

THIRTEENTH

REPORT
FROM

THE PUBLIC ACCOUNTS
(ENTERPRISES) COMMITTEE

EXAMINATION
OF

A follow-up examination on the implementation of the recommendations in the Fourth Report of the Committee on the Audited Accounts, Balance Sheet and other Financial Statements of the Community-Based Environmental Protection and Enhancement Programme (CEPEP) for the financial years 2009 – 2014

Public Accounts (Enterprises) Committee

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

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

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

Current membership

Mr. Wade Mark	Chairman
Mr. Rushton Paray, MP	Vice-Chairman
Mr. Fitzgerald Hinds, MP	Member
Mr. Stephen Mc Clashie, MP	Member
Mr. Keith Scotland, MP	Member
Mrs. Renuka Sagrainsingh-Sooklal	Member
Mrs. Laurel Lezama-Lee Sing	Member
Mrs. Hazel Thompson-Ahye	Member

Committee Staff

The current staff members serving the Committee are:

Ms. Keiba Jacob	Secretary
Ms. Hema Bhagaloo	Assistant Secretary
Mr. Darien Buckmire	Parliamentary Research Specialist
Ms. Rachel Nunes	Parliamentary Research Specialist
Ms. Anesha James	Administrative Assistant
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Publication

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Date Laid in HOR:

Date Laid in Senate: November 24, 2023

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Members of the Public Accounts (Enterprises) Committee



Mr. Wade Mark
Chairman



Mr. Rushton Paray
Vice-Chairman



Mrs. Hazel Thompson-Ahye
Member



Mr. Fitzgerald Hinds
Member



Mrs. Renuka Sagrarsingh-Sooklal
Member



Mrs. Laurel Lezama-Lee Sing
Member



Mr. Keith Scotland
Member



Mr. Stephen Mc Clashie
Member

Executive Summary

The Public Accounts (Enterprises) Committee (PA(E)C) is the Parliamentary Financial Oversight Committee tasked with the responsibility of examining the audited accounts of all State Enterprises that are owned or controlled by the state. The Committee conducted **a follow-up examination on the implementation of the recommendations in the Fourth Report of the Committee on the Audited Accounts, Balance Sheet and other Financial Statements of the Community-Based Environmental Protection and Enhancement Programme (CEPEP) for the financial years 2009–2014** and produced this report. This report details the issues, endorsements and recommendations made by the Committee to improve CEPEP's performance.

The Report focuses on the followed issues:

1. Status Update On the 2015 Server Crash
2. Status of the Outstanding Audited Financial Statements
3. Absence of Hard Copy Documents
4. Management of Non-Compliant Contractors
5. Diversifying The Company's Income Stream
6. Status update on the Execution of the Strategic Plan for the period 2021 to 2025
7. Absence of a Project Management Unit

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

- *CEPEP should submit to Parliament by January 29, 2024an update on the challenges experienced which have resulted in the delay of the submission of the Audited Financial Statements for 2016-2020;*
- *CEPEP should submit to Parliament by January 29, 2024a status update for the completion of the Audited Financial Statements for the financial Years 2016-2020;*
- *The Ministry of Finance should submit an update to Parliament by January 29, 2024 detailing the steps taken to assist CEPEP in getting the Financial Statements audited.*
- *The MRDLG should launch an investigation into:*
 - *why hard copy documents of accounting information were not maintained by CEPEP during the period that led up to the 2015 server crash;*

- *who authorised the relocation of hundreds of documents in a container outside the CEPEP's headquarters; and*
- *the circumstances that resulted in those relocated documents being destroyed.*
- *CEPEP should provide an update to Parliament by January 29, 2024 on becoming an agent to pay the health surcharge and the improvements made regarding same.*
- *CEPEP should draft a proposal of each service its Business Development Department determines feasible and submit to the Ministry of Rural Development and Local Government MRDLG for consideration before forwarding to Cabinet for approval. A status update should be submitted to Parliament by January 29, 2024.*
- *CEPEP should also develop a training plan for the upskilling of its workforce to facilitate the diversification of the company's range of service and potential income streams skills that would increase its income streams while remaining attractive to its workforce. An update about the implementation of this initiative should be submitted to Parliament by January 29, 2024.*
- *CEPEP should write to the Trinidad and Tobago Police Service requesting the provision of police supervision for its teams that have to work in high crime areas;*
- *CEPEP should establish a CEPEP Estate Constable Force that will always be on hand to provide security detail for CEPEP teams that have been mobilised in high crime areas.*

Establishment

The PA(E)C of the Twelfth Republican Parliament was established by resolutions of the House of Representatives and the Senate at the sittings held on Monday November 9, 2020 and Tuesday November 17, 2020 respectively.

