact role. So we were talking about roles—the role of the Investments Division, the role of the Ministry. Who within the Ministry gives these instructions? As far as the legislation is concerned right now, it is the Minister that has a relationship with the state company. The Permanent Secretary is kept in the loop sometimes; sometimes is not kept in the loop. But as I said, at such meetings, is required to attend with the company.

So, I think, that is definitely an area which the board of PSs has said needs to be addressed, and in fact, the procurement legislation opens this exposure of the Permanent Secretary even more. Because you know the new legislation increases the accountability for the Permanent Secretary. There will no longer be a Central Tenders Board to which you procure, there will be a regulator who reviews our policies and our systems and our practices. We wait to see what regulations will be made, but there is increased exposure for the Permanent Secretary and as a consequence in the relationship with the state enterprise.

The other thing that I would just want, and I know we will get into it this morning, would be the impact of such an initiative. Because as I have said, I think it is a very laudable initiative and from reading the report—because I am new to the Ministry of Education there are some concerns as to the measurement of impact.

I would just like to just say up front, the Ministry has been discussing how we can improve this, and I know the other capable members who are here with me will take this forward because unfortunately, due to the fact that I am due to go off

on pre-retirement leave soon, I will be unable to see it through to the end. Thank you.

Mr. Chairman: Thank you very much both Stacy Barran and the Permanent Secretary, Ministry of Education. I will now invite members of our Committee to raise questions and seek clarifications based on submissions made by both the National Schools Dietary Services Limited and the Ministry of Education along with the Auditor General and Investments Division. So the floor is now open to members. I recognize Mrs. Jennifer Baptiste-Primus.

Mrs. Baptiste-Primus: Thank you very much, Mr. Chairman, and good morning everyone. Ms. Barran, thank you for the information shared. You did share with us that our situation last week, the serving of local food, local rice, callaloo and local chicken and that it was well received. What does that mean? Is the supply of meals data driven? How do you define “well received”?

Ms. Barran: Well, on that survey—we do in fact have a consumption survey which I will ask Vanesa to go into, but I will tell you, it was very obvious when we went into the school the children ate every grain of the rice, every part of that meal. It was very easy to identify. However, there is a scientific way that we measure consumption. It is referred to as a consumption survey that the programme uses on a day-to-day basis to look at new menus, local menus and, you know, and generally just to look at whether we have—and as the Auditor General said—value for money. So let me just pass to Vanesa Martina and she will just take us through the objectives of that survey and how we do it.

Ms. Martina: So the consumption survey was another level of—and good morning to all members of the Committee as well as the Chairman. The consumption survey was just another layer of monitoring that we had started doing in 2012. Prior to that and it continues even now, the officers will go to schools on

a daily basis and they will collect information based on what the consumption survey—the consumption levels of the children are.

So in 2012 there was a consumption survey that would have been designed. And the main objectives of the survey were to establish the levels at which meals were being consumed, identify meal preferences among the recipients and identify reasons for poor consumption and find possible solutions to minimize this outcome. And it was done against the background that we would have been receiving information from the field officers, the quality assurance officers, that the local produce was not being as well consumed as they should have been. So what would have been done is, it would have been done primarily in the primary school. And the primary school was chosen and it was the first place it was implemented, because 70 per cent of the children who receive meals are in the primary school.

The secondary school would have been left for a later time because the dynamic in terms of consumption is different in the secondary school; and pre-schoolers would not have been included because research shows that children at that age it is difficult or almost impossible to get reliable recall information from them without verification from, you know, an adult.

So in all, the survey would have been completed over a two-year period where 2,008 students would have been interviewed. They would have been chosen, randomly selected from the four geographical zones or territories that we have which would have been the east, north, south and central zones, and the information would have been analyzed.

Now, in the first instance what would have been done is we looked at the items that were not as well consumed, and we therefore would have then pegged it against the items that were more popular that the children would have had. And there is a protocol that would have been observed both at the schools as well as the

kitchens. Would you like me to go into what the findings were of the survey that would have been done then?

Mrs. Baptiste-Primus: Not necessary. I think we have a bit of information of that in the report. My question was directed to Ms. Barran to understand what she meant by “well received”. Because so many meals, I think you indicated, are served per day. So one would want to understand if local food was being served, then what does the data say? And I am satisfied with your earlier information. But I just want to peg another question onto the earlier one. Do you all have education activities for parents? Because from the survey, really the outcome of which ought to raise a red flag in our collective minds, because if our children are rejecting locally produced foods, then there must be that symbiotic relationship, what you do and the parents of those children to understand what you are dealing with. So, do you all conduct education programmes with the parents of the children?

Ms. Barran: Well, Vanesa is the nutritionist. She is in charge of nutrition education. However, let me just say before I ask her to just give you how many sessions we have conducted. We do, in fact, do some parents, but we are only staffed with three people—two people right now to go out to schools. So what we really do is, where we see that there is a level of—and I would not say wastage—but reduced consumption because we do not speak about wastage in the programme, because children tend not to—you know, they eat with their eyes. They eat what they want to eat, but in place of—when we started—let me just say—when we started in 2012 with local, we did not have as many meals being favoured with the local components. The children would eat the rest of the meal. Like, for example, if we serve cassava, we do hot cassava salad with a Spanish rice and chicken. They would leave the cassava aside and they would eat the rice and the chicken. Now we see a change there where the children are more, you know,

they are more apt to eating the local. Because we are doing some nutrition education. It is being done with the Ministry of Health as well. And I will tell you a committee we are on in terms of increasing that knowledge to the children. But we do some PTAs, but with the staffing that we have we cannot go out to everybody.

Mrs. Baptiste-Primus: Chairman, my final question for now. One appreciates the—

Mrs. Macintyre: I just want to add to that because the Ministry is supposed to play a role in helping to educate and to sensitize both children and parents. I am sure many of you would remember “Chase Charlie Away” which was a very effective campaign that reached parents through children. And so perhaps our Director of Curriculum could say what they have been planning to do re the curriculum to help in that regard.

Mr. Roopchan: Good morning. With regard to the curriculum, we have been dealing with nutrition through the curriculum itself. At the primary level we have the nutrition being addressed through health and family life education which is across all the general subject areas in the curriculum, as well as through physical education. Now, physical education is something that we have not in the past been emphasizing too much, but it is now a fundamental part of the curriculum, and children at the primary level are encouraged to—the benefits of drinking water and things like that. That is where it starts. And as they grow older, through the HFLE programme to deal with nutrition, understanding what are good things to eat, what are bad things to eat and the benefits of those things. We have been working with certain stakeholders in terms of participating in activities. Particularly right now we have at the secondary level the world food day activity. Curriculum is involved in participating in that activity and seeing how we can get students involved.

11.05 a.m.

I have some other curriculum matters that we have at the secondary level through the implementation of the HFLE Curriculum. At that level we deal with understanding nutrition, choice of foods and the consequences of eating bad foods and what not, as well as through the physical education we are dealing with things like the benefits of eating the right foods, as I said earlier, and how it relates to good health.

Mrs. Baptiste-Primus: Thank you kindly for sharing that bit of information. My final question in this regard, Mr. Chairman. You made a very interesting comment Ms. Barran. You said, we do not speak about wastage in this programme, but I want to direct your attention to the report of the Auditor General, page 7 under “Executive Summary”. The Auditor General, under the heading, “Impact of the Programme”, spoke about the overall wastage observed in the study, the consumption survey and the wastage, and I quote:

“Based on stated assumptions the cost of wastage may be in the vicinity of \$38 million per school year. However if partial consumption of meals is omitted from our survey then the estimated wastage is reduced to 12 percent...the estimated cost...\$26 million per...year or approximately \$130 million over the past five years.”

