VERBATIM NOTES OF THE 18TH MEETING OF THE JOINT SELECT COMMITTEE APPOINTED TO INQUIRE INTO AND REPORT ON LOCAL AUTHORITIES, SERVICE COMMISSIONS AND STATUTORY AUTHORITIES (INCLUDING THE THA), HELD IN THE J HAMILTON MAURICE ROOM, MEZZANINE FLOOR, TOWER D, INTERNATIONAL WATERFRONT CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON WEDNESDAY, NOVEMBER 22, 2017 AT 10.36 A.M.

PRESENT

Mr. H. R. Ian Roach	Chairman
Mr. Nigel De Freitas	Member
Mr. Darryl Smith	Member
Miss Khadijah Ameen	Member
Mr. Julien Ogilvie	Secretary
Ms. Khisha Peterkin	Assistant Secretary
Ms. Simone Yallery	Legal Officer
Ms. Terri Ann Baker	Graduate Research Assistant

ABSENT

Ms. Ramona Ramdial	Vice-Chairman [*Excused*]
Mrs. Jennifer Baptiste-Primus	Member [*Excused*]
Mr. Faris Al-Rawi	Member [*Excused*]
Mr. Stuart Young	Member [*Excused*]

NATIONAL LOTTERIES CONTROL BOARD

Mr. Marvin Johncilla	Chairman
Mr. Michael Jogee	Director

Mr. Ricardo Borde	Deputy Director
Ms. Leslie Ann John	Financial Comptroller
Ms. Sharlene Lewis Grant	Auditor II
Mr. Stafford Wheeler	Coordinator Sponsorships & Promotion
Ms. Yana Mollino	Human Resource Assistant

MINISTRY OF FINANCE

Ms. Lisa Phillips	Permanent Secretary (Ag.)
Mr. Lester Herbert	Director, Central Audit Committee
Ms. Seeta Beedasie	Business Analyst (Ag.)

Mr. Chairman: Good morning ladies and gentlemen, good morning to the viewing public, welcome to the Eighteenth Meeting of the Joint Select Committee on Local Authorities, Service Commissions and Statutory Authorities (Including the THA). This morning the Committee will meet officials of the National Lotteries Control Board (NLCB) and the Ministry of Finance. Members of the listening public and the viewing audience are invited to post or send their comments via the Parliament's various social media platforms, facebook, YouTube and twitter. My name is H. R. Ian Roach, I am the Chairman of this Committee, and I would invite my other members to introduce themselves starting on my right.

[*Members introduce themselves*]

Mr. Chairman: Just to remind members of the viewing public and yourself, the object of this enquiry this morning is to examine the internal control systems within the NLCB, to assess the current arrangements in place to oversee, monitor the operations of the NLCB, and to examine the policy framework for corporate social responsibility of the NLCB. I will now invite members from the NLCB to introduce yourself, and then the Ministry of Finance.

Mr. Johncilla: Good morning, Chairman, and members of the Joint Select Committee on Local Authorities, Service Commissions and Statutory Authorities (Including the THA), my name is Marvin Johncilla, I am the chairman of the board of directors of the National Lotteries Control Board. To my right is Mr. Michael Jogee, he is director on secondment at the NLCB; to my immediate left is Mr. Ricardo Borde, he is deputy director and longest serving member of staff of NLCB, 36 years; to Mr. Jogee's right is Ms. Leslie Ann John, she is our chief accountant; to Mr. Borde's left is our internal auditor, Ms. Sharlene Lewis; immediately behind me you would find Mr. Stafford Wheeler, he is our outreach coordinator; and to my left back is Ms. Yana Mollino, she is our human resources assistant. These are the members of the NLCB team, and we are pleased to have been invited here this morning. Thank you.

Mr. Chairman: Thank you very much. Ministry of Finance.

[*Officials of the Ministry of Finance introduce themselves*]

Mr. Chairman: Thank you very much. I will now invite Ms. Lisa Phillips just to give a brief opening statement, and I mean brief. Thank you.

Ms. Phillips: Thank you, Chairman. I wish to thank the Joint Select Committee for inviting the Ministry of Finance to participate in this enquiry. The Ministry wishes to emphasize that its goal is to have an effective, accountable and transparent National Lotteries Control Board, inter alia, through effective monitoring and evaluation of the entity. There is therefore great congruence with the work of this Joint Select Committee, and we look forward to implementing the recommendations of the Committee. I thank you.

Mr. Chairman: Thank you very much. I will invite the chairman of the NLCB.

Mr. Johncilla: Thank you very much, Chairman. On behalf of the board of directors of the National Lotteries Control Board and the management and staff of the NLCB, I would like to thank the Committee for the invitation. We look forward to the incisive comments we can get from this exercise, and we intend to implement those suggestions and recommendations that may be forthcoming. Thank you very much.

Mr. Chairman: You are welcome. And Mr. Michael Jogee.

Mr. Jogee: Good morning, Mr. Chairman, and members of the Committee. I would like to thank you all for inviting us here, the NLCB team, to partake in this hearing this morning, and whatever you all see that we are lacking in terms of systems, procedures and how we do business, I would appreciate if you all would point it out to us so that we could correct it. Thank you.

Mr. Chairman: Thank you very much. Now, I do not know how many of you all have ever been to a Joint Select Committee. From my records here, this is the first time that the NLCB is coming before a department committee in its 50 years of existence, or 50-plus years of existence.

Mr. Johncilla: That is correct, Sir.

Mr. Chairman: All right. We would have—following your opening comments which has just commenced there—we would ask questions. Members will be invited to ask you questions and we will expect you to provide your answers; to keep them as succinct as possible, because time is of essence. We have a constraint of time this morning, so we would like to go through this and cover as much ground as we can in the space of time that is allotted to us. So, Mr. Smith, would you like to ask the first question.

10.40 a.m.

Mr. Smith: All right. Again, thank you, Mr. Chairman, and welcome. Well, of course the—I want to start off by asking the question, I think it is glaring and in a positive sense with regard to the information that you all submitted, highest-ever recorded profitability in the history of the game, $300 million in profit. Kudos and congratulations to you all in that, but I would like to know what was done different. I have heard that when economies are down, sometimes the online games, lottery-type-games sales tend to go up, not taking away from the work that you all have done over the past few years. But definitely in these days the circumstances that we are going through economically to see a government agency breaking records in profits and in sales; I mean, $2.8 billion in sales, for online sales, highest ever which is fantastic. If you want to just give us a brief description of what you all did different to achieve this fantastic work.

Mr. Borde: Good morning, member, Mr. Darryl Smith. The NLCB is in a very competitive market of our industry and in 2016/2017 we would have done new initiatives in terms of to stay competitive against our illegal market which is growing every day. So what the NLCB would have done in 2016/2017 was up its retail expansion at its agents' locations. It also would have added a new promotion, what we call the Megaball, which has done phenomenally in terms of revenue for us this year, 2016/2017. We also did some work on our other brands, like the Instant. But the Megaball was our major real impulse in terms of growing the sales from 2.6 to probably 2.963 this year. So those two initiatives would have been the major enhancement to the games and it would have been the initiatives that the board would have given us, the management team to perform for 2016 and 2017.

Mr. Smith: So it is a combination of increasing your landscape with regard to agents—I think it is 115 new agents is what I saw.

Mr. Borde: Yes, that is right.

Mr. Smith: And Megaball, meaning Play Whe. That is a promotion, that Play Whe is your number-one brand?

Mr. Borde: Yes, Sir.

Mr. Smith: In terms of lotteries worldwide and as you could see, to expand the vendors physically, worldwide; I mean, we always try to benchmark with that and I know you all have a contact with ICT—

Mr. Borde: IGT, Sir.

Mr. Smith: IGT, which was formerly GTECH. Is there a system worldwide that they are utilizing phones and online gaming? I know online gaming is still illegal in Trinidad in terms of gambling on the Internet. But is that something that you all will be looking at in the future as well in terms of bringing it to the Ministry of Finance or to legislation where we could look at that, because I know, I mean, everybody has their phone and so on, that could have also assisted with the expansion.

Mr. Borde: Yes, it is one of the initiatives we are going to bring forward. We have done some work on it, but one of the earlier initiatives right now would be into the other online initiatives, but mobile gaming is one of the initiatives the NLCB is looking into.

Mr. Chairman: For the Chairman, Mr. Johncilla. I would like to take you to your report submitted, the responses. On pages 12 to 15, if you have your submission, Item vi, what is itemized, a, b and c. This is:

> "Sec 13 and 25(3)(4) of the National Lotteries Act Chap. 21:04 Sec 13 and 25 (3)(4) stipulated that the NLCB shall make an annual report of its proceedings/operation which must be submitted to the Minister and thereafter to the Parliament. In this regard:
>
> a. Has the NLCB been fulfilling the statutory obligations under sections 13 and 25 of the Act?"

Your answer is that:

> "The NLCB has been fulfilling its statutory obligations under Sections 13 and 25 of the Act."

Right? This is your submission. Is that so? Now, further on, in section b you said:

> "According to the records at the NLCB, 2012 was the last occasion an Annual Report was submitted to the Minister of Finance and/or the Parliament as is prescribed by the Act."

This will be a far cry to me complying with the requirements of the Act. You were further asked:

> "The…Statements for the years 2013—2017"—you said—"are presently being reconciled to enable the Auditor General to conduct an audit in the shortest possible time at the NLCB."

Right? You were asked also:

> "c. If the answer to (a) is in the negative, please explain why the Board has failed to fulfil its legal obligation to report to the Minister of Finance and to the Parliament;"

And your answer was:

> "Not Applicable."