Mandate

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

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

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

Ministerial Response

The Standing Orders¹ provide for the Minister responsible for the Ministry or Body under review to submit within sixty (60) days a paper to the House responding to any recommendations or comments contained in the Report which are addressed to it.

State Enterprises Performance Standards

The (PA(E)C used the State Enterprises Performance Monitoring Manual as a benchmark to examine the performance of State Enterprises. The manual outlines the framework for compliance with official policy and the monitoring mechanisms to be used in assessing such compliance. The Government of Trinidad and Tobago monitors the performance of State Enterprises to ensure that these enterprises

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

successfully execute their mandates and maximise value for money for the national stakeholders and shareholders.²

Election of the Chairman and Vice-Chairman

In accordance with section 119(6) of the Constitution, the Chairman must be a Member of the Opposition in the Senate. At the first meeting held virtually on Wednesday November 18, 2020, Mr. Wade Mark was elected Chairman and Mr. Rushton Paray was elected Vice-Chairman of the Committee.

Establishment of Quorum

The Committee is required by the Standing Orders³ to have a quorum in order to exercise the powers granted to it by the House. A quorum of three (3) Members, inclusive of the Chair or Vice-Chairman), with representatives from both Houses was agreed to by the Committee at its First Meeting held on November 17, 2020.

Change in Membership

- By resolution of the House of Representatives at a sitting held on June 13, 2022, Mr. Stephen Mc Clashie, MP was appointed a Member of the Committee in lieu of Dr. Nyan Gadsby Dolly;
- Senator Amrita Deonarine ceased being a Member of the Committee when her appointment as a Senator was revoked on September 11, 2023.
- By resolution of the Senate at a sitting held on October 24, 2023, Senator Hazel Thompson-Ahye was appointed a Member of the Committee in lieu of Senator Amrita Deonarine.

Determination of Date and Time of Regular meetings

The Committee is required by the Standing Orders⁴ to sit notwithstanding any adjournment of the House. At its Second Meeting, the Committee agreed to meet on the First and Third Wednesday of each month at 9:30 a.m.

² State Enterprise Performance Monitoring Manual – Ministry of Finance Website accessed on March 30, 2022
<https://www.finance.gov.tt/2017/05/19/state-enterprise-performance-monitoring-manual-2011/>

³ Standing Order 87(2) of the Senate and 97(2) of the House of Representatives

⁴ Standing Order 101(b) of the Senate and 111(b) of the House of Representatives

Determination of the Committee's Work Programme Third Session

At the Committee's Twelfth meeting held on Wednesday February 01, 2023, the Committee identified the following entities for examination during the Third Session of the 12th Parliament:

- National Commission for Self Help Limited;
- National Maintenance Training and Security Company Limited;
- Community Environmental & Protection Enhancement Programme Company Limited;
- Estate Management & Business Development Company Ltd;
- Sports Company of Trinidad & Tobago Limited;
- National Infrastructure Development Company Limited;
- Tourism Trinidad Limited;
- Urban Development Corporation of Trinidad and Tobago Limited;
- National Flour Mills Limited;
- National Export Facilitation Organisation of Trinidad and Tobago;
- Trinidad and Tobago National Petroleum Marketing Company Limited; and
- Vehicle Management Corporation of Trinidad and Tobago Limited.