So that the question is Ms. Barran, what is the current wastage and what mechanisms have you all put in place to limit—this is a huge, huge wastage here, \$130 million over the last five years? I am quite sure you all may have addressed it. Kindly share with us what mechanisms you all would have put in place and how have those mechanisms helped in reducing this huge level of wastage?

Ms. Barran: Minister Baptiste-Primus, why I do not talk about wastage, this was a 2012 survey and to date we have put many things in place. First let me just say,

in 2012 when that survey was done it was done against the less liked meals, let me put it like that, because we were introducing more local and therefore we needed to measure, we needed to have an objective measure. So it was not—we cannot really say that was the standard. And in addition to which, once we measure we change immediately. If there is a wastage, a factor—so if you have a menu and the menu is hot cassava salad with your—and I am using the hot cassava salad because we really, since we have introduced we are now getting better acceptance. We change those ingredients, we change the way we do it and we do recipe development and testing constantly.

So, for me to give you and I will tell you now, from 2012 to 2016 the wastage has been reduced considerably. The first factor that I can tell you about is that we have reduced meals from 100,000 to 91,000, so that is a 9 per cent reduction immediately. And, of course, our criteria for selection is done by the principals, by the Ministry of Education and we are working hand in hand. Under our last Minister, the permission for increases and decreases has gone to the Ministry of Education. Prior to that, the programme used to increase and decrease depending on the request. That no longer happens. So the Ministry of Education now has the control in terms of the principals telling them, listen, these children they need 10 more meals, they need 10 less and that is how we were able to reduce. That is the first thing.

The second thing, in 2012 our number of officers out there are monitoring. We had a real lack of officers. We had limited funding, limited staff, so we increased by two-fold, so now we have 40 officers there, we have four managers managing the zones and we have greater coverage basically with the increase in officers and we have now divided it into QAO 1 and QAO 2. I stated it in the report so I do not want to go too much into that, but I will tell you, that increased

monitoring definitely helps.

The other tool is, of course, we continue with the consumption surveys and as I say once we see that the meal is not well accepted, 75 per cent is our guide. And when we measure, we measure weight of box. This study was actually formulated by the University of the West Indies and the School Nutrition Programme. So it is really a scientific tool that measures and tells us, listen, once you have more than 75 per cent then it means that you are in fact having wastage on that menu, less consumption—but it does not speak to the entire box, that is the thing.

What we have noticed is that there is a major challenge for vegetables. Children are not consuming vegetables and that component of the box is really wasted, especially when we put the local in. In 2013 as the hon. Vice-Chair you would remember, we had gone to serving almost 60 per cent local and we had failed. The reason we had failed is because when we looked at the vegetables used on the side we had changed, we waged a war on carrots, we said we are not going to import, we are going to have our local foods being put into that box. The pumpkin that we replaced had high fecal coliform when we did our testing. So immediately we had to pull back. The children were not consuming it as well. So, you see, your first point about education is very important because the School Nutrition Programme cannot do it alone. We can look at the wastage, we can look at the consumption levels, we can guide, but we must work with the Ministry of Health, we must work with the Ministry of Agriculture, Land and Fisheries. If we have to partner with the Ministry of Agriculture, Land and Fisheries, good agricultural practices definitely have to come in to play as well, because what we would be doing is putting the children lives at risk, because if we see fecal coliform, we continue those tests, we had to pull off. And that is what

immediate—nothing is static in the programme in terms of those menus. We can change, we can advise the caterers immediately that this is an item that we need to flag and we adjust accordingly.

The other measure that we have put in place, of course, is the nutrition education coupled with the Ministry of Health, and our people who go out with them, we partner. The other thing we did is we tailored portion sizes. What we had noticed is that the infant department was the only people we were really going with reduced portion sizes, the staples. So instead of serving eight ounces we were serving six ounces to the infant department. What we realized we were getting some staples being left back, not because they did not want to eat it but because it was too much for them. So now what the programme has implemented through Standard 2—so it is the infant department and Standard 1s and 2s—what we called a junior box. So the junior box, of course, is a saving to the programme as well, but it really does, in fact, improve on the amount of meal and what is consumed. But generally we have to say that education is the key. The children, when we do our surveys what they want to eat is chicken and chips. We are really, really, being faced with major challenges with the consumption.

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

Mr. Small: Thank you very much, Mr. Chairman, for the opportunity to join and I want to take my opportunity to welcome some of my former colleagues, Permanent Secretary Macintyre and Ms. Sookoo from the Ministry of Finance, people who I have worked with over the years. It is good to see you guys.

I have listened intently to the discussions to date and I have a couple of questions taking a slightly different tack. Ms. Barran, I want you to remember a phrase you just used about objective measure, because that is key for me. When I look at the Auditor General's Report there was a key part of it where it referred

about measuring what you do. You know there is an old maxim, what gets measured gets done, so that it is difficult to assess what you are doing if you are not measuring it on an ongoing basis and have an objective measure to compare going along, and I want to set my frame for my question.

We all are aware of the constrained circumstances of the Government's finances at this point in time and because of that understanding how moneys are being applied and how resources are being used requires a bit more focus in my respectful view on making sure that we get the best, not only value for money, but making sure that when we spend the money we are able to measure what we spend it on and how it is being applied.

So here is my question. I would like to understand, what has been—this Auditor General's Report was from a couple of years ago—and I want to know what progress has been made on this recommendation regarding to measure the systematic progress? And I want a response also from the Investments Division on what they have been able to do to assist you and also from the Permanent Secretary, Ministry of Education because I believe, I am not sure if the entity as you are currently structured has resources to produce KPIs, to understand what is required strategically to make sure that you align your targets with what your resources are.

In my view, based on what I have in front of me, I believe you may need some assistance from both Investments Division and the line Ministry to assist you with this. So my question is, what progress has been made on this specific recommendation regarding improving your internal measurement systems, providing having up-to-date data that someone, an independent person will come and analyze very easily, what is the status of the operations?

Ms. Barran: Well, hon. Member, yes we will need assistance because we are

actually now doing our strategic plan and it has not been finalized and from the strategic plan we will work with our key performance indicators. But as it stands, our key performance indicators on the field is consumption and that is where we have the survey.

The other one is value for money in terms of, are we spending the moneys received from the Ministry of Finance, are we spending that responsibly? What the company did is, we asked a consultant to come in, Pricewaterhouse, to develop a financial model for two things. One, to ensure that we are paying the price that is appropriately measured for meals; and two, whether the programme is spending the money wisely. And that has been done and with that, actually what they had recommended is that we were not paying the caterers the price that they were supposed to be getting and that was increased in 2014 under our last Minister.

So we had, in fact, and I say our last Minister because the Minister is not here, so we have our Minister here and he did in fact recommend a price increase which helped the programme considerably. Because all our measurements and everything if we are in a situation where we are not paying enough money for the meals or we are paying too much then it makes value for money definitely a problem because then we are wasting taxpayers' dollars.

What we also do as a programme we try to become, well, we cannot become totally independent from public funding because it is a lot of money, but we also do, in fact, look for funding. We market ourselves. We do some contracts that bring in some moneys to the organization. Those are like the sports contracts which we had listed for you and other similar things. We are also on the drive of advertising on the box. That is something that when our board is instated we will have to look at. We had tried, we had done a pilot on that and it did in fact bring in some moneys for us. So those are the initiatives, but in terms of the key

performance indicators, that is what we have right now for the programme.

Mr. Small: Thank you very much, Ms. Barran. Your response provides me with my answer that it is something that the organization right now does not seem to be able to do and I do not think that is sustainable. So I would like to hear from the Investments Division what you can do to assist because I do not believe we can have an entity getting over \$200 million a year of taxpayers' money not being able to properly measure what they are doing because that is not sustainable especially in this constrained environment. And it is no bad reflection on the people who are in the organization. I think they are resource constrained and they may need some technical expertise both from Ministry of Finance and the Ministry of Education. Could I have a response from the Investments Division, please?