I disagree with that. It is very applicable. So I would like to have an answer.

Mr. Johncilla: Thank you very much for the question. I think it is appropriate that the answer be given by our chief accountant, Ms. Leslie Ann John.

Ms. John: Mr. Chairman, in 2013 the Financial Comptroller that we had at that time left and would have prepared up to 2009. In 2014, we had another financial comptroller who also left and would have prepared up to 2012. In late 2015 we got another financial comptroller who left in 2016 and was responding to the management letters that were issued by the Auditor General. And two months ago we just received another financial comptroller who is currently responding to those management letters and to bring 2013 to 2017 up to date so that we could have it for audit.

Mr. Chairman: But tell me something, why does there seem to be this rapid turnover of a financial comptroller? Is that the cause of not—the cause for the reports not being up to date?

Ms. John: Yes, Sir.

Mr. Chairman: That is the sole cause of it?

Ms. John: That is the main cause of it, yes.

Mr. Chairman: Okay. So why is it that a financial comptroller cannot be kept, continue to be employed at the NLCB?

Ms. John: I would like to transfer that question to my HR Manager.

Ms. Mollino: Good morning, Chairman.

Mr. Chairman: Good morning.

Ms. Mollino: The position of financial comptroller is a contract position under our establishment and we have constraints in terms of the remuneration that we can offer, because the terms and conditions would be set by the CPO. Their requirements of the position would be ACCA qualified, five years' management experience and so on, and the salary that—the last salary that CPO would have set was around $18,500. So there was a difficulty in persons coming on, with getting qualified persons to come on and stay at any length of time with us.

Mr. Chairman: So the challenge really being is a matter of remuneration, inadequate?

Ms. Mollino: Yes.

Mr. Chairman: And have recommendations been made to the board to address that?

Ms. Mollino: Because the position is contract, the board's hands are tied in terms of what they can add to the package.

Mr. Chairman: Chairman, could you assist us further?

Mr. Johncilla: The board has been constrained over the years in terms of getting the required competencies within the NLCB, particularly at the level of the financial comptroller. It is a difficult position to attract, bearing in mind the level of compensation that is on offer. We have since October been able to acquire the services of a qualified financial professional—

Mr. Chairman: With how many years' experience?

Mr. Johncilla: Twenty-plus years of experience. And that financial comptroller is now addressing the backlog in a significant way to include dedicated staff at NLCB to ensure that our financial statements are brought up to par. It was as a result of the difficulty in attracting an ACCA-qualified financial comptroller, but we have since done that.

Mr. Chairman: That is the financial statement. What about the annual reports?

Mr. Johncilla: The annual reports form part of the packages that includes the financial statements.

Mr. Chairman: So you all are up to date with the annual reports?

Mr. Johncilla: Well, one could not go without the other; both the financial statements for each of the years would be accompanied with an annual report. So, in the absence of the financial statements for the years outstanding, those annual reports have not been submitted.

Miss Ameen: Chairman, first of all I think it is very misleading that the board would have found it necessary to indicate that they are compliant, based on the extract you just read from the report when in fact we only have up to 2012. The purpose of the Committee is for transparency as a state agency for the public to know what is going on. So I trust that that is the only area that you would have been misleading in your report and that there are no other areas that we should scrutinize to see whether you are truthful or not.

However, I am happy we are discussing it now and my question to you: Having indicated that you now have a person on board—that you are compliant up to 2012, we are in 2017—how long do you anticipate that this new person will be able to get you up to date in terms of providing your reports to the Minister and to the Parliament for as current as possible?

Mr. Johncilla: Through the Chairman, may I ask the chief accountant to respond please.

Ms. John: Member, we expect that with the dedicated staff that we have allocated towards the project as well as the financial comptroller that we have on board, we expect that within at least eightto nine months that we should be able to respond to the 2010 to 2012 financial statements, as well as at least bring from 2013 to 2015 current, up to date.

Mr. Chairman: Could you—my fellow colleague here on this side had commended you all this morning on the increase, I think he said, in the profitability. But how do you reconcile what I am going to read here from your report. On page 8 of 15, Item XI, it said:

> "The Review of the Economy, 2016 stated that there has been a drastic decline in profits from fiscal year 2013 to 2016. Provide the factor(s) that would have accounted for this decline."

And in your response, you said:

> "To address aggressive competition from the illegal operators NLCB implemented marketing strategies which resulted in the following:"

How do you reconcile what member Smith just asked and what you stated here?

Mr. Borde: Chairman.

Mr. Chairman: Yes.

Mr. Borde: The report here states from 2013 to 2016 there was a drastic decline, but I think the drastic decline was only really in 2014/2015 and you would see that from 2013 it grew to 2015/2016 and then to 2017. What happened in 2014/2015 was that the same retail expansion, you only had expansion of, I believe 25 or so agents in that year, and the expansion really picked up from 2016 into 2017. So the expansion—with expansion you have growth and you have sales. In 2014/2015 there was little expansion of our agents' location terminals. So it was really, if you look at 2013/2014, 2014/2015 would have gone down and then you would have seen another increase again from 2015 straight up to 2017. So I believe the year, 2014/2015 is really the only year there where the sales would have dropped from 2.5 to 2.1.

Mr. Smith: In terms of the audit, I know the organization that works with you all—the online side of it, I know it is pinpoint accuracy with regard to accounting with sales, with the technology that they have, sales and commission and so on and so forth. So the issues that they would have with auditing before—I mean, I think out of most companies in Trinidad and Tobago they would love to have a system like that where they could recover revenue and so on as easy as that. So that is not part, but the issues with the audit that they may be having, is it that—it has to be with the expense and recurrent side of things, because when you are doing accounting there are two sides, revenue and expenses and stuff. So you all may have been having or have been having challenges with regard to recurrent and expenses, getting that aspect of it done? Is that what, going back to the first question—the second question—

Mr. Borde: I will pass that to our chief accountant, Ms. Leslie Ann John. Thanks.

Ms. John: Member, no. The issue of the audit would be the fact that we do not have—we cannot seem to keep a financial comptroller for more than one year and because of that our accounts are not up to date for audit.

Miss Ameen: Chairman, I am understanding the position of Ms. John, the chief accountant, because even now I know you are not up to date, we cannot really, totally rely on the figures that are available until they are properly done. But this accountability has become an issue in the public domain recently where, as you may have good numbers based on your online sales records for your revenue, what has become a point of scrutiny is your spending and how you are spending the—well, you are a state agency and how you are spending state money.

We have had reports in the media, for instance, of thousands of dollars being spent for private security for, I think, the Chairman because there were some death threats. We also had issues with misconduct for directors, and those are the issues I think the public would want to hear about in terms of your accounting for your spending of state funds; while in other areas for critical resources and government services, you have had cuts. So I want to ask you, having regard to those things that are in the public domain and a number of other issues that may not yet be in the public domain with regard to your spending, what sort of internal controls are you looking at to examine those issues where you have spending on, for instance, security for the Chairman but you cannot keep a financial officer, you know. How do you weigh those things? And have you examined the internal controls you have or you may have to put in place to get those things aligned?

Ms. John: What we have in place is that our director has—our internal controls that we have—sorry—the internal controls that we have is that the director could approve from 25,000 and below. Our Management Tenders Committee approves from 25,001 to 150,000. Our Tenders Committee approves from 150,001 and upwards. We also have our Internal Audit Department that monitors what the transactions, as well as we prepare our monthly financial statement which gauges the amount of money that we make and spend.

Mr. De Freitas: Good morning again. I am listening to the questions and the answers that we have been getting so far and one of the things that I am getting is that the issue with the financial comptroller is the ability to keep an individual in that position and I think you said it was because of remuneration and it may not be in keeping with what is expected, based on what is needed for the position right now. But I am also hearing that sales would have gone up in the last fiscal year and I am wondering if the simple solution is, as was stated earlier, to increase the remuneration for that post.

I guess my question is, if you have increased sales, why has the board not dealt with that problem, given that you have been saying for most of the morning so far that you know what the problem is, you cannot keep a financial comptroller because the position is not paid enough, but here you are saying on the other end that the actual company is increasing in sales. What I am saying in a nutshell is if you are making more money why not just pay or increase the package from the board level and then solve that problem altogether?

Mr. Johncilla: Thank you very much for the enquiry and the correlation you are making between our success and our inability to attract the kind of human capital that we need. The NLCB and by extension the board of directors, the NLCB as an institution is a statutory authority; it is classified as a statutory authority and the terms and conditions of employment are set by the Statutory Authorities Service Commission. They themselves, that organization is constrained in terms of the kinds of emoluments and offer in respect of attracting the type of talent that is required at NLCB.

NLCB is a $2.9 billion sales organization and we are staffed by public servants whose remuneration is defined by the CPO and as a result of the delay in the conclusion of certain collective agreements we have had to pay dated salaries, literally, in respect of acquiring the talent. So we cannot simply, the board has made every effort through its contract arrangements and through its service provision arrangements to acquire the talent that is needed, but in view of the constraints set by the existing compensation arrangements, it is very, very difficult as well as our governance structures; I said we are a statutory authority, we report to the Ministry of Finance. Yes, we are a corporate entity but we cannot simply get up one morning and change the compensation. We have to go through the SASC.

Mr. Chairman: Yeah, I understand that and I thank you for that. But what—probably Ms. Phillips, what is the Ministry of Finance dealing with this—how is the Ministry of Finance dealing with this? Are you aware of the constraints?