The Inquiry Process

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

- I. The Committee conducted a review of the responses provided to the Fourth Report of the Committee on the Audited Accounts, Balance Sheet and other Financial Statements of the Community-Based Environmental Protection and Enhancement Programme (CEPEP) for the financial years 2009 to 2014. Based on the responses provided, the Committee wrote to the relevant entities to determine the status of the implementation of the recommendations.
- II. The Committee also conducted a review of CEPEP's Audited Financial Statements for the Financial Years ended September 30, 2009-2014. Based on an analysis of the financial statements, issues were identified and questions for written response were generated.
- III. Questions for written response were forwarded to CEPEP on March 10, 2022, the responses of which were received on April 5, 2022.
- IV. Preparation of an Issues Paper which identified and summarised matters of concern in the responses provided by the CEPEP. Based on the responses received and the issues identified, the Committee agreed to have a public hearing.
- V. A public hearing was held on March 1, 2023. Representatives from CEPEP, the Ministry of Rural Development and Local Government (MRDLG) and Ministry of Finance – Investments Division (MOF-ID) were invited.
- VI. Questions were sent for additional information to the CEPEP, MRDLG and MOF-ID after the public hearing on March 1, 2023. CEPEP's responses were received on April 3, 2023, the MRDLG's responses were received on March 23, 2023.
- VII. Report the Committee's findings and recommendations to Parliament upon conclusion of the inquiry. The Report will be transmitted to the MRDLG as the Minister with oversight

of the CEPEP for written response within sixty (60) days in accordance with Standing Order 110(6) of the House of Representatives and 100(6) of the Senate.

VIII. Carry out follow-ups to monitor progress in the implementation of recommendations.

History

The Community-Based Environmental Protection and Enhancement Programme (CEPEP) Company Limited is an Agency of the Ministry of Rural Development and Local Government. The company develops, implements and manages programmes that protect, enhance and beautify the environment in service areas known as environmental work areas (EWAs). The company was officially launched on the 29th of July 2002 by former Prime Minister Mr. Patrick Manning. The foremost goal of CEPEP is to educate communities about the need to improve and preserve our natural environment.

CEPEP's goals are achieved through the enlistment of contracting companies that are independently responsible for the recruitment and management of workers.

CEPEP has designed programmes uniquely tailored to develop its contractors and their employees through continuous training and certification. The CEPEP Company Limited further encourages integrity and social dialogue among its contractor workers through its Decent Work Agenda consultations. These consultations focus on freedom of speech, equity, security and human dignity. The company strives to be the premier environmental protection company and will continue along its path to growth and positive development as it remains committed to its vision, mission, and social responsibility.

Vision

Working for the nation by protecting, enhancing, and building our communities through environmental entrepreneurship.

Mission

To be the premier environmental protection company which fosters national pride at the community level.

Core Values

- Community Driven

To support viable initiatives at the community level and to promote disciplined and responsible behaviour through all our activities.

⁵ Community-Based Environmental Protection and Enhancement Programme (CEPEP) website accessed on April 11, 2023: <https://www.cepep.gov.tt/>

- **Entrepreneurship**

To combine resources to seize any business opportunity that presents itself in the interest of our contractors and community entrepreneurs.

- **Partnership**

To partner with other government and/or private agencies in the furtherance of the objectives of business development and environmental enhancement.

- **Environmental Friendliness**

To ensure that our contractors operate according to global standards in caring for the environment.

- **Public Accountability**

To stand up to the scrutiny of our major stakeholders, the public of Trinidad and Tobago.

Pillars

CEPEP is committed to service for the good of every citizen in Trinidad and Tobago.

i. **Business Incubation**

Empowering citizens to become entrepreneurs, by providing qualifying businesses with contract opportunities, and the technical support required to expand the range and scope of their services to become independent contractors providing construction services to the public and private sectors.

ii. **Developmental Training**

Providing entrepreneurs and their employees access to mandatory training to improve their skill sets, through academic and vocational courses conducted by public organisations and institutions with the relevant knowledge and infrastructure.

iii. **Enhanced Community Integration**

Increasing its footprint in our communities, taking a more active role, and partnering with community-oriented individuals, organisations and institutions, to provide support for environmental, cultural and educational investment and interaction across the nation.

iv. **Agriculture Support**

Working in our communities, giving a helping hand to people involved in agriculture, to increase yields on the home front, and put more food on the table.