Mr. Cox: Mr. Small, I will attempt to answer your question. In terms of the— from our monitoring perspective we would look at the cash flows, we would also look at the draft estimate that they would submit to the Ministry of Finance in terms of the subvention and we would ask pertinent questions as regard to, why the monthly variances, the quarterly variances, why the expenditure increases and we seek to get a reasonable answer from the company in terms of justifying or giving us an explanation for those variances in terms of the actual expenditure and the budgeted expenditure, the variances there.

We would also look at the draft estimate that they submit annually for subvention, for the year to come and we would do a critical analysis especially given the budget constraints like what we did last year. We looked at our current economic situation and we tried to tighten areas. We looked at the budgetary line item and we tried to, in discussing with the company to find out areas which seemed to be excessive or we have substantial increases and we sought to get explanation. And if we are not satisfied with the explanation given we would

make the necessary reductions.

In terms of helping the organization, it is basically, the nature of the operation is really beyond the Ministry of Finance in terms of our intervening in, in terms of the operations of the food programme. I do not think we have the competency to treat with that aspect of the operations.

Mr. Small: Thank you for your response. Madam Permanent Secretary.

Ms. Macintyre: Thank you, Sen. Small. I think, two things I should first say is that since the study the company did a strategic plan and as Ms. Barran indicated they are working on a subsequent one. The difficulty the company currently faces is that they have no board. So hopefully once a board is appointed, and I hope as I said I am going soon, but I certainly would raise it with the Minister what I had done previously when I worked with, I was the Permanent Secretary for GISL. We had GISL, they brought in a consultant that helped them prepare the KPIs and it was on that basis that Investments Division would have been able to monitor their performance and, in fact, they had at that time, because they had really improved significantly, tried to claim a bonus. I do not know if you can say that right now. Thank you.

Mr. Small: Thank you, Madam Permanent Secretary, for your runs. Mr. Chairman, will you permit me a follow up question? I would like to implore that it is clear from the responses received that the company needs some assistance and I firmly believe in making sure that when we spend money we can measure how it was applied. Again it is no reflection on the people. I believe the people here are doing the best job that they can do with the resources that they have, they just need a little more help.

I have one question and it has to do with the testing. Now I have looked at all of the information on the testing and I think you mentioned that you have

around 40 quality assurance officers. My concern with the testing is that the testing based on the information in front of me, since we are focused on testing the cooked food, I want to understand. Does the company do testing of the equipment and the work surfaces? Because there are foodborne diseases that do not necessarily generate immediate illnesses. There are foodborne diseases that get into your body, like hepatitis, and they take years to show up so that in order to really understand the pathogens that are there, what is supposed to happen is that, in addition to testing the cooked food on an ongoing basis, people should somewhat be going to swab the work surfaces and the equipment used to make sure that they do not have any inbuilt pathogens inside of there. Is that done?

Ms. Barran: Sen. Small, that is a very good question because a couple of years ago when we went out to look at the processes, whether they were being followed, and we have the officers out there, but Public Health Authority, and they work with us closely, they have approved as a sanitizer, a chlorine based sanitizer. You know chlorine is evaporated, right. So we need to test for the chlorine presence in the sanitizer.

When we test, we do testing with CARIRI and it is not only on the end meal, on the sample box, we do, in fact, do the entire surface. What we also do, we do some training, then we teach and we swab surfaces. We have bought lumitesters for our officers who go out there. Once you flag—a lumitester is basically an instrument that will flag whether there is presence of microorganisms. Once it is flagged then we will bring in CARIRI and do that type of testing. But, of course, again there is a cost constraint. Each test that you carry out is \$1,600. So the programme really uses the hazard analysis critical control point system to really work on its processes. It is really a system developed for prevention of problems rather than destructive testing, because if you really look, and I know Auditor

General spoke to how much tests were being done, but if you really look at, let us say, 1 per cent of the meals that we produced and we test that, that is over \$40 million for the year.

So what we have to do is ensure that the system is so designed to prevent any problems, in addition to which, what we do we keep, every single day when the caterers produce meals we keep a frozen sample in the event that something happens we can also have that testing being done and also the Public Health Authority comes into the facility, they have to approve all the facilities. Remember they are the legal body and they do testing as well.

So we have all, you know, in terms of critical control points, we do those to ensure that you know, and a major one is the temperature. The temperature to schools, once we maintain above 140 degrees Fahrenheit out of the danger zone, we should not have problems, but that is one of the pitches we are working with the Ministry of Education because at the end of the day the meals are taken out of the totes and left on the surfaces. So those are where we can get the infections being done, microorganisms.

Mr. Small: I appreciate your response and I want to say for the record that I side with the Auditor General on this. I think that the level of testing is not where it should be. I understand that there is a resource constraint. If you are producing 25 million meals and you are only testing 1,000 of 1 per cent we are setting ourselves up for something bad to happen. Because what happens when you do that is that things could be going lax on you and you would not know because you are not checking it. So I am just flagging that, I have a concern about that. I think that the level of testing, the number of samples being tested, it needs to be a number that gives me more comfort than the current number. You do not have to respond, but I am sharing that that is my concern. Mr. Chairman, thank you for the opportunity.

Dr. Gopeesingh: It is difficult for me to question you now, [*Laughter*] but having—there are two areas. Where have you all reached with the school nutrition policy that you had worked with the Ministry of Health to formulate and to bring for national consideration particularly in light of the comments made by the general population that we have a lot of fruit juices with high calorie content and soft drinks. Where have you reached with that? Because I know that you had formulated a school nutrient policy with the Ministry of Health. That is the first question.

Ms. Barran: Vice-Chair, before I pass you to the member that sits on that committee, I will just say that also fruit juices are limited to our programme now. We serve water, but we are also having some problems with consumption. But I will let Vanesa tell you in terms of the committee she is on with the Ministry of Health where we have reached with the school vending policy.

Ms. Martina: Good morning again to everyone. In truth and in fact, what the hon. Member is referring to is the interim nutrition standards for foods offered at schools. And in addition to the National School Dietary Services Limited represented by myself, as well as the manager of the Nutrition Services Department, the Ministry of Education also sat on that committee.

The interim standards were developed after they realized that obesity and overweight levels in our school age population has been skyrocketing. There was 100 per cent increase over a 10-year period where in 1999 it was 11 per cent and by 2009 when the Ministry would have had another survey commissioned and done by the Caribbean Food and Nutrition Institute it was now at 23 per cent. The standards basically will define the nutrients for eight categories of food that you can get at schools. The standards that are developed were for staple foods, for snack foods, fruits and vegetables, beverages, legumes and nuts, milk and other

dairy products, meat and alternates, cooked or combination foods, and the standards were developed using the traffic light system.

There were foods that you could re-sold most, which is about 80 per cent four out of the five days for school. Those were in the green section and they look primarily at what were the added sugars, the total fat, saturated fat, sodium and fiber. The nutrients or nutrition-type items that would actually contribute to ill health or the development of chronic non-commutable diseases. The ones that could have been sold the least would have been in the amber section which is at least 20 per cent. The ones in the red section are the ones that are not permitted for sale. Right now as Ministry of Health would have updated and told us that the working technical committee, that the standards are now before the Cabinet for consideration. So I think the next step beyond that would be for the implementation of the standards.

Dr. Gopeesingh: Another follow up question.

Ms. Martina: Sure.