Ms. Phillips: Yes, thank you Chair. Yes, I am aware of the constraints in terms of remuneration, but again we are constrained by having to submit—

Mr. Chairman: To the CPO?

Ms. Phillips: To the Human Resource Advisory Committee to get their approval for salaries.

Mr. Chairman: So therefore you are not able to attract the best talent available necessarily so.

Ms. Phillips: It is a pervasive problem.

Mr. Chairman: Hold on, eh, before—I just want to take you back, when I had asked earlier on about the decline in the revenue, the profits, from 2016, you had answered and said, to address aggressive competition from the illegal operators—who are the illegal operators?

Mr. Borde: The illegal operators, Mr. Chairman, would be those operators who are operating outside of the NLCB and who also do Play Whe, what we used to call Whe Whe long ago, who operate as normal as if they are legal. They are not sanctioned by the NLCB but they offer higher odds on our games; on our numbers that are played daily, they offer higher odds. They are not sanctioned; they are not licensed by the NLCB.

Mr. Chairman: So what you are saying is online? This is an online storage or this is something that you used to go in the backyard and you throw some dice or you call numbers, is it something like that you are speaking about?

Mr. Borde: Chairman, it is no longer in a backyard again. Chairman, it is now in the open where you can go down and see a location marked 35:1, 33:1; they are not legal operators. The only NLCB legal operators is where you will see our NLCB sign. The illegal operators are operating on a daily basis.

Miss Ameen: Mr. Chairman, I am familiar with what the Deputy Director is describing and yes, there are a number of places, business places as well as private individuals who continue to operate traditional Whe Whe. And while I appreciate your drive to get these "unlicensed operators", you called them, regularized I think that that—I do not want to call it an illegal trade; that traditional Whe Whe I think will continue to thrive if you continue to have these issues at NLCB in terms of people not complying and so on, right?

But, Mr. Chairman, I want to kind of go back to the Ministry of Finance where you have these challenges with staff and the retention of your chief financial officer, your accountability, the Statutory Authorities Service Commission is responsible for the staff of NLCB. And it was reported that the Minister of Finance stated that the Government was moving to repeal the SASC Act and to abolish the SASC for, and part of it was in the discussions about the failure to send two of the NLCB managers who were named in some, I think it was—they were indicted on some charges of misconduct. But the Minister was indicating that the SASC had failed to send these two managers on leave and that actually had an impact, a delay on the initiation of an audit by the Ministry of Finance in relation to these alleged improprieties at the

NLCB.

My question is, is that still the intention of the Ministry of Finance to abolish the SASC and therefore move to have other options for recruitment of staff and for accountability specific to the NLCB? But of course it will affect all the other statutory authorities.

Ms. Phillips: Through you, Chair; yes, sorry to say that I am not aware that the Minister, or what is the present position of the Minister of Finance with respect to the Statutory Authorities Service Commission. I am not aware whether he intends to abolish the service commission or not. I am not aware of what is the current position of the Minister of Finance.

Mr. Chairman: Okay, if I can take you back to page 4 of page 15 of your submission again. If you look at Item r:

> "The Board conceptualized and introduced a Pay For Results and Management Performance Management System for Managerial staff."

What exactly is that? Could you explain what is that and how it operates? Is this a sort of mechanism to assist in the non-attractiveness of the financial package?

Mr. Johncilla: The Performance Management System, Pay for Results Management System, was introduced to the organization by myself to the board two months ago. It was intended to be an incentive programme for one year for the management staff in order to incentivize them on one hand and on the other hand to provide an attractive compensation package for potential new recruits to the position of manager at NLCB. It has not been implemented.

Mr. Chairman: It has not?

Mr. Johncilla: No. It has not been implemented.

Mr. Chairman: Because from what you are saying that would become, to me, I mean, I know you are trying to be creative but that would be circumventing the CPO.

Mr. Johncilla: Well, in hindsight we put it on the back burner because we believe that more discussions would be necessary in respect of a concept like that. And bearing the challenging economic times, we thought it wise to put that concept on the back burner in spite of the fact that we believe it is necessary to attract the kinds of talent that we require at NLCB.

Mr. Chairman: What is the total complement of your staff at the NLCB? I know you have permanent, you have contract and you have temporary and thing, what is the total complement of staff?

Mr. Johncilla: Through you, Chair, I would want Ms. Mollino to respond.

Mr. Chairman: Yes.

Ms. Mollino: We currently have 81 members of staff and that includes SASC which falls into two categories. We have permanent and temporary. We have contract and short-term arrangements as well.

Mr. Chairman: So you have contractual workers?

Ms. Mollino: Yes, we do.

Mr. Chairman: Is it a standardized contract per se, or is it an individualized type of contracting of these contract workers, in terms of, for instance, the number of years they are contracted for, for example?

Ms. Mollino: The contracts that we have are generally three-year contracts for which we would have to apply to the Ministry of Finance for approval, which goes to the Cabinet and once we have gotten that approval it then goes to the CPO for terms and conditions to be set. And these positions would be, most of them are technical positions that would have been created as a result of our online games.

11.10 a.m.

Mr. Chairman: And the CPO would set the remuneration as well?

Ms. Mollino: Yes.

Mr. Chairman: Miss Ameen.

Miss Ameen: My question is whether there are senior managers and executive managers, if they also fall under the SASC or if the board provides the terms and conditions for them.

Ms. Mollino: The board would have provided terms and conditions for those positions because, currently, some of those positions would have been previously under the arrangement of contracts. However, we have not had approval from—Cabinet approval since 2013 and we are not supposed to recruit any persons unless we have the approvals. And in light of that, the board has taken a decision to bring on those persons in a service-provider sort of arrangement.

Miss Ameen: So you do, in fact, have persons employed who have not received Cabinet approval?

Ms. Mollino: Yes, we do. But these persons have been with us in some instances, 20 years working on contract in the same position.

Miss Ameen: Would it be possible, Mr. Chairman, through you, to request, like the remuneration packages of the members? Well, I want to start from the board, but the directors, the senior managers, the executives and so on, if you could provide the remuneration for those. And I really want to ask, not only the approved ones, Mr. Chairman, what I wanted to go to is that there are a number of approved—in terms of the approved remuneration, but then we have been getting a lot of reports of arrangements outside of that, and that is what I really would like us to get to. Because having the list of your approved remuneration package is one, but where the board has discretion, or has been taking privilege to give yourselves additions to your packages, that is what I am concerned about.

Mr. Chairman: Could you answer that question, please? What Member Ameen is asking is, apart from the Cabinet-approved contracts, there are contract workers who have been hired but their contracts are not approved by Cabinet. This is what you are getting at. Could you answer that, Mr. Chairman?

Miss Ameen: As well as the established ones where they give additional benefits. The established positions are where they give additional benefits outside of what is approved.

Mr. Chairman: First of all, is that so?

Mr. Johncilla: There are different categories of staff at the NLCB.

Mr. Chairman: Mr. Chairman, first, what Miss Ameen is saying, is that a fact?

Miss Ameen: The board does have some discretion and we have had reports of arrangements being made outside of what is the approved remuneration in terms of benefits, and so on. That is what I really would like us to explore, where the board would have, let us say in the last year or two, given approval for what could be considered remuneration to anyone, from director go down to managers or members of staff, whether it is the extra travelling, extra telephone, extra security, anything like that.

Mr. Johncilla: That is not correct.

Mr. Chairman: That is not correct? But could you share with us what is the position?

Mr. Johncilla: The staff of the NLCB are categorized as permanent SASC staff, assigned by SASC, contract staff and temporary staff. The board may engage from time to time, and this has been the practice prior to our tenure, of engaging hard-to-get talent via a service provision contract, and we have simply followed the service provision arrangement to retain some of the scarce talent, particularly at the level of the financial controller. So all of the practices have been in place prior to this board's tenure in respect of temporary, permanent, contract and service providers. Those are the categories of staff that are recruited at the NLCB.

Mr. Smith: Thank you, Mr. Chairman. I am watching here on page 14 where you all discussed the money disbursed by NLCB for sponsorship and donation for the past 10 years. Two questions in there: Is there a formula that you all utilize for that similar to the Sports and Culture Fund, which is a percentage of sales that goes to Sport and Culture to the office of the Prime Minister? The reason why I am asking is, while we would have had the best year in sales, we only saw that you all gave out $28 million this fiscal year gone. However, in 2014/2015, which was before your time, an election year, where we saw a trend with a number of other state agencies, we saw the highest ever, $37 million being given out in 2014/2015. When you compare it to the last election year, 2009/2010, it was only 12. So just for a fact—I know that you all have a formula and a percentage for Sport and Culture—is there a formula or a policy with regard to your sponsorship and donations? And why was there such a big spike in the election year 2014/2015?

Mr. Johncilla: Through the Chair, I would like to ask Mr. Stafford Wheeler, our outreach coordinator, to respond.

Mr. Chairman: Sure.

Mr. Wheeler: Thank you, Chairman. Member, during the period 2014/2015, the current sitting board was not in place, and at that time there were several approvals done by the then board to the tune of $37 million-plus, as you see there.

Mr. Chairman: That was based on a policy, as the Minister is asking?

Mr. Smith: Is there a percentage or a formula just like the Sport and Culture or is it the board's direction, so you all just, at that particular year, an election year—to almost $10 million more than this year, which was a record year this year?

Mr. Wheeler: There was an allocation based on draft estimates. Each year there would be an allocation. Our Chief Accountant would be able to speak to the exact percentage which may represent a percentage of sales. However, the allocation at the time would have been $30,878,000.