What do they do?

i. **Environmental Clean-up, Beautification and Maintenance**

Our contractors and their team members specialise in the cleaning up of areas that contain substances that could have a harmful effect on humans and/or the environment. Fully equipped and outfitted to handle hazardous substances, our workers are also able to do restorative landscaping to help enhance our environment. Cleaning and sanitisation of buildings, auditoriums, community centres, wholesale and retail buildings or warehouses and fish markets.

ii. **Disaster and Emergency Response (DERT)**

The CEPEP Company Limited partners with the Office of Disaster Preparedness and Management (ODPM), as a second responder, to provide clean-up operations during natural disasters such as floods, landslides and other natural disasters. The DERT embodies our fourth pillar – Enhanced Community Integration, which ensures that CEPEP builds and foster the well-beings of the communities.

iii. **Waste Removal**

Collection, Sorting and Batching of recyclable materials. This goes hand in hand with our mandate of environmental protection and preservation. The CEPEP Company Limited is committed to ensuring that all waste is disposed of in a sustainable way that preserves the environment.

iv. **Eco-Sites Management**

Nature trails, picnic sites and many other open spaces are maintained by the CEPEP Company Limited. Our Eco-Sites are maintained to ensure that our public stakeholders have a clean and enjoyable space for those quality moments.

v. **Dead Animal Removal Team (DART)**

The DART is responsible for the removal of dead animals from all major roadways across Trinidad. CEPEP removes dead animals that are under the weight of 50kgs from public areas. The animal's carcass is then disposed in the nearest landfill. These landfills include: Beetham Landfill, Forest Park and Guanapo Landfill.

Business Services

The CEPEP Company Limited provides commercial and residential services. All necessary resources are available to get the job done.

- i. Commercial and Residential Landscaping Services;

- ii. Outdoor Grounds Maintenance;
- iii. Small Construction Services;
- iv. Irrigation;
- v. Waste Collection and Disposal Services;
- vi. Desilting;
- vii. Heavy Equipment Rental; and
- viii. Haulage

Board of Directors

- Ms. Marilyn Michael Chairman
- Mr. Derek Ambrose Deputy Chairman
- Mr. Sabeer Ali Director
- Ms. Phyllis Wickman-Stewart Director
- Mrs. Cheryl Ann Ryan-Mohammed Director
- Mr. Rajcoomar Bhagaloo Director
- Ms. Heather Tardieu Director
- Mr. Glen Roach Director
- Mr. Cecil Santana Director

Management Team

- Mr. Keith Eddy Chief Executive Officer
- Mrs. Nicole Gopaulsingh Corporate Secretary
- Mr. Mathew Kailah Senior Operations Officer
- Ms. Sherry-Ann Lawrence Senior Marketing & Communications Officer
- Mrs. Willa Guy-Straker Senior Human Resource Officer
- Mr. Gary Stoddard Senior Financial Officer
- Ms. Alicia Austin Senior Audit Officer

Line Ministry - Ministry of Rural Development and Local Government

Minister of Rural Development and Local Government

- Hon. Faris Al-Rawi, MP

Permanent Secretary - Ms. Desdra Bascombe

Deputy Permanent Secretary - Ms. Annalean Inniss

Deputy Permanent Secretary - Mr. Peter E. Mitchell

Issues and Recommendations

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

1. Status Update on the 2015 Server Crash

Ministerial Responses from CEPEP in response to the Fourth Report of the PA(E)C dated June 29, 2017, detailed the issue of a server crash in-house that occurred in the financial year 2015. This severely impacted the Microsoft Dynamics GP data for the period 2012 to 2016 and the operations of the Finance Department. The loss of data and lack of usability of the system reduced CEPEP's ability to retrieve the necessary data for report generation. As such, reconciliations of data necessary to infer any issues could not be performed. CEPEP indicated that it was working towards the restoration of the lost information.