Dr. Gopeesingh: Well, of course, nationally the national population would like to see us improving the amount of local content in the meals and working closer with the agricultural sector to reduce foreign products. Where is NSDSL now in terms of, what percentage of our meals, utilization of local content now? Where do you propose to go? How closer are you, working with the agricultural sector, to making sure that more local content comes on?

Ms. Barran: Well, hon. Member, Vice-Chair, we have been working with stakeholders such as NAMDEVCO and the Ministry of Agriculture, Land and Fisheries. We work closely. Right now as we sit we have in almost in every one of our menus we have our vegetables being local. But of course our rice production is down to minimal. We are now trying to work with the Ministry of

Agriculture, Land and Fisheries in asking for more rice. Cassava, we have cassava being used on the menus and we have, in fact, I would say, if I have to give a total overall percentage it will be about 40 per cent in terms of if you look at all of those. But bearing in mind that there are some items that are not produced locally at all which is, split peas, red beans, those things.

We are asking that the Ministry of Agriculture, Land and Fisheries now look at production of black eyed peas which is quite possible in our country and production of the pigeon peas, but we have to do a mechanical system. So that is being looked at and we are working closely. We have done some trials on breadfruit. We have done some trials on beetroot, beet, and the children ate it very well. I know Minister Baptiste-Primus will ask me what is very well. They ate all of it, and the beetroot muffin really looks like what we would call a red velvet muffin, basically. So it is there. The matter is the production and good agricultural practices, because if we intend to go forward we want to look at the pesticide usage because that is a major concern.

When we work with NAMDEVCO they have started some pesticide residue testing but if the results are really shown it is cause for concern and, of course, our clientele is young children and we have to really be careful. There must be and as Sen. Small made the point before testing is really needed and we have to partner, if we do not have the funding I think we have to partner with other agencies to do that type of testing. So yes we are going to go forward. We intend to increase by 20 per cent, but it must be within the particular parameters for the safety of the meals.

11.35 a.m.

Dr. Gopeesingh: Just a last question, CEO, through you, Chair. The Auditor General flagged the question of what Minister Primus indicated, of wastage. This

consumption survey, could you clarify it, when it was done? That consumption survey, what year was that done?

Ms. Barran: That was in 2012 and—

Dr. Gopeesingh: So the consumption survey would have taken into consideration what was happening at that time.

Ms. Barran: At that time.

Dr. Gopeesingh: And what have you all done subsequently to reduce that?

Ms. Barran: That is where we have increased the staffing. We have done the changes in menus; we have done a number of—we have used a number of initiatives, tailoring portion sizes and those.

Dr. Gopeesingh: All right. Thank you.

Mr. Chairman: All right. May I introduce Mr. Foster Cummings— Senator. He is a member of our committee and he wants to ask some questions.

Mr. Cummings: Thank you, Chairman. Ms. Barran, CEO, I recognize that you have 800 schools being serviced and you have approximately 40 quality assurance officers, and you are required to do, is it fortnightly rotation visits? How is that working out?

Ms. Barran: Well, we were 20 before, Sen. Cummings, so definitely we have more coverage. But, yes, I hear your call and it means more money in terms of employing more people. But, yes, more officers will definitely mean more coverage on the field.

Mr. Cummings: Are these the same officers who would perform the inspections at the catering facilities?

Ms. Barran: Yes. They visit the catering facilities and then they go to the schools. So the schools are visited on a fortnightly basis, or if there is a need for any more, and the kitchens are visited daily. So you do three kitchens per day,

basically from an officer.

Mr. Cummings: In terms of the suspension of caterers, can you tell us how many instances you have had, I would say, in the last three years of caterers being suspended, and what has happened following that?

Ms. Barran: In terms of quality, we follow constantly quality and performance on the field throughout our officers and our managers, and we have programme managers as well. For the last three years we have not had—once there is an allegation in a school where there is any doubt; if children get sick for whatever reason—it might not be the school meal—and a principal calls and says that, you know, the children are sick after consuming meals, we suspend immediately, upon review. So we must suspend the operations because you have to investigate and do your testing and, you know, review the operations, look at troubleshooting and if it, in fact, happened there, and then you do the testing. You send the sample for microbial analysis as well.

Within the last three years we have had to not pay for some meals because if you look at quality, if the quality is not what you expect, you will not pay for the meals as well. You see, that is one of our ways of redressing. But we have not had to—I cannot recall within the last three years having to suspend.

Mr. Cummings: But your caterers, by and large, are fully compliant with the performance standards you have outlined here?

Ms. Barran: Yes, because we have the manual that they have to follow. We do constant training. The officers as well, they do training on the evenings. Sometimes we do sessions with CARIRI to train the caterers, their staff; to train our staff as well. So they are in compliance. Wherever they are not in compliance, we immediately address the issue.

Mr. Cummings: How are these caterers procured to provide this service?

Ms. Barran: Open tendering. We do an open tendering. We go out in the newspapers. We have our procurement policy which was set by Pricewaterhouse. We are also guided by the performance monitoring manual as well, and we do, in fact, have that tender document with the guidelines and we—it is twofold. You apply first and then we do an inspection of the premises.

Mr. Cummings: And what is the period of time that they are contracted for?

Ms. Barran: Five years.

Mr. Cummings: Thank you.

Mr. Chairman: Yes, thank you very much. I wanted to ask a few questions. We have over 822 primary, secondary and special schools that are covered by the School Nutrition Programme. I am not too sure of what is the population of the student and pupil body, if it is over 240,000. But I would like you to explain to me, and the committee, how we can have an objective in our programme—the School Nutrition Programme—that would work towards improving the child's daily nutrient requirements for breakfast by one quarter, and to also improve that nutrient requirement for lunch by one-third, and through that process it would contribute to an improvement of the nutritional status of the child and thereby enhancing his or her ability to learn. So I am dealing with two objectives combined. But we have reduced, through wastage or to conserve on that front, the amount of meals that we have served, or we serve on a daily basis, from 100,000 to 91,000.

Am I missing something? Is there, for instance, a large pool of students who are not being catered for by the programme? If so, how many are not being catered for? And how do we categorize those who are not being catered for? Are they sufficiently taken care of by their parents? Or is it, for instance, they have fallen through the cracks because of the programme of reduction, from 100,000 to

91,000? I am trying to understand.

So the first thing, what is the population that we are targeting to ensure that that nutritional level is satisfied for every child? First thing. And how are we able to reduce from 100,000 to 91,000 and still meet that target?

Ms. Barran: Well, Chairman, the population of the entire—the school population, we do not have.

Dr. Gopeesingh: Yes, you have it, 236,000.

Ms. Barran: Okay, well, I mean in terms of not meeting—the funding will be geared, of course, towards the underprivileged children, and the school principals are the ones who indicate to us who we are supposed to feed; who we will provide those lunches and those breakfasts to.

Now, when our officers go into those schools and you see meals being left back, that is where we cut those meals and we reduce the wastage. To say in terms of the goal of the company to provide one-third, whoever we provide it to, the 91,000 children, we ensure through our nutrition planning and everything, that one-third is met and a quarter is met. But I cannot speak for the rest of the population because, of course, it would be a cost constraint in terms of—we would love to have every child receive a meal, but it speaks to what the funding is and how much we can provide.

Mr. Seecharan: Chair, the current system for identifying students who participate in the programme is firstly based on principals identifying students who are in need, but it is a little bit loose, in that it goes beyond that. So there are students on the programme whose parents might be able to afford, but also choose to be part of the programme. So in that sense, those students who are in need, and the programme goes actually beyond that.