Mr. Chairman: I am not getting it clear, you know. I do not know if I am a bit slow. But is it that it is based on a policy percentage? Is there a policy that, whatever year or whatever it is, 10 per cent or 5 per cent would be given? What would account for the difference between the—

Mr. Wheeler: The answer to the question is, no. The policy does not provide a percentage of sales to speak to NLCB's philanthropy.

Mr. Chairman: So there is a discretion, then.

Mr. Smith: This will come from the board's directive?

Mr. Wheeler: The board approves all sponsorships, yes.

Mr. Smith: So in 2014/2015 election year, the board approved $37 million, the highest ever in the last 10 years, to distribute?

Mr. Wheeler: That is correct.

Mr. Smith: Can I get in writing the period of time when this money was given for that fiscal year in terms of that $37 million? What period of that fiscal year was that money channelled?

Mr. Wheeler: With your permission, Member, I would like to get the opportunity to provide that to you at a later date.

Mr. Chairman: Sure.

Miss Ameen: Mr. Chairman, I want to ask if we could have that extended to the present date.

Mr. Chairman: Yes. I am being told that you all have supplied that information here already. It is in our records here. It is Appendix V, VI and VII. So we can look at it. But can I ask—you said on page 7 of 15, "We are dealing with what percentage of the NLCB's budget is allocated to recurrent expenditure including salaries and allowances, and I think the answer is 89 per cent." Is that not kind of high? And if so, is it in keeping with the industry standards? Mr. Chairman.

Mr. Johncilla: Thank you, Mr. Chairman. May I ask that this question be answered by our Chief Accountant?

Mr. Chairman: Sure.

Ms. John: Chair, no, this figure is not high because our recurrent expenditure, the highest paying expenditure would be our money for prizes.

Mr. Chairman: Your what?

Ms. John: Money for prizes. This is where all the games that have been won, when they come to the NLCB to change the cheque—this is all the payments that they would have won—would have been in the recurrent expenditure. And that is—let me just get it for you, please.

Mr. Smith: While you are doing that—Chairman, while she is looking at that, I just got the information here and it is showing that—

Ms. John: Yes, Chair. The money for prizes actually captures 70 per cent of your sales.

Mr. Chairman: Seventy per cent of the 89?

Ms. John: Yes.

Mr. Chairman: Okay, I see. And that is standard in the industry?

Ms. John: Standard within the NLCB, yes.

Mr. Chairman: No, not necessarily the NLCB, the industry, the lotteries industry. That is what I am saying.

Ms. John: Yes.

Mr. Chairman: Comparative?

Ms. John: Yes.

Mr. Chairman: Okay.

Mr. Smith: Just looking through here briefly, you could see that there was a polarization of money distributed June, July, August, September. The majority of that $37 million was around that time, 2015. So that is why I was asking if it is a policy or if it is the board's instructions to give out this money, of these large amounts—the board at the time. But it is cleared up here for me. Thanks.

Miss Ameen: Mr. Chairman, I want to continue on the issue of the policy with regard to sponsorship. The gentleman indicated that there is no policy with regard to a percentage of the profits to be used for sponsorship, but certainly I would expect the board would have some kind of policy. Is there any policy at all in existence? Have you made any attempts to put one in place?

Mr. Johncilla: Thank you very much for the question. There is, in fact, a policy in respect of outreach. The term sponsorship has been literally retired, and Mr. Wheeler, again, through the Chair, can elaborate on the outreach policy.

Mr. Chairman: Khadijah, it is under Appendix V. They supplied it under Appendix V.

Miss Ameen: It is here?

Mr. Chairman: Yes, it is here with us.

Mr. De Freitas: So, I am listening and I just want to get clarification in certain things. So you are indicating that 70 per cent of the earnings is paid out recurrently in relation to prize money that you need to pay out, is winnings. Do you all do any tracking at all over the years, or do you all have data over the years to see how that has shifted? So in other words, for the last five years, would it have moved from 60 to 70? Has it been 70 for the last five years?

Ms. John: Yes, member. In 2016, the percentage pay-out was 71 per cent. In 2017, it was 70 per cent. If I go back to 2015—okay, I did not work out the figure for 2015. But between 2016 and 2017, it would have moved from 71 per cent to 70 per cent.

Mr. De Freitas: Seventy-one to 78? I did not hear that last part properly.

Ms. John: Okay, I have found it. In 2015, the percentage pay-out was 70 per cent, in 2016 the percentage pay out was 71 per cent, and in 2017 the percentage pay-out was 70 per cent.

Mr. De Freitas: So the next question I have on that is in relation to the illegal Play Whe and the 10 per cent tax that is being proposed in relation to the legal Play Whe. What can the board do in relation to reducing the illegal Play Whe activity in the country so that you do not end up taxing those that are engaging in legal Play Whe and then having that shift to the illegal Play Whe now to beat that tax?

Mr. Johncilla: Thank you for the question. The board is aware of the threat of the illegal operators and the more we expand, the more we promote our games, it is the more competition we are getting from an illegal fringe. We can do two or three things. We have increased our public awareness campaign in terms of the fact that illegal gaming is, in fact, illegal. We have done that through a series of radio and television advertisements. We have collaborated with the authorities. Mr. Jogee can elaborate on that in respect of the policing authorities, to deal with the illegal players outside there. And we have also not thrown our hands up in the air. We have confronted our competition. We are expanding our gaming content. We are expanding our network to deal with that ever present threat. But to be more precise, it is the authorities who can treat with those illegal gamers.

Mr. Chairman: As in the police?

Mr. Johncilla: That is correct, the police.

Mr. Smith: The integrity of online gaming is the draw. There are a lot of people who talk about the man in the machine and so on, and "all yuh does" set the game and so on and so forth. The draw worldwide, if that is broken, the game is dead. I remember the draw being hosted at TTT and CNMG, the Government station, where it was open to the public. Some locations actually have it in a glass bubble at their NLCB version or National Lotteries where the public could see it live at their office. Something strange happened under the last board where, for some reason, the draw was moved to a private home, or a private residence. Do you want to shed—anybody could shed some light with regard to that, and if all the rules and regulations were followed for that? And what is the price? Is it more than what it was costing before to host the draw at the Government station?

Mr. Borde: Member, under the last board, they did have a contract through our provider to operate our draws through a company called Media 21. It was a decision taken by the last board and not this current board. There is a contract signed with the provider right now in terms of the televising of the draws.

Mr. Chairman: No, I do not think you understood what member Smith is asking, so I will ask him to ask you the question in a certain way again.

Mr. Smith: What was the reason for that shift? And two, what is the difference in cost to the taxpayer for that shift?

Mr. Borde: In cost, I will have to get back those numbers to you. I do not have it on me presently. But the reason for the shift, I cannot say what was the reason for the shift because it was a board decision made by the previous board.

Mr. Smith: And was the board advised by the NLCB and/or the vendor with regard to how important the draw is with regard to the integrity of the game?

Mr. Borde: Yes, the board was advised. I mean, the integrity of the game is still there, it is just that we have moved from under CNMG to a private provider now. But the integrity—our draws are always right up to the highest integrity.

Mr. Chairman: So just following on from what member Smith is asking, what obtained before? When this NLCB came into existence in 1968, and you had it being drawn, from my recollection, on television. Yes? And that went on until well into the 2000s or something like that. You must have minutes from your board. What would have caused that to move from a government-controlled thing to whatever contractual engagements you all have now sought? And is that still the position, or you have now reverted to the Government entity again, like CNMG, or whatever it is, television or—

Mr. Borde: Chairman, it has not reverted to the Government entity. As I said, there is a contract with the present provider to televise the draws as it is present now.

Mr. Chairman: Who is the present contractor?

Mr. Borde: Media 21 is our provider who does our draw in Maraval.

Mr. Chairman: Is that costing NCLB more than if it was being managed by the Government entity?

Mr. Borde: I will have to get back those figures for you. Right now, Sir, I do not have them in front of me.

Mr. Chairman: Mr. Chairman, could you assist us? That would be a decision being made by the board, right?

Hon. Member: The former board.

Mr. Chairman: Whatever board, this board or the former board, and there will be minutes that would have recorded that. What is the position?

Mr. Johncilla: I would expect that minutes would be there to reflect the decision-making at the time and the bases for the decision-making to relocate the televised draw from CNMG to that new location. I am sure it is there in the minutes.

Mr. Chairman: What I am getting at and what I think the member is getting at, in terms of cost, I mean, you are using your money efficiently in these lean times, right? So you have a Government entity. What would have been the cost to the Government entity as opposed to this new private entity? And if you are a board, whether it was enacted by the former board, you are now a new board, you would be looking to see where you are getting the best thing for your money, right? So is it something you would just continue carte blanche just like that? Or you would have had an opportunity to re-examine it and see whether this is a good practice or something to revert back to, or establish something else new? Why can the NLCB not set up their own thing and do it, as a matter of fact there and keep it in-house?

Mr. Johncilla: We have examined the contractual relationship that our service provider has with the media house. It is a solid contract. To break the contract or instruct that the contract be determined, may have significant implications—cost implications. There is one point five years remaining in the contract.

Mr. Chairman: How much?

Mr. Johncilla: One and a half years.

Mr. Chairman: Remaining?

Mr. Johncilla: Remaining. The board has reviewed the contract details and it is our intention to ensure, going down the road, that the live draws be done at a more economical venue and at a reasonable cost.

Mr. Chairman: So what is the present cost at this point in time?

Mr. Johncilla: I do not have the figures before me but those figures can be made available.

Mr. Chairman: Sorry?