Additional information dated April 3, 2023 stated the following:

- In July 2016, the cause of the crash was identified as the connection to the server.
- CEPEP hired InfoTech to resolve the issue of Microsoft Dynamics GP data for the period 2012 to 2016.
- InfoTech discovered that visible moisture was found in the insulation area of the housing of the hard drive's ACC-GP Server. The surface problem of GP failure was that storage was running out.
- Further checks indicated that the way in which the server was configured was the root cause.
- As a result, InfoTech stated that CEPEP's database was corrupted and the data was therefore irretrievable. This was as a direct result of the lack of available hard drive space on the server that both Microsoft GP and Microsoft SQL shared.
- InfoTech resolved the server issue and provided recommendations to avoid reoccurrences.

The Committee questioned the systems implemented by CEPEP to avoid the reoccurrence of the 2015 crash. CEPEP stated that backups were being conducted daily, weekly and monthly. The

company was in the process of manually scanning its hard copy documents for recordkeeping. Officials also indicated that servers were not stored on-site but rather backed up to the cloud.

Recommendations:

- ***CEPEP must abide by the provisions of the Company's Act (sec. 189) regarding company records, whereby "a company or its agents shall take reasonable precautions:***
 - a. to prevent loss or destruction of;***
 - b. to prevent falsification of entries in; and***
 - c. to facilitate detection and correction of inaccuracies in, the records required by this Act to be prepared and maintained in respect of the company."***
 - d. and submit an update on the steps taken to restore lost data and to abide by the provisions of the Company's Act (sec. 189) to Parliament by January 29, 2024***

2. Status of the Outstanding Audited Financial Statements

The timely submission of Audited Financial Statements to Parliament is pivotal in ensuring the proper oversight of public funds. Section 3.2.5 of the State Enterprises Performance Monitoring Manual⁶ states that State Enterprises are required to submit Audited Financial Statements to the Minister of Finance within four (4) months of their financial year end. These reports are to be laid in Parliament and subsequently submitted to the Public Accounts and (Enterprises) Committee for consideration. Based on Parliamentary record, the last Audited Financial Statements submitted to the Parliament were for the financial year 2014. At the public hearing held on March 1, 2023, officials indicated that due to the server crash it took the company two (2) and a half years to recover the financial data and rebuild its system. This created a challenge with the then Auditor, Hardy's and Associates Chartered Accountants, to complete the 2015 Financial Statements. Officials who appeared before the Committee stated that they were not employed with the company in 2015 and therefore could not verify the information in the 2015 Financial Statements. CEPEP's officials also stated that the Auditor (Hardy's and Associates) was not co-operating and did not hand over the working papers to the company after requesting the document numerous times. After the public hearing, the Committee requested a response from Hardy's and Associates on the claims made by CEPEP. In a letter dated

⁶ State Enterprise Performance Monitoring Manual – Ministry of Finance Website accessed on March 30, 2022
<https://www.finance.gov.tt/2017/05/19/state-enterprise-performance-monitoring-manual-2011/>

March 14, 2023 Hardy's and Associates informed the Committee that the Audit Working Paper file was legally the property of the Auditor and not the company (client). This information was also stated in the engagement letter sent to CEPEP dated January 20, 2016, with respect to the Audit of the Financial Statements for the Year ended September 30, 2015:

“The balance of our engagement file, other than the compiled Financial Statements, which we will provide to you at the conclusion of the engagement, is our property.”

Hardy's and Associates also indicated that in the audit profession, the auditor's working papers are not shared with clients. Audit working papers are not the same as company records and are prepared with the objectives related to the conduct of the audit.

After the system was rebuilt, it took another six (6) months to engage a new Auditor: PKF Charter Accountants. Written response received on April 29, 2023 revealed a number of issues regarding the completion of its Financial Statements as follows:

- i. On August 4, 2021, the initial field work for the statements commenced;
- ii. In August 2021, PKF sought to acquire the working papers from the previous auditor. PKF was informed by Hardy's and Associates of its non-cooperation. As such, the focus of the external audit was shifted from Fiscal 2014/2015 to 2015/2016, for which schedules and working papers are being prepared to facilitate the field work portion of the external audit;
- iii. The process commenced in October 2021 and was ongoing at the time of the hearing. PKF was awaiting the working papers from Sinanan Dass and Associates - who were hired to rebuild the company's system - to commence the audit field work for fiscal 2015/2016;
- iv. PKF has indicated that due to the processing time to complete the audit of accounts, the following are proposed commencement dates for the audit of CEPEP's statements:-
 - For fiscal year 2016/2017, the proposed start date July 2022;
 - For fiscal year 2017/2018 the proposed start date October 2022;
 - For fiscal year 2018/2019 the proposed start date is December 2022; and
 - For fiscal year 2019/2020 the proposed start date is March 2023.