So I think what you are asking is how are you going to have a reduction and

then catering for an increased need. The reduction really has to do with meals that were provided and not being used. Through the division of school supervision and under the guidance of the former Minister, we have strengthened from the Ministry side, the monitoring part of the School Nutrition Programme. So on a daily basis the principals or the persons involved at the school in assisting in that process will examine, for example, number of meals supplied, number utilized. And we have also, through the Ministry, given permission for, for example if there is a request for additional meals, we give that permission. If there is excess, then we ask for a reduction. So, currently, I think a population that you are speaking to that are not catered for, are students whose parents would be able to meet their nutritional requirements.

Ms. Macintyre: Just to add, Mrs. Barran had indicated to me as well that sometimes principals are actually reluctant to take a cut, and what she has done to assure them is that it would just be a temporary cut, and if the need arises and they need more, they will go back up to the previous figure. So it is really, I would say, between the CEO and Mrs. Barran, there has been a formalizing of procedures that has helped to improve targeting the right number of meals.

Mr. Chairman: Now, healthy eating would contribute to healthy minds, and I am seeing one of your objectives is to really enhance the learning abilities of children. I know that the Permanent Secretary said earlier that there was some attempt being made to measure, based on what my colleague had asked earlier. If this programme had started in 2004—the School Nutrition Programme—and we are now 2016, 10 years later, what efforts are being made by the Ministry of Education, in particular, to begin to provide data-driven measurements so that we can estimate what are the learning outcomes realized as a result of this School Nutrition Programme, so we would know exactly whether we are weak in which

area and where we have to improve? Because at the moment we do not have any statistics, no data to reflect on the School Nutrition Programme vis-à-vis the enhancement of the learning abilities of the children who consume those meals on a daily basis. What measures, what steps, are being taken by the Ministry to effect that measurement process?

Ms. Macintyre: Chairman, the Ministry recognizes the importance of it. I think, though, what, as has been said here this morning, it is a question of resources allocated and how you prioritize those resources. Research of that nature is very—and I am sure Mrs. Barran could probably add to what I might say here—would be very specific. I mean, I am sure you may have read books, for example, like *The Zone*, which, where there is a linkage between what somebody consumes and athletic performance, for example. So it can be done, I am sure, for learning performance, but Ministries have only recently—I think it was in 2013—given structures for monitoring and evaluation units, and even though those units have been set up, some of them are still not fully staffed, and the priority may not go, for example, to learning outcomes in the first instance, because that is a very specialized area of measurement. It may go instead, in terms of just what Mrs. Barran was saying, getting more accurate information on testing for schools. Because, again, we would have to outsource, probably, that kind of data collection. But it comes back again to Sen. Small's issue of saying, this is your strategic plan, what are your KPIs and then, of course, what are your data-collection mechanisms. Can it be done in-house? Does it have to be outsourced? Has sufficient funding been given to collect such data?

Mr. Seecharan: The school nutrition policy was developed in 2007, and when I saw this being a measure to be determined, I was a little bit amused, and I will tell you why. Student achievement is impacted by so many different factors. We

could talk about student effort, or individual factors with the student—him or herself—you can talk about school factors; you can talk about parent factors. So what you are looking at is a multilevel study which will require some complex statistical analysis. You are dealing with a human subject which brings into consideration some ethical considerations.

So how do you control some of these variables and isolate? School nutrition might be a necessary but not necessarily a sufficient condition to bring about—so in other words, if a student is well-nutritioned, that does not mean that there could be any impact. So what I am saying is, it really requires a complex study. PS spoke about the resource requirements to carry out such study, and where you have a limited number of persons.

We in the Ministry, over the last two years, have been trying to develop our capacity internally in terms of research. We have a technical cooperation grant that we have been doing some of that. But, maybe, ideally, a study like this which is complex, may require outsourcing. I do not know that any Ministry—you can utilize your entire resource base within a Ministry just to focus on that one issue. And then, on my estimation, if you get a 10 per cent contribution from school nutrition to student learning outcomes, I think that would be significant. In most cases it will be much smaller than that.

So I think we have to ask the question whether we acknowledge that school nutrition is necessary for student achievement and look at the other variables to ensure that you have an efficient programme, or you utilize a lot of resources to determine what the link is. And it is a good research for some of our institutions, what research to be done, and where you find out maybe it contributes less than 1 per cent to the overall indicators which can affect student achievement. So it is not a straightforward study.

Mr. Chairman: Sen. Small.

Mr. Small: Thank you very much, Mr. Chairman. I appreciate the opportunity. And, Mr. Seecharan, it is a brilliant response. You have literally taken the answer to my question, because it goes back to the objective measures mentioned by the CEO. I also want to go back to one of the opening comments by the CEO, where the CEO mentioned about this whole issue about one of the objectives of the organization being the ability to learn being positively impacted. I am saying if that is one of the objectives, the organization is virtually nebulous, because you virtually admitted that you cannot measure it.

So perhaps in your strategic review of the objective of the organization, is this really something that should be an objective of the organization? Perhaps it needs to be re-worded, re-crafted or deleted. Because we cannot be putting things as a strategic objective of an organization that nobody understands how to do it, or we do not have the resources to do it. We are wasting time. It might sound laudable but it is not achievable, given the resources we have.

So I just want to say that before I—and Mr. Seecharan, again, I want to thank you. You have hit it on the head that—I may not have used the word, laughable, but I think that it is something that requires some rigour. It is something that I have seen in entities that we say things, but the rigour that needs to be applied to prove those things is not necessarily obvious.

I want to ask a question to Ms. Barran. I have looked at your proposed organizational structure and I note with interest you have an entire division proposed to be—a Director of Marketing and Communications. This one I need some help with because my understanding about the key role of the organization is to provide meals to schools. Is it that there is a—I am confused because there is no obvious—I am seeing Director of Research and Nutrition, but they have two staff,

but the Director of Marketing has four staff. So, for me, research and keeping your data current and being able to measure your performances, somebody keeping the organization strategically aligned, is much more important in this context, as opposed to having a whole Director of Communications and Marketing. I need some assistance with how we got here.

Ms. Barran: Senator, the rationale behind the marketing is really income-generation, where the programme will become more dependent on their own resources rather than subvention. We will not be entirely independent of the subvention, however that is where it was really going. But I understand—that is a board decision basically, and, yes, I understand that review because right now we do not have the marketing and communications division. We have piloted one member of staff, and that is where we get the contracts for—you know, go out for contracts for sports and those things. We are also approaching private schools to offer meal service so that we can really raise some income as well. So that has not been effected really.

Ms. Macintyre: Could I make a point that is related to that issue? And I think this is where Finance raised, for example—I would urge them to look at this from a governance point of view. I think in our system a lot of state enterprises have been set up and they are not state enterprises that are really intended to be commercial, but a position seems to have been taken on many of these state—and I will list some of them. I consider school nutrition to be one; National School Dietary Services to be one; iGovTT to be one; Government Human Resource Services to be another one.

They are developmental in terms of—if you go back to their original Cabinet notes, they were developmental in direction, in mandate. Somehow, from the time—and I think it is because in Trinidad we often go the route of a state

enterprise rather than a statutory body where there is legislation that articulates this. We tend to think because it is a limited liability, right away they are supposed to try and reduce their subvention.

In reviewing this report I would say one of the things that troubled me—because I was not the Permanent Secretary at the time—was this mandate that state enterprises of that nature—I am not saying all—must go and make money. I think the important thing—and it comes back again to what you have just said, your strategic plan: what is your direction; what is your mandate; what is your core function; what are your KPIs and you focus on that. My fear is going off to make money, do you sacrifice safety; do you sacrifice the things that would really be important in developing?

Mrs. Baptiste-Primus: Thank you kindly, Mr. Chairman. Two questions directed to Ms. Barran. Your written submission states that annual reports on the operations of the company and management are completed, yet the Parliament does not reflect receipt of these annual administrative reports. Can you provide us with some kind of explanation that will reflect to us that there was an effort? And in doing so, perhaps it would be useful if you indicate what kind of assistance the company has had from the Ministry of Education and also the Ministry of Finance. That is one. Secondly, we have noted that the financial statements of the company for the years 2013, 2014 and 2015 are outstanding. Can you advise us why this situation is as it is?