Mr. Johncilla: Those figures can be made available to the committee.

Mr. De Freitas: I have a couple questions in relation to the line of questioning that the Minister would have raised. How long was the contract for, in total? You said how long you have left. But how long was the contract for, in total, from the time it was signed?

Mr. Johncilla: The contract was signed in 2014.

Mr. De Freitas: Okay. And in your opinion, has that move to a private entity made the draw more secure or less secure?

Mr. Borde: I would say our draws are always secured in terms of there are certain requirements for our draw to take place, and the draw is secured right now. So it is not a question of whether it is secure or not. Once the location is capable of hosting the draw, we have certain guidelines and security features we must put into the draw before it takes place, which our provider is presently doing.

Mr. De Freitas: That is going to lead to my next question in terms of what kind of mechanism has been put in place to ensure that the draw is not compromised. And by compromise I mean that it is not intercepted that you can predict the outcome to the benefit of someone else. That is what I mean by security. I am not talking about the security of the individuals who are doing the draw, but the security of the information and the predictability of what is happening, because it is now a private entity and therefore it is not under the control of the NLCB. How do you know if something untoward is happening there? Do you have mechanisms in place to keep checking that?

Mr. Borde: Yes. Member, before any draw takes place there are pre-draws. We have certain security features in terms of our ball cases. We also have auditors in our draws—external auditors. We have presiding officers. We have draw integrity officers who preside at the draw. Pre-draws must take place. For the Play Whe, we must take five pre-draws before any draw has taken place, meaning that five numbers will be drawn. Any number that is drawn twice or I believe three times, the case will be discarded and a new case will be taken on by our external auditors. So there are measures in place to ensure that the integrity of the draw has taken place.

Mr. Chairman: Mr. Jogee, is it—the director? Let me ask you this. If you look at page 2 of 15 of the same report that we have been speaking about this morning, Item four asked: "Provide details of the committee, subcommittees of the board of the

NLCB appointed in accordance with section 7 of the National Lotteries Act, Chap. 21:04." And I see listed here you have four committees: the Human Resource Committee; the 50th Anniversary Planning Committee, the Marketing Outreach Committee, the Procurement Committee. But then you go on and we asked whether there was an Audit Committee which, to me, is a critical and essential committee to have among the complements of committees required by section 7. And apparently there is no Audit Committee—no active Audit Committee, a fundamental thing like that which will help supervise and keep some of the questions that are being asked—this is financial stewardship, financial scrutiny, to me, alive and being properly monitored. Why is there not an active Audit Committee at this point in time?

Mr. Jogee: Chairman, I think this question should be directed to the Chairman, Mr. Johncilla.

Mr. Johncilla: Thank you very much. There is no Audit Committee of the board at the present time because of the constraints in terms of the number of members of the board. We have four—

Mr. Chairman: Mr. Chairman, can I just stop you there a second?

Mr. Johncilla: Sure.

Mr. Chairman: You said there is no Audit Committee, right?

Mr. Johncilla: Yes, that is so.

Mr. Chairman: Was there an Audit Committee before you assumed the chairmanship?

Mr. Johncilla: I believe so, yes.

Mr. Chairman: You believe so?

Mr. Johncilla: Yes.

Mr. Chairman: You do not know?

Mr. Johncilla: I am told that there was an Audit Committee of the board prior to this board.

Mr. Chairman: All right. And who would have made the decision to abandon that Audit Committee?

Mr. Johncilla: I do not believe a decision was taken to abandon the Audit Committee.

Mr. Chairman: So it just went into disuse.

Mr. Johncilla: The Audit Committee– at this point in time, the members of the board do not have the appropriate expertise to sit on an Audit Committee. All of the other members of the board—there are three other members: Ms. Ria Joseph, Ms. Christine—

Mr. Chairman: Okay. Let me read this to you. This is your report. On page 3 of 15, at the head of it, it starts:

> Currently, there is no active Audit Committee. The Committee was active up to September2015 but was discontinued under the current Board of Directors.

Was discontinued. So this is not something passive, this is an active decision to discontinue something. It did not fall in disuse. It was discontinued. This is your report. But what you are telling us here is not according with this. So could you explain please?

Mr. Johncilla: Well, the Audit Committee of the board was not, again, discontinued.

Mr. Chairman: But this report is not an active report. This is the second time I am seeing something here written and it is not reflecting what you are telling us. So what your written evidence, we will say, in other words, and what your oral evidence—is not complementing each other. So there is a discrepancy.

Mr. Johncilla: I accept the discrepancy, Mr. Chairman, but there is no Audit Committee of the board in existence.

Mr. Chairman: But do you agree that an Audit Committee is essential of all the committees required under section 7?

Mr. Johncilla: It is critical. It is the most critical. I concur.

Mr. Chairman: So what is being done as opposed to—what caught my attention here is the second committee, the 50th Anniversary Planning Committee. Is that still active?

Mr. Johncilla: It is still active.

Mr. Chairman: Why would that be active? How old is the NLCB?

Mr. Johncilla: Forty-nine years.

Mr. Chairman: Forty-nine years. So the activity is to celebrate this next—

Mr. Johncilla: To acknowledge and recognize and celebrate the achievement of the NLCB for 50 years.

Mr. Chairman: And you put that as more important than an Audit Committee?

Mr. Johncilla: I did not say that.

Mr. Chairman: No, I am asking. I know you did not say that.

Mr. Johncilla: No. It is not more important than an Audit Committee of the board.

Mr. Chairman: So therefore, this should be attended to with some dispatch now to correct this.

Mr. Johncilla: I agree with you, Sir.

Mr. Chairman: Okay. Miss Ameen, you want to ask something?

Miss Ameen: Mr. Chairman, I am concerned about the number of discrepancies between the written report and the verbal information being given here, and now we have to heavily take this report with a heavy dose of salt. And this is why I want to ask, perhaps the Permanent Secretary in the Ministry of Finance, because you do have a certain amount of control or ability to direct the NLCB and their policies. Earlier I asked about the sponsorship policy and it was submitted to the Committee.

However, my concern is that there are no requirements for companies being sponsored by the NLCB to be registered with the Attorney General and Ministry of Legal Affairs in accordance with the Companies Act. That led to some directors being in hot water over giving sponsorship to companies that were not registered. Also, in your policy, it does not prohibit employees of NLCB or relatives of employees from benefitting from sponsorship, and there are records of employees who have collected large amounts in terms of sponsorship.

You spoke about there being no fixed percentage of your profits that you are allowed to give towards sponsorship and without these guidelines, in terms of your beneficiaries of the sponsorship. I want to ask the Ministry if you have any authority to intervene with regard to these policies, and who can get, and the people who have been benefiting, or the companies or entities that would have gotten approval for funding based on the weaknesses of the existing policy.

11.40 a.m.

Ms. Phillips: Through you, Chair, the Minister has authority to give general and specific directions to the NLCB. As such, in 1995, an approval was granted to provide some parameters for the NLCB in terms of its sponsorship policy. However, that fell into abeyance. We have since reactivated it and it is before the Minister now to have some parameters with respect to their sponsorship.

Mr. Chairman: Under section 10 of the National Lotteries Act, Chap. 21:04, the Minister:

> "In the exercise of its functions, powers and duties under this Act or any other written law, the Board shall act in accordance with any special or general direction given to it by the Minister."

As far as directives concerning what Member Ameen has just asked, does the board have a register of the directions, or such directions the Minister would have given concerning those things or not? The Board, yes. You would have received directions from the Minister—

Mr. Johncilla: General directions in terms of the operations of the NLCB, yes.

Mr. Chairman: You all have a register with that?

Mr. Johncilla: We do not have a register, but there would be records of the Minister's general and specific directions.

Mr. Chairman: All right. Now just to take you back to the same page 3 of the report, I had asked about the discrepancies and so forth that were identified and you said a compliance of any discrepancies or breaches in the operations of the NLCB which are identified with the Audit Committee over the past three years. You said under the last Audit Committee, the following discrepancies pertaining to 2014/2015 were identified and they are one, two, three. You have a copy of it, so you are following me. So the accounting issue, you had the unauthorized social and media accounts, stock inventory. Now, what is being done about it or whether has been done about those things?

Mr. Johncilla: Through the Chair, may I have the Internal Auditor respond?

Mr. Chairman: Yes.

Ms. Lewis Grant: Mr. Chair, these issues were addressed to the—that would have been the past board of directors—Audit Committee. Concerning whether these issues have been addressed, I think the officers in charge of implementation are the ones that should address this at this time. The vote book—my function is a reporting function.

Mr. Chairman: So is that person here today with us?

Ms. Lewis Grant: I would like the Chief Accountant maybe, could address this issue if these issues have been addressed?

Ms. John: Chair, all these issues have already been addressed.

Mr. Chairman: How have they been addressed? What have you done?

Ms. John: The accounting issues with the vote book have been regularized. Our filing system has been redone in order of the votes that are within the estimates, and we have been filing our invoices in accordance to the votes rather than the cheque numbers.

Mr. Chairman: And what about the stock inventory?

Ms. John: I cannot speak about that now because I am not really sure what the stock inventory is about.

Mr. Chairman: So therefore, again, you see that is not a—what you are just telling me and what you are telling me here now is not in sync at all. So what was the problem with the stock inventory? Do you know?

Ms. John: No, Sir.

Mr. Chairman: Anybody know what was the problem with the stock inventory?