Ms. Barran: Minister, we have, in fact—we finished our administrative reports and we would submit to the Ministry of Education. We are not—well as far as I know, we are not to deliver to Parliament directly. It goes through our line Ministry.

Mrs. Baptiste-Primus: I am aware of that. That is why I asked you about the

Ministry of Education.

Ms. Barran: Okay. And our financial statements, we completed all our financial statements. We are waiting on the AGM from the Ministry of Finance—but we do not have a board—for 2013, 2014, and we have completed 2015. We have the first draft of the financial statements for 2015—audited financials. So we are up to date, just the AGM outstanding for 2013 and 2014. They were submitted, according to Mr. Dan—well, you will speak to the date it was submitted to Parliament. It was submitted and we do not know why. We would submit to the Ministry of Finance and Finance would submit it to the Parliament.

Mrs. Baptiste-Primus: So through you, Mr. Chairman, may I enquire of the Corporation Sole's representative, what is responsible for this delay?

Mr. Cox: In terms of the process, when we receive the audited financial statements, we make arrangements with the company to set up the AGM. At the AGM we would table the accounts and the Ministry of Finance would take the initiative to submit it to Parliament, following the AGM.

Mrs. Baptiste-Primus: That is process. My question is why has that not been done?

Mr. Cox: No, the AGM has not been—the AGM is outstanding, but I have to double-check as to why it was not convened, and we are hearing that the board is not in place. But I have to double-check why it was not convened.

Mr. Chairman: May I just follow up on what Mrs. Baptiste-Primus had asked? Why is it mandatory to have an annual general meeting before submitting the financial audited accounts to the Parliament? Why is it necessary?

Mr. Cox: The state entities are governed by the Companies Act and one of the requirements is that you need to have an AGM or convene a special meeting of shareholders so that we approve the financial statements.

Mrs. Baptiste-Primus: Permit me, Mr. Chairman. I think a natural follow-up question would be, who are the attendees at this AGM?

Mr. Cox: The Corporation Sole is represented either directly or by proxy. And in practice the Corporation Sole is attended by proxy.

Dr. Gopeesingh: Mr. Cox, from the Investments Division of the Ministry of Finance, being a member of the PA(E)C and, of course, I think I was a member of the PAC previously, a number of state enterprises, their annual audited statements do not—well, what we receive sometimes reflects from as long as 2005, 2006 and so on, many, many years behind. Based on what is happening here, that you have the statements from NSDSL but no annual general meeting was held for 2013 and 2014 and those statements to Parliament are not in as yet because you have not had your annual general meeting, would you say then that possibly one of the reasons why a number of state enterprises' annual or audited statements do not reach Parliament is because—whether you have constraints—the Investments Division has not been able to complete their annual general meetings and therefore, having not completed them, you have not submitted them to Parliament for one reason or the other? And if it is happening, could you help us with the PA(E)C? You have 47 state enterprises. Could you help us to determine from each one of these, where you are with receipt of the statements from these companies and state enterprises and where you are with your annual general meetings holding back the submission of those to Parliament?

12.05 p.m.

Mr. Cox: Hon. Vice-Chairman, I wish to state that in terms of the audited financial statement, upon receipt of the financial statement we immediately process in terms of doing the analyses and submit it to the Minister of Finance. However, because the state entities are governed by the Companies Act, the requirements—

in other words, the Corporate Secretary of the company is required to convene, or send notice, or give notice to the Corporation Sole of an AGM.

In the absence of a notice from the Corporate Secretary, the Corporation Sole, through the Secretariat, we would initiate a meeting. Such as because we have no board in place right now, the onus is on the Corporation Sole to convene a meeting, through the Companies Act, in the absence of a board being in place. But it is not a norm, or it is not the norm to have financial statement or audited financial statement lying in the offices of the Corporation Sole without going to Parliament. It is not the norm.

Dr. Gopeesingh: Just for clarification, you think you might be able to provide to the Committee how much of these that are awaiting annual general meetings so that we can have an expectation in the PA(E)C that these will come to the attention of the PA(E)C shortly?

Mr. Cox: Yes, hon. Vice-Chairman.

Mr. Chairman: And given the urgency that we have defined whereby the National Schools Dietary Services Limited company has submitted 2013, 2014 and they are now preparing 2015 to submit, would you say that because of the urgency you would probably undertake a commitment to this body that within, maybe, one week an AGM would be convened and have those reports submitted to the Parliament?

Mr. Cox: Hon. Chairman, we can in fact have the analyses done, however, because of their time period given in the Companies Act in which you give notice for the meeting, I think two weeks is more reasonable.

Ms. Barran: Twenty-one working days.

Mr. Cox: Twenty-one working days is more appropriate.

Mr. Chairman: Thank you very much.

Mr. Cox: So we can have an AGM within 21 working days from the date of the notice.

Mr. Chairman: All right. Thank you very much. Yes, I think Dr. Gopeesingh wants to ask a question.

Dr. Gopeesingh: Just one more for the Chief Executive Officer of NSDSL. The Auditor General on his recommendations indicated that NSDSL should use its purchasing power of buying in bulk to negotiate economical prices for local produce and manufactured products—that is on page 10 of the recommendations—how far are you towards moving with that recommendation; and what are you doing at the moment?

Ms. Barran: Vice-Chair, hon. member, we are in fact—what we procure right now for the caterers is the disposables in terms of the boxes, the sporks and the spoons. The catering price really accommodates for every other thing that they have to use in the menu. That is why we do an approved suppliers' listing and we do not procure those items. But when we do a listing, what we do we meet with the suppliers and we look at the volume and we negotiate the prices. We look at the standards and we have a suppliers' team who go out there and we do that.

Now in terms of the commodities like vegetables, that is going to be— I do not know if the NSDSL would have the—remember we would have to look at the perishability, will that be incurring losses for us; spoilage and that kind of thing. So I am not sure how we could go about that. We will definitely look into it and we have been looking into that, but to date we have the boxes, the sporks and the spoons.

Dr. Gopeesingh: So you do have a number of areas where you use bulk purchasing—

Ms. Barran: Yes. Definitely.

Dr. Gopeesingh:—but you are looking forward to moving to more bulk purchasing in other areas where there is non-perishable items?

Ms. Barran: Yes, non-perishable.

Mr. Chairman: I recognize Mr. Foster Cummings.

Ms. Macintyre: Could I just add to that though? Could I just add, that with respect to that, I think a lot more has to be done to look at it in terms of whether we would be going against the spirit of competition in terms of the bulk buying. I do have concerns certainly from the perishable point of view as to systems being in place to ensure safety. So that I think a lot more thought has to go into whether the State in the long run would benefit from doing those things.

Mr. Chairman: All right, we have some final questions as we try to wind up our meeting. Mr. Foster Cummings and then Mrs. Jennifer Baptiste-Primus.

Mr. Cummings: Chair, I just have one question directed to Mr. Cox from the finance Ministry. We were speaking about the annual general meetings earlier and the audited financial statements, is there a particular unit in the Ministry of Finance dealing with monitoring the submission of these accounts and how these annual general meetings are scheduled?

Mr. Cox: Yes, we at the Investments Division, we are the Division responsible for monitoring, also responsible for representing the Corporation Sole at the AGM. However, the Corporate Secretary is the officer responsible for convening the AGM.

Mr. Cummings: That is what I want to get at. If the trigger does not come from the Corporate Secretary, do you have steps that will kick in on your end to compel the state enterprise to come up to scratch with the accounts and/or trigger that meeting?

Mr. Cox: Yes. This situation is very extraordinary I might say, through the Chair,

because when we receive audited financial statement, we immediately work on the analysis and liaise with the Corporate Secretary in terms of convening the meeting. As a matter of fact, the company, most of the times they are excited. When they submit their financial statement they are excited that it is done in a timely manner and they would ask the Ministry of Finance to convene the AGM.

Mr. Cummings: In that case, how do we account for the information that is not presented to the Parliament in a timely basis, where we have several state enterprises whose accounts are five years old and there is a significant gap in terms of these accounts being brought up to date? We do not have the information in the time frame that we would like to have it, what would account for that, you think?

Mr. Cox: We get communication from the Parliament Secretariat informing us of all the backlog in terms of the outstanding financial statements. We communicate with the companies, we ask them to submit, we refer to the section of the Act and the Constitution which mandate the company to comply. We also communicate with the chairman of the board, through the Minister, to convene the meeting, or to have the audited financial statement ready, and most of the times the issues tend to be the finalization of the audited financial statement rather than the withholding or delaying of the analysis at the Ministry of Finance.

Mr. Cummings: Final question. Where you find that there are companies who have developed a trend of not completing their audited financial statements and they have several years outstanding, what remedies available to the Corporation Sole apart from cajoling and asking them please, what remedies are available to corporations?

Mr. Cox: Well, hon. Senator, the Corporation Sole, as shareholder, can remove the directors, and it is a drastic measure. But the Corporation Sole has the authority to remove directors if he so feels that he is not satisfied with the

performance of the directors. So he has that option to remove the directors of the board and to reconstitute the board so that the mandate of the company would be carried out and the statutory obligations of the company would be carried out.

Mr. Cummings: Final question. Is there sufficient staffing—maybe I should say final, final—within your department, for instance, to allow you to properly execute the responsibilities that fall under your—

Mr. Cox: In particular, the financial statement, this is what we do on a daily basis. So in terms of the staffing we have adequate staff and technical competences in terms of treating with those analyses, and to conduct the AGM.

As a matter of fact, in terms of practice, the AGM takes no more than 15 minutes in terms of conducting the business because it is very structured—you elect directors, you table the accounts and the minutes of the previous meeting, those are the basic or the mandatory items on the agenda.

Mr. Chairman: All right. I will ask Mr. David Small finally. Jennifer, you would like to ask—

Mrs. Baptiste-Primus: Just one question.

Mr. Chairman: Okay.

Mrs. Baptiste-Primus.: Thank you, Mr. Chairman. Through you, Mr. Chairman, to Ms. Barran. Within the Auditor General's Report there are six specific recommendations, can you advise whether or not you all have implemented all six; if not, how many of the recommendations you all have implemented? That is one. The contracted price per meal, it is my understanding was derived through contracting PwC to conduct an evaluation of producing a meal, how does the Investments Division evaluate this price that PwC gives? How does the Investments Division monitor the pricing of meals to ensure that we obtain value for money?

Mr. Chairman: Ms. Barran and then the Investments Division.

Ms. Barran: Minister Primus, the whole-school approach is being relooked, and that is why our strategic plan has not been finalized because we are not in a position in terms of the financing of the company to go with the whole-school approach and even to implement.

Now the whole-school approach, let me just quickly say, is a three-tier system where some children will benefit from free meals; there is another category where they will pay part of the price; and a third category where the parents will pay for all. When we looked at the entire approach there—this was in 2007—this has to be relooked with the Ministry of Education as one of our mandates. So that has not been implemented. As a matter of fact, we reduced meals for the wastage issue in terms of bringing the wastage down. That is the two. And three, the monitoring and evaluation, according to Sen. Small, we have also looked at that—

Mrs. Baptiste-Primus.: I am sorry. What was your response with regard to—on the issue of wastage?

Ms. Barran: We have done all the measures in terms of increasing staff, tailoring portion sizes. We have also done an initiative called the school mother programme where we piloted two schools, where we had a representative, somebody employed by the caterer, to distribute and monitor, and definitely consumption did increase there too. So that was one of the initiatives, recipe development, which would speak to the recipe development department, constantly reviewing recipes and the development of the school vending policy. So those were the initiatives that we had taken to reduce wastage, increase in staffing.

The other one, to enable systemic progress with the monitoring and evaluation. Of course, we are going to relook our objectives because objectives should be measurable, and that is one of the things that we are in fact reviewing.

So we have spoken to that.

Mrs. Baptiste-Primus: So in fact, No. 3 has not been implemented as yet; or is it a work in progress?

Ms. Barran: It is a work in progress because we are in fact relooking the objectives. No. 1 and No. 3, for the impact of the agricultural sector, we have how much produce we use. So the impact is translated into how much that— For example, Auditor General said we used .8 million pounds of pumpkin a year, when we translate that into acreage it is about 40 acres of land. So two things it speaks to: the safety, the impact on the agricultural sector is safety; and the increase to the amount of produce. The other one—but, of course, again, impact studies have to be put in place to measure the objectives. The monitoring unit, Ministry of Education.

Ms. Macintyre: The Ministry of Education, based on the old strategic objectives, started trying to build out a monitoring firm, but as CEO indicated and Sen. Small, the difficulty has been those objectives. That is the first step that we have to do the new strategic plan and what are the objectives to really determine what we are measuring. Also, of course, the staffing of that unit, it is not up to strength as yet.

Ms. Barran: No. 5, the purchasing power. We in fact do the purchase of the large items—the boxes and sporks, the disposables, and we do negotiate prices on behalf of the caterers, but we do an approved suppliers listing on that one.

Mrs. Baptiste-Primus: So you have in fact implemented recommendation No. 5 in its entirety?

Ms. Barran: Well not in its entirety because we pay the price for everything to the caterer except the disposables. So we do not do the purchasing but we do the approved listing and we do the negotiation of prices, but it is not a contractual agreement because we are not the ones who pay the suppliers. We pay the

caterers.

No. 6 with good corporate governance to ensure that the measures are in place for timely preparation of strategic plan. Well, for the board and our financials are in fact done, 2015 has been completed. The auditing has been done, the work has been done, we are awaiting the board. So we are up to date with that. The administrative reports, we are up to date as well. The board will talk to the strategic because they have to approve the strategic plan.

Mrs. Baptiste-Primus: Thank you very much.

Mr. Chairman: Yes, the Investments Division.

Mr. Cox: Sen. Baptiste-Primus, the question is: our role in terms of pricing?

Mrs. Baptiste-Primus.: Yes. The question is: how does the Investments Division monitor the pricing of meals to ensure that we get value for money?

Mr. Cox: Okay. The answer basically—

Mrs. Baptiste-Primus: And whether or not you all reviewed the work of PricewaterhouseCoopers with regard to producing a meal?

Mr. Cox: I must confess that I have not seen the report, the PricewaterhouseCoopers report. You know we operate a two-tier monitoring system where you have the corporation sole with the Ministry of Finance doing more or less at the strategic level, and we have the line Ministry looking at the operational aspect of the state entity. So in respect to pricing, pricing would fall under the ambit of the Ministry of Education; however, there may be an instance where the Ministry of Finance would see, in terms of looking at the financials, we may see probably the contribution margin is not what it should be, or where you have the selling price and your variable cost not in sync. We can advise the company in terms of trying to bridge those gaps, but we do not find ourselves involved in terms of the pricing mechanism.

Mr. Chairman: All right. Listen, final questions. David Small and Dr. Tim Gopeesingh, and then we will to wind up.