Ms. Lewis Grant: Yes. Mr. Chair, when the audit was done, at the time it was found that a lot of stock remained and to be expired. So what was being done is that the last in stock were being used first. Last in first out instead of first in last out. So these issues were—and besides that aspect of the stock, the issue of stock it was not accurate. There were some difficulty with balancing the stock because the distribution of the stock was not properly recorded at the time. I think some attempt was made with the last audit that we did, but it is still not perfect. Some attempt was made to address it, but there is still a lot of work to be done. That is speaking from the last audit that was done at the end of the financial year ending September 2017.

Mr. Chairman: Now, this stock will incorporate what?

Ms. Lewis Grant: It would be stationery stock and—

Mr. Chairman: Because you said expiry, what will expire? It is not a food chain.

Ms. Lewis Grant: Yes. Because of the meetings that are held at the board, at the national lotteries, there would be stocks such as juice and different—

Mr. Chairman: Or it is food items then?

Ms. Lewis Grant: Yes, there are food items because of meetings that we would have. Food items will be purchased for meeting purposes. So those stocks, they were not being used first in last in. They were not being used in the order that it should have. So stock remained to be expired and were expired. So that is the food stock that we would have. That is part to the inventory, yes.

Mr. Chairman: This is a bit disquieting, eh. It is disquieting to hear this. Mr. De Freitas?

Mr. De Freitas: Thank you, Mr. Chairman. I just wanted to ask: As much as the board indicated that they will rectify that situation with the Audit Committee, was the Ministry of Finance aware that there was not an audit committee operating; and what do they intend to do to ensure that that audit committee is set up?

Ms. Phillips: Well we were not aware until this enquiry came up and we saw the response, and we immediately wrote to national lotteries asking an explanation for the absence of an audit committee. So we await their response in terms of—

Mr. De Freitas: Well, I think you got, I guess, a partial response today where they indicated the expertise was not present in relation to the Audit Committee. What do you have to say to that?

Ms. Phillips: Well, a recommendation will have to be made to the Minister possibly to change or to include that expertise on the board.

Miss Ameen: Just for our information, when was this request made by the Ministry of Finance to the board, did they get a deadline and what is that deadline?

Ms. Phillips: They were not given a deadline, and the request was made earlier in November.

Miss Ameen: Mr. Chairman, I also want to—this is to the Ministry of Finance.

Perhaps you could provide some guidance. It was brought to our attention in the public domain that a senior member of the board approved ex gratia payments for the service commission staff member—management—for $44,000 two months ago, and another member of staff as well as another service provider that the board had hired also received ex gratia payments in March of 2017. The SASC Act does not provide for the board to make those types of payments. I do not know what authority the NLCB board would have made those type of payments, and I want to ask you in terms of the Ministry of Finance, in terms of the—I do not want to use the word legality, but in terms of what authority the board has to make those type of payments to service providers and to particular staff of the SASC?

Ms. Phillips: I imagine such a payment should have come to the Ministry of Finance for approval. We were not, however, aware that a payment was made in this regard.

Miss Ameen: Mr. Chair, I do not know if the board could perhaps provide the Committee with written information on that.

Mr. Chairman: Yes, could you give us that undertaking that you will provide further clarification on the issue that is being raised here by Member Ameen?

Mr. Johncilla: Yes, we would, Mr. Chairman. We are making that commitment.

Miss Ameen: Mr. Chair, I have one other issue with regards to staffing. Understanding the role of the SASC there is a position called Secretary of the Board, which is an established position by the Statutory Authorities Service Commission, however, there was a contract position of Secretary of the Board that was created. I do not know if the Minister would have had to give that approval, but the fact that a position called Secretary of the Board exists in the establishment it means that you cannot provide a similar position by contract. So for the board to create this position, I think—and my question is: What circumstances would have allowed you to make this higher on exception, because you do have such a position on the establishment;

if the CPO would have given approval to that; what are the terms and conditions; who would have determined the terms and conditions for this contract position?

Mr. Chairman: That is for HR.

Mr. Johncilla: I would prefer to take that question, Mr. Chairman.

Mr. Chairman: Please. Go ahead.

Mr. Johncilla: Contrary to what has been provided to Member Ameen, the position of Secretary of the Board is not an SASC established position. You may be referring to the position of Secretary to the Board. That is the SASC established position. There is a position called Secretary or Secretary of the Board as established by the National Lotteries Control Act, and the position of Secretary of the Board was created with the enactment of that National Lotteries Control Act of 1968. The requisite procedures and commission was sought from the Minister of Finance as is required as per the Act in the appointment of an incumbent to the position of Secretary of the Board.

Mr. Chairman: Thank you.

Miss Ameen: But certainly the position—I mean you cannot take both separately. So my question is that you do in fact now have a Secretary of the Board and a Secretary to the Board. One is an SASC position and one is established by your Act?

Mr. Johncilla: That is correct. The Secretary of the Board, otherwise known as the Corporate Secretary, provides the legal and statutory support to the board of directors of NLCB.

Miss Ameen: And who determines the terms and conditions for that position?

Mr. Johncilla: It was a board appointed position. The terms and conditions were submitted for the review and approval of the Minister of Finance.

Miss Ameen: And you would have advertised and conducted interviews for this position?

Mr. Johncilla: That position was not advertised. Interviews were conducted. Evaluations were made on the basis of résumés in the possession of the NLCB, and a recommendation was made with all of the terms and conditions to the Minister of Finance.

Miss Ameen: Is there a reason for there being no advertisement of the position?

Mr. Johncilla: No, there are no reasons I can prophesy at this time.

Miss Ameen: And do you not think this is a part of public transparency and accountability to advertise for such a position in a state agency? Do you think that is something that should be done as a matter of course when hiring this type of position?

Mr. Johncilla: I cannot speak to that in general term.

Mr. Chairman: Was it an internal filled position from internally?

Mr. Johncilla: No, it was not. It is an external position. The Secretary of the Board, that position requires certain qualifications and experience. The position of Secretary to the Board was created—

Mr. Chairman: So how would you be able to get applications if you did not advertise?

Mr. Johncilla: On an ongoing basis, members of the public submit résumés and applications to NLCB. In addition, as part of the exercise, the board undertook an evaluation of recommended and referred candidates, and the candidate that was best considered for the position both in terms of qualifications and experience was retained.

Mr. Chairman: Tell me something, what is the operations of the NLCB in Tobago?

Mr. Borde: The NLCB operations in Tobago is strictly to encash winnings and provide customer service to our Tobago clients.

Mr. Chairman: So it is a small outfit?

Mr. Borde: Yes, Chairman.

Mr. Chairman: Consists of how many staff members?

Mr. Borde: Consists of two staff members.

Mr. Chairman: You know national lotteries are used—the purpose when the national lottery was set up it was for what specific purpose? You can assist the public in understanding that. Why was the National Lotteries Control Board set up in the first place?

Mr. Borde: The National Lotteries Control Board, Chairman, was set up to conduct games of chance and to provide customer service to the public of Trinidad and Tobago.

Mr. Chairman: Yeah, but what was the purpose? Was it to generate revenue– as a revenue source of the—

Mr. Borde: Yes, and provide revenue to the Government of Trinidad and Tobago.

Mr. Chairman: And given the challenges that we are faced as a country right now in terms of our decrease in the source of revenue, is the NLCB not a major revenue generator in the scheme of resources available to the Government? Would it be considered to be a significant contributor to the resources of the Government?

Mr. Borde: Yes, Chairman.

Mr. Chairman: According to your chairman, he said it was about $2.9 billion industry?

Mr. Johncilla: Revenue.

Mr. Chairman: Revenue?

Mr. Borde: Revenue.

Mr. Chairman: This is profit or that is just gross?

Mr. Borde: Gross.

Mr. Chairman: Gross income. What is the net revenue?

Mr. Johncilla: For our fiscal 2016/2017 we have remitted $306 million so far to the Treasury.

Mr. Chairman: For which period?

Mr. Johncilla: Fiscal 2016/2017.

Mr. Chairman: 2016/2017. So you do that on an annual basis or you do that on a regular—

Mr. Johncilla: Annual. It is our highest remittance in the history of the NLCB.

Mr. Chairman: And how do you remit money to these special funds like the sports fund and cultural fund? That is on a what, what basis? Annual basis as well?

Mr. Johncilla: Again, I can have the Chief Accountant elaborate.

Mr. Chairman: So, could you please shed some light on that for us?

Ms. John: Chair, every month we send money down to the Ministry. One to the sports and culture, and one to the Comptroller of Accounts.

Mr. Chairman: So it does not go to the Ministry of Finance to be redistributed.

Ms. John: It is sent to the Comptroller of Accounts, Ministry of Finance, and to the sports and culture fund.

Mr. Chairman: Sorry, the Comptroller of Accounts.

Ms. John: Yes.

Mr. Chairman: That and the percentage that you send, the contribution you make to the cultural and sports fund and the various funds, is it stipulated by the Act, or is it something determined by the board?

Ms. John: The percentage is 7 per cent of sales goes to the sports and culture fund, and 93 per cent goes to the Comptroller of Accounts.

Mr. Chairman: So I am asking: Is that set by statute or is that a decision of the board?

Ms. John: That would have been a decision of the board based on sales, yes.

Mr. Chairman: And how much of it goes to the Consolidated Fund?

Ms. John: For which period?

Mr. Chairman: Generally speaking, what percentage goes to the Consolidated Fund? Is there a fixed amount that goes to the Consolidated Fund? Because you see it is provided for.

Ms. John: 93 per cent goes to the Comptroller of Accounts.

Mr. Chairman: 93 per cent?

Ms. John: Yes, 93 per cent goes to the Comptroller of Accounts and 7 per cent goes to the sports and culture.