Mr. Small: Thank you, Mr. Chair, for giving me the opportunity for the floor again. I have a question for the CEO. I have noted in the documentation here the volume of moneys spent on the caterers, and my rough maths is averaging roughly about TT \$3 million a year per caterer. So that, that is the frame for my question. The issue I want to ask is: has the programme reached its maximum level—and this is probably also you will need support from the Ministry of Education to answer. In your view, has the programme reached the level at which you think you have covered all of the schools that you need to cover; or is there a happening to decide whether or not we need to expand the programme further or shrink the programme? I need to understand where you are. I know you are deep into the details of your current operation, but are you—I think the number is about 40 per cent, 41 per cent of the school population being served. Is that what you consider your optimal number, or is there something else that you are working towards?

Ms. Barran: I would consider that to be the optimal number in terms of the underprivileged. But if we are looking at expanding the programme to offer meals to parents who can afford, yes, definitely we have the capacity to do that from the Ministry's end.

Ms. Macintyre: I think it would come back to the question in the current economic environment. Mention was made of a value for money audit. That probably would be the kind of study that would give us the data to inform such decision-making. Of course, there is always the option of means testing, but again one of the balanced things you have to offset against means testing is having organizational staff to pursue that and to ensure that you are targeting the persons that really require it.

I have also heard—because as you know the Minister has been going out to a lot of schools. One of the downside or the negative effects of means testing could be that you would find now children may not want to access the programme because it is deemed that they cannot afford it. I actually heard a very encouraging story in St. Joseph's Convent recently when we visited, that the children of that school, in fact, were not accessing the programme and recognized that some children in the school did need it, and they went on a drive to promote the programme and to encourage the benefits of the programme. So you actually also now had some children who probably did not need it accessing it.

So you always weigh that balance I think, how much more do you want to spend to enforce means testing, or do we really go towards the broader goal of providing a nutritious meal because even in a family that can afford, they may not understand what are the nutritious requirements required for the child. I hope that helps in answering.

Mr. Small: Thank you very much. Final, final question, Mr. Chairman, directed to Mr. Cox. I recall, Mr. Cox, in your opening statement you made reference of the manual and that you are struggling to get compliance with the manual and I want to share with you my experience here, coming to the Parliament. The manual was provided to me and I was essentially told this is the bible and that we should adhere to it. So it is disturbing, from where I sit, to hear that it seems as if the Ministry of Finance, Investments Division, is having a struggle getting state entities to adhere strictly to the requirements of the manual, because otherwise why are we printing it, why are we doing it?

We are putting it out there and I think your word was you have to use suasion. I do not see how the Ministry of Finance, being Corporation Sole, being the owner of the entity, having to use suasion to ask—I am literally begging you to

comply with the requirements and I am giving you all the money. There is, in my mind, a disconnect. So I would like to understand from the Investments Division what have you proposed internally, in your own Ministry, to treat with this because we keep hearing in the news about errant state entities, people going off on a frolic of their own—as the attorneys will say—with state funds, and you are saying that you have to use suasion to get them to stick to the performance manual.

So it means that you have a potential of entities out there who have the manual and stick it in a cabinet and then they run their own show, and this is why we are getting the problems.

Mr. Chairman: Mr. Cox?

Mr. Cox: Hon. Sen. Small, I would not put it at the extreme. From the spectrum you have some complying at the positive end of the spectrum; you have some not complying at the lower end; but all in all we have general compliance in the state entity. And in some cases, where the Corporation Sole had to use the big stick, if you want to put it like that, we did, in fact, get some state entities to comply by using the big stick. So we have some mechanisms that we can use, but we opt to use moral suasion to get these things done.

As I said, in extreme cases, we recommend to the Minister to use the heavy hand, and we did use it in the past and it has worked. In some cases, in terms of subvention and in terms of subsidy, we had used the stick or the carrot to sway companies to comply. Sometimes we get the audited financial statement in a timely fashion, contrary to what we have been calling and writing and asking, but the time will come for the—and to request the subvention, we say, okay, audited financial statements before we treat, and it has been done in the past and it has worked.

Mr. Chairman: All right. Thank you very much, Mr. Cox. May I have the final

input here and ask the CEO: as we chart the way forward what would you want to suggest to improve the efficiency levels of the organization and its delivery of meals in the short and medium, and possible long-term? Could you share with us a few of your suggestions in that regard?

Ms. Barran: Chairman, of course, funding is a major concern because if the fund is not provided definitely you cannot meet the needs. So that is where income generation—definitely we have step that up. In order to make this programme more effective, we have to look at stakeholders. We must look at Ministry of Health, Ministry of Agriculture, Land and Fisheries, Ministry of Education—we all work together—Ministry of Finance, to make it a better programme. By ourselves, we cannot get the population to eat what is good for them. We need to have the influence outside of the realms of the School Nutrition Programme.

Safety. Safety is a major factor. We all want to provide safe meals. We have done that, 25 million safe meals per year. The track records speaks for itself, but I agree with all members, increase testing. Collaboration can also target the whole concept of safety and we must always measure our children's health against safety as well. The good agricultural practices, Ministry of Agriculture, Land and Fisheries, we have to work with state agencies like NAMDEVCO. We do in fact work with other companies. We work with ADB, with farmers, to extend for that funding to ensure that you know we could have people upgrade standards as well.

So in doing all of what we do, we try to upgrade standards, we try to go forward with the funding that we have. Of course, we are going to commit—we have always committed to value for money because at the end of the day we have improved on our quality of meals, we have reduced our meals in order to have effective consumption, to make sure that every child is consuming all the meal and not wasting. I know I spoke about not mentioning that word because—we are all

about consumption, and that is the watchword basically of our company in terms of good food and consumption.

So, hon. Chairman, can I make my closing remarks? I want to thank all members, especially the Auditor General's officers. They have worked very closely with us and I am—

Mr. Chairman: Before you make your closing remarks, I will ask the Auditor General who was the driver of this special audited report, you may wish to have the final say as it relates to any concerns you may wish to direct to the National Schools Dietary Services Limited before you wrap up.

12.35 p.m.

Mr. Ali: Thank you, Mr. Chairman. After all that has been said here today, I think it is time to do a follow-up on this exercise to see whether this programme has improved and whether it is being efficiently run and effectively done as far as this is concerned. So I will be strongly considering this action to be taken and report back to the Parliament. Thank you.

Mr. Chairman: Thank you. Ms. Stacy Barran, you can now make your closing remarks.

Ms. Barran: So let me just thank all members, Ministry of Finance, who we always work very closely with as well, Ministry of Education, hon. Member, Vice Chairman, you have been our Minister for the past five years as well, thank you for your recommendations and your guidance. Hon. Members, Sen. Small and Minister Baptiste-Primus, we will take your recommendations, and we hope this exercise will not be in vain. We definitely will implement and we look forward to another audit so I thank you. I thank the Public Accounts (Enterprises) Committee for having us today and we do look forward to returning.

Mr. Chairman: Well, thank you very much and on behalf of the Public Accounts

(Enterprises) Committee, I want to assure you that this exercise is not one that is going to be wasted. A report will be generated to the Parliament with appropriate recommendations. It will, therefore, come to the Ministry of Education through your organization and you will have 60 days to implement those recommendations and report on the implementation. So definitely, it will not be wasted I can assure you.

May I thank all the officials from the National Schools Dietary Services Limited, the Investments Division of the Ministry of Finance, the Ministry of Education through its Permanent Secretary, CEO and other officials, the Auditor General's Department headed by the Auditor General himself today and other members of the Committee represented here and from the Auditor General's office, members of the media, members of the public, we would like to thank you sincerely for being here with us for the last two hours and 38 minutes. I am sure that the public who would have been viewing this session would have learnt a lot more as it relates to the School Nutrition Programme and I want to thank you very much.

Without any further ado, this meeting is suspended. Thank you very much for being here.

12.38 p.m.: *Meeting adjourned.*