Mr. Chairman: Now I was looking at a number of lotteries ran internationally, in particular the one in the UK, where a special fund was set up to host the Olympics and a certain amount of money was targeted, and it seems that they have not only reached that but they probably surpass that income by having—I think it was one pound—some special draw was set up. Does the NLCB envisage doing something like that to support our athletes moving towards 2020 Olympics?

Mr. Johncilla: Mr. Chairman, I think you are referring to the Camelot group. They provided a significant amount of funding for the last Olympics. We at NLCB have an outreach strategy that targets various groups within Trinidad and Tobago. We have given to sports, education, youth, arts and culture, and community development. Our focus over the last two years has been to improve NLCB's profile in terms of its give back for good causes, and in terms of its contribution to the society in general. So, generally yes, we are following the practices of the Camelot group, and specifically we are treating with the kinds of good causes in Trinidad and Tobago that we can make active contributions towards.

Mr. Chairman: I saw, I think—is it in your report or is it in the Act, I am not sure because I am reading so much information from you all—that part of your outreach programme, part of the responsibility is to deal with the environment as well, not so?

Mr. Johncilla: Not specifically with the environment—

Mr. Chairman: I mean, among other things.

Mr. Johncilla: Among other things, yes.

Mr. Chairman: Is that a policy I was reading or is that the Act?

Mr. Johncilla: It would be a policy position.

Mr. Chairman: The policy position.

Mr. Johncilla: Yes.

Mr. Chairman: So when you talk about the environment, what exactly you envisage by dealing with the environment? What do you mean by supporting the environment? What is that?

Mr. Johncilla: Well, the NLCB will respond to causes that would contribute positively to the sustainability of our environment. We treat each case on a case by case basis—

Mr. Chairman: For example, you would have had a request in dealing specifically—I just want to get an understanding.

Mr. Johncilla: Maybe I can ask Mr. Wheeler our outreach coordinator to respond?

Mr. Chairman: Sure.

Mr. Wheeler: Thank you, Chair. Mr. Chairman, based on our outreach policy, under the board we have identified five pillars up on which NLCB's philanthropy stands, and those are namely—and they are surrounded by youth and the development of youth, but it also includes sport, culture, education, and community development. And I want to believe that it is through community development you may have referenced in terms of environment because we do assist the various communities.

Mr. Chairman: Let me veer back a bit in dealing with the licences of those lotto machines and so. There are about how many you all have in existence in the country?

Mr. Borde: We have about 1,000 NLCB licensed operators.

Mr. Chairman: Now, those licences are for what period of time?

Mr. Borde: The licensing is not for any specific period of time. What will happen is that we look at our agents on a yearly basis based on the performance, and then based on the performance the board will make a decision to continue.

Mr. Chairman: So there is no contract involved between—

Mr. Borde: There is a contract. Yes, there is a contract involved with—

Mr. Chairman: This is what I am asking.

Mr. Wheeler: Yes, there is a contract.

Mr. Chairman: So the contract itself does not have a term?

Mr. Borde: Not that I know of. No, Sir, I do not think there is a term.

Mr. Chairman: Well I have been privileged to have seen a contract of the national lotteries board with an agent—which was outdated anyway—and I think it was for a period of a year or two years. So my question is that: are these contracts renewed on an annual basis, or biennially, or what?

Mr. Borde: Yes, the contracts are renewed.

Mr. Chairman: So there is a contract?

Mr. Borde: There is a contract. All agents sign a contract with the NLCB, with the board. There must be a contract for you engage and start selling our games.

Mr. Chairman: So, how do you determine who becomes an agent?

Mr. Borde: Well, there is a process in terms—

Mr. Chairman: Is there—

Mr. Borde: Application process? Yes?

Mr. Chairman:—a payment or something like that?

Mr. Borde: Yes, there is. And one of the things an agent must provide is that, once they apply we do an evaluation of the location by both the NLCB and our provider, and based on the evaluation of that location the NLCB will make a considered effort whether they want that operator to start selling their products.

Mr. Chairman: The operator pays a licence fee or anything of that nature?

Mr. Borde: There is no payment of licence fee right now. What the person has to satisfy, there is a package in terms of their ID, FIU requirements; if their company secretary registered. There are a number of requirements that an applicant will have to satisfy before becoming an agent.

Mr. Chairman: So is it just companies or individuals?

Mr. Borde: There are individuals. They too would have to satisfy certain financial requirements. We have also—

Mr. Chairman: Like what? You need a financial provider—

Mr. Borde: We have certificate of character yes, bank statements, bank references. We now have KYC forms—know your customer forms. They have to satisfy AML, CFT policies. So there are a number of requirements an applicant will have to satisfy before they become an agent.

Mr. De Freitas: Let me just quickly ask: does the NLCB see these individuals who get the licences as a business entity?

Mr. Wheeler: Yes, because, Member, they are business entities because a lot of the agents already have businesses. Some already have businesses and it is like an addition to their business. In fact, what our games do is to provide more traffic into their business.

Mr. De Freitas: And does one licence allow an individual or a business entity to have many different locations, or for every location they have to get a new licence?

Mr. Borde: Every location is a new licence. It is a different location because there will be different requirements for different—we have different types of agents too. We have people with more than one agency, but each location is evaluated separately.

Mr. De Freitas: Is there a maximum limit that the NLCB has in place for an individual in terms of ownership or locations? In other words, you cannot go above a certain amount? Because one person could monopolize the whole thing and decide that they have a thousand—

Mr. Borde: Well, there is no limit. We do it on a case by case. As it is a business, we look for the best location in terms of how we can grow our business. We look at the sales that can generate from the business. So once we have evaluated the location and, as I said it is location, location, location, and once that can generate sales to the board and they can provide all the different requirements—FIU, KYC requirements—the board would make a decision to approve.

Mr. De Freitas: So it is possible that an individual could monopolize in terms of licences or locations because if it is I have enough money then I could apply for as many licences that I want and start moving into certain locations where they may not be an entity right now. So, for example, if I am in one place is it that I can, or Sen. Ameen, can come and apply for that location or somewhere similar, or do you all have limits in that regard? I am really asking in relation to monopolization because it sounds as though that is possible under the regime that you have now.

Mr. Borde: Yes, it is possible and the board will take a look at that, but as it is right now, there is really no monopolization of our locations, but it is a good idea in terms of what the board can look at in the future.

12.10 p.m.

Miss Ameen: For the information of the public, you spoke about cracking down on the illegal operators. Can you indicate to the public what in terms of your procedures? We know the police would have a role to play. How does the NLCB treat with illegal operators and at what point does the police step in?

Mr. Jogee: Member, with respect to that question, we are presently engaged with the police attached to the Financial Investigative Bureau and quite recently, arrests were made against certain illegal operators which are identified by our service providers. So we have a demographic, geographic location of these alleged illegal operators. So it is an ongoing process. And the police would usually arrest these people. They would come by us at the NLCB for a statement. They will bring the machine for us to identify if it is one of ours or if it is something that we do not know about and our online manager would give a statement, he would sign and we may or may not have to appear in court.

Miss Ameen: I also want to know about the informal sector where the traditional Whe Whe man would still pay according to whatever NLCB machine plays. Do you have anything in place to—I do not know—take action against the Whe Whe operator that is still going but does not have a machine of their own?

Mr. Jogee: Well, we have to rely on the police in that matter as well. We do not have anything legally in place except whatever the police helps us with.

Mr. Borde: Can I add to? What we have done, what we have shared with—what Mr. Jogee is saying there, we have shared with the FIB branch of the FIU certain—we have done our research on certain illegal operators and we have shared that information with them and they now will carry out the investigation.

Mr. De Freitas: The Ministry of Finance would have indicated that they would have conducted an audit report in 2016. What is the status with that audit report and what would have prompted the Ministry of Finance to conduct such a report? And let us know what the findings of the report are as well if it is complete.

Ms. Phillips: Chair, through you, the Ministry of Finance conducted an audit in 2016 and it is currently being finalized. Preliminary results indicate that the internal controls of the NLCB are weak and the few that they have are not being adhered to. I will put you on to my Director of Central Audit Committee to give you some more details.

Mr. Herbert: As she said, we conducted the report. The report is being reviewed at the present time. Because of certain situations—and I think you would remember the LifeSport report—I would not want to divulge anything because we have not given the NLCB a chance to respond to our findings. So until that is done, I would not want to divulge any part of the report because it could end us up into legal situations. So the report is being finalized. When it is done, we will give NLCB to report and comment and then we would produce a final report.

Mr. De Freitas: And could you indicate though what would have prompted the Ministry of Finance to do the report at least? What would have caused you to decide to do an audit report?

Mr. Herbert: The Ministry was informed of certain practices that were being carried out at NLCB that were not above board and they asked us to investigate those practices.

Mr. De Freitas: Yeah, I just wanted to sort of make a statement in that regard. So one of the first things that we would have heard is how well the NLCB has been doing by way of sales and the profits they would have generated and then we are hearing on the other end that an audit report is being done to sort of, for lack of a better word, make it more efficient in terms of its internal controls. So I guess the statement I want to make is that going forward in the future, once the report is out and these internal controls are made better and more efficient, then we should expect to see an even better performance from the NLCB. So you have made money, given that these things are happening, so I expect that you can make more money once these things are corrected. Is that a good statement to make?

Mr. Johncilla: Certainly, member. I, as Chairman of the board of directors, agree with you. We have been able, over the last 49 years, to move this organization from a humble itinerant organization, where vendors sold fractions and books, to an organization that can have four draws during the course of the day with a network of 1,000 agents and generate close to $3 billion a year. We are extremely proud of the NLCB, the entire board and management and we look forward to another 50 years of improved performance based upon the recommendations that may come out of here.

Mr. Chairman: Mr. Chairman, thank you for that statement. But you know, we are coming to the end of this enquiry but I must remind you, when I opened this enquiry earlier on, I reminded you of the objectives of the enquiry. One of which was to examine the internal control systems within the NLCB. Right? Would you say that the internal controls are adequate in dealing with the best—and in line with the best practices for internal auditing controls within the NLCB?

Mr. Johncilla: I would say that they are inadequate at the present time.

Mr. Chairman: That they are inadequate. And what if anything can be done to bring it up to scratch, to bring it in line with what is the best practice, what would you say? What is your board thinking about?

Mr. Johncilla: Well, over the last 18 months, this board has been able to tighten the operations of NLCB. We still have some governance challenges. As you would have heard, we are part SASC, part corporate entity, part Ministry of Finance; CPO would drive our compensation. So we have some governance challenges going forward which we are, in fact, addressing.

We have developed our 2018—2020 strategic plan going into the future. We have some strategic imperatives that we have identified. So we look forward to improving on our performance with the feedback, as I said, that we would be receiving this morning from this Committee.

Mr. Chairman: Flowing from what you are saying here, now, in any organization, in a private enterprise, you have consistency in terms of management and how the company is run. Right? Now, in terms of the NLCB, even though it is a statutory corporation, yet still the management and the board itself is affected by political decisions. Is that a given? What effect, if any, the change of Government has on the efficiency, the efficient management of the NLCB? I do not know if you are in a position because you are just newly appointed, I do not know if there are more—the deputy, the person like the CEO or somebody that is a better fixture, so to speak, in the organization, can answer that. To give what is the impact, if any, change of Government has on the efficiency of the NLCB.

Mr. Borde: Yeah, it is a big change because the appointment of every new board and as you said, the boards are politically appointed, there are new policies by each board. I think what this board is trying to do is to drive a strategic plan so that whether this board comes in, another board comes in, there is one plan under one governance issue. Because the real challenges, there are governance issues at the NLCB, whereby you have remuneration, terms and conditions of leave service under SASC, contract, temporary service providers.

So the real challenge there is really trying to govern all four entities under one board. The board does not have control over everyone. The board does not have a control over the SASC workers; that comes under the statutory board, CPO. The board has control over contract and that also comes through the Ministry of Finance. So there are many challenges that we are facing right now but yet we still try to deal with those challenges in a way where it is more equitable for everyone but everyone does not have the same terms and conditions. So it is really a difficult situation for the board to—but this board is making a concerted effort in the last two years to ensure that they do what they can do best.

Mr. Chairman: Thank you very much. Miss Ameen.

Miss Ameen: Yeah, Mr. Chairman, I want to very quickly ask about, you know, the whole issue of foreign exchange and the role that NLCB would play in terms of its use of US dollars. I know that some years ago when the whole online game was established, there was a provider, a service provider, that provided the technology, and it was supposed to have been transferred to the NLCB after some years, but I do not—I am not aware of any public advertisement for tender or anything like that for a local provider to provide that technology to allow local operators to do the online games.

So it means that NLCB still pays a percentage of its revenue to this foreign provider for the online games technology and it is a significant amount. It is, from what I assessed here, at least about TT $200 million that you would have had leaving the shores of Trinidad and Tobago in US dollars to be paid for a service that since in the 1990s, you would have engaged in that service for the technology and at some point, it was supposed to be transferred or publicly advertised for local service providers, and we do have many companies in Trinidad and Tobago who can, in fact, provide the technology. Can you indicate to the Committee if you have any steps in place to engage local service providers for the online games so that you would cut down on the US dollars that you would spend for this overseas service provider?

Mr. Borde: Member, there are no local providers that do our online games. They are all foreign providers. ITT is our prevalent present provider and there is a contract with the ITT that was signed by the previous board for a certain number of years.

The money is paid in TT dollars because they have a complement of Trinidad staff in Trinidad so no money is really—no foreign exchange is sent to the US, it is all paid in TT dollars. They bank in Trinidad. They are in Trinidad for the last 23 years and the previous board would have signed a contract with this provider that this board has to continue until the end of that contract.

What this board is trying to do, and again, it comes down to governance, is try to do a transfer of knowledge—of some of the knowledge to our local staff which we have been successfully able to do in the last two years.

Miss Ameen: Have you ever advertised? Has the board ever—whether this current board or at all, ever advertised locally for this service or made any such attempt?

Mr. Borde: No. Member, as I told you just now, there is a contract and we have not reached the stage in the contract where we would be now able to advertise.

Miss Ameen: Up to what period is this contract?

Mr. Borde: The contract is for review in 2021 with the option.

Miss Ameen: Thank you.

Mr. Chairman: I will now invite the Chairman to make any closing remarks you want, having participated in this enquiry this morning. I think it has been a healthy one thus far. I am a bit enlightened, a bit disappointed but I am inviting you to give your closing remarks to us.

Mr. Johncilla: Thank you very much, Mr. Chairman, for giving me this opportunity, and the board of directors and management and staff of NLCB appreciate the opportunity. We do have our challenges. We appreciate the insightful comments of the Committee. We are a focused organization, dedicated to improving our performance levels, and going forward, we expect to surpass some of the achievements of 2016/2017, and to state in closing, that pound for pound, the National Lotteries Control Board has been the most successful indigenous organization for the past 49 years and we look forward to being even more successful for the next 50 years. Thank you for the opportunity.

Mr. Chairman: Thank you very much. Permanent Secretary, Ms. Phillips.

Ms. Phillips: Thank you, Chair. On behalf of the Ministry of Finance, I wish to, again, thank the Joint Select Committee for the invitation to participate in this enquiry and to be accountable to the people of Trinidad and Tobago. The Ministry will continue to support the National Lotteries Control Board in its efforts to become more efficient, effective and transparent in its operations, taking account the recommendations of this Committee. I thank you.

Mr. Chairman: Congrats. Mr. Jogee.

Mr. Jogee: Thank you, Chair. I wish to thank the Chair and members of the Committee for giving the NLCB the opportunity to be present here today to be questioned. I have learnt a lot. And I also wish to thank both management and members of the board of directors of the NLCB. I also wish to thank the members of the public for partaking in the games the NLCB has to offer and I hope that they continue to support us in the near future so that we will be even more successful next year. Thank you.

Mr. Chairman: Thank you very much. And on behalf of the other members and myself, I would like to thank you for participating in this important enquiry this morning. I would like to thank the viewing public who would have listened to us and make it truly a public enquiry. The National Lotteries Control Board is a very critical revenue stream in our country and in these difficult financial times, I think it can continue to play a significant role in providing some source of revenue to assist the Government in its expenditure and by extension, the population of Trinidad and Tobago.

Clearly, from this morning's discussion, it is seen that there is some bit of tightening in terms of internal controls where your audit—the audit committee I hope will come on stream very shortly, like yesterday, because it is a critical part in dealing with an organization that is producing such high volumes of cash, right, that it is used wisely, especially in these lean times and that people will have confidence, growing confidence in the industry that it is being managed with the best that is available.

Obviously, what I would have seen in terms of the salaries that you have provided, I think it is woefully inadequate to attract really, really significant and competent people to really discharge the functions as required and to keep this lean and very efficient tenure, and a gift that keeps giving type of organization.

I know you all have challenges; I know, through the Permanent Secretary, Ministry of Finance, that they can look at avenues and we need creativity and innovations, how to deal with these statutory limitations, which, I mean, we all know, it is no secret. Getting salaries increased through the CPO takes years and sometimes it seems like it is never-ending. I know this is why sometimes contract workers came about to sort of circumvent but also that leads to a certain type of abuse and mischief. But we must find creative ways in bringing our salaries appropriately to the level that will attract good people like the private sector would be able to do; otherwise we will be—I mean, it makes no sense.

You have a significant industry like this with such good potential and volumes in terms of money that can be made and yet you are not being able to get the right people to—the best people to manage it in an efficient way and if you do attract them, you cannot keep them. It must be addressed. And I think that is a critical problem that I have discovered this morning that the NLCB is encountering and it is certainly not a problem that started yesterday or went through this board or through the next board. It is something that needed to be revised since 1968. We must find a way to deal with that.

Having said all of that, I want to thank you all for the services that you are providing and we look forward to your continued service with a commitment because in public service, money is never really sufficient to justify the type of responsibilities, and then of course, I mean, when you are in the public eye, there is a lot of scrutiny because you are dealing with the public purse. And I know the Permanent Secretaries, under the various regulations, are personally responsible for any discrepancies and so forth that transpire. A lot of people might not be aware of that but that is a significant responsibility because it is personal. Not very many people are held personally to account in the public service but Permanent Secretaries are.

I have a few announcements to be made. The announcement is that the public is advised that the Committee's report on its enquiry into the regulations and licensing of the medical doctors by the Medical Board of Trinidad and Tobago is available for review on the Parliament website: www.ttparliament.org. Some of the issues addressed in the report are as follows: the failure of the medical board to implement a registrar of medical specialists; doctors practising medicine without renewing their licences; the absence of a malpractice register; the Continuous Medical Education, CME, for doctors; the lack of training available to doctors in specialized areas of medicine, and the shortage of forensic pathologists.

At this point in time, I would like to thank all again and I bring this enquiry to an adjournment. Thank you very much.

12.31 p.m.: *Meeting adjourned*.