At the public hearing held on March 1, 2023, the Committee questioned the delay in the submission of statements based on the proposed timeline presented by PKF Accountants. Officials from CEPEP stated that the statements were in the process of being audited but faced challenges with the non-

verification of the opening balances. As at August 1, 2023 none of the aforementioned CEPEP Audited Financial Statements were submitted to Parliament.

Recommendations:

- *CEPEP should submit to Parliament by January 29, 2024 an update on strategies that will be taken to address the challenges experienced which have resulted in the delay of the submission of the Audited Financial Statements for 2016 -2020;*
- *The Ministry of Finance should submit an update to Parliament by January 29, 2024 detailing the steps taken to improve the timeliness in ensuring the Financial Statements are audited in accordance with Section 3.2.5 of the State Enterprises Performance Monitoring Manual ; and*
- *CEPEP should submit to Parliament by January 29, 2024 a status update on the detailed actions taken to addresses the timeline for completion and submission of the Audited Financial Statements for the financial Years 2016 – 2020.*

3. Absence of Hard Copy Documents

The inability to retain critical information disrupted CEPEP’s ability to effectively execute its operations and complete its accounts and financial statements in a timely manner. The Committee queried whether hard copies were made available to the MRDLG prior to the server crash. MRDLG stated that no hard copies were received. CEPEP revealed that during the year 2014, the company’s system was examined and no information including hard copies were stored. It was found that hundreds of documents were missing. A container was also found on the outside of the company’s building with destroyed documents inside. Therefore, the Committee questioned the reasons that no hard copies were stored or sent to the MRDLG, such as invoices, bills or receipts. Officials explained that the employees present at the time were not employed with CEPEP during the year 2014 and could not provide any information regarding the Committee’s queries. The Committee highlighted that CEPEP is a Limited Liability Company and according to the Financial Obligations Regulations⁷, hard copies of records should be retained for a period of six (6) years.

Recommendations:

⁷ The Financial Obligations Regulations, 2010, *Record Keeping, Record Keeping Procedures No. 32. (1) and (2)*. Pg. 30. Accessed on October 30, 2023: [Financial Obligations Regulations 2010_0.pdf \(central-bank.org.tt\)](https://www.central-bank.org.tt/Financial_Obligations_Regulations_2010_0.pdf)

- *The Auditor General's Department should launch a forensic audit and investigation into:*
 - *the reasons no hard copy documents of accounting information were not maintained by CEPEP during the period that led up to the 2015 server crash;*
 - *who authorised the relocation of hundreds of documents in a container outside the CEPEP's headquarters; and*
 - *the circumstances that resulted in those relocated documents being destroyed.*

- *MRDLG must also consider holding semi-annual meetings with all State Agencies under its purview to ensure that public funds are being expended in a transparent and efficient manner commencing January 29, 2024.*

4. Management of Non-Compliant Contractors

There was an absence of proper systems in place to ensure payments of statutory deductions comprising National Insurance and Health Surcharge were conducted in a timely manner. This issue of non-complaint contractors was highlighted in the Fourth Report of the Committee on the Audited Accounts, Balance Sheet and other Financial Statements of the Community-Based Environmental Protection and Enhancement Programme (CEPEP) for the financial years 2009-2014 for the Second Session, Twelfth Parliament. At that time, one hundred and six (106) contractors were non-compliant with its statutory payments comprising National Insurance and Health Surcharge, with an aggregate figure in the sum of \$16,696,477.00. At the public hearing dated March 01, 2023 the Committee questioned whether this issue had been resolved. Officials explained that this was no longer an issue, due to CEPEP becoming an agent and therefore duly paying NIS. The company expressed its wishes to become an agent to pay the Health Surcharge. Contractors were still responsible for paying Health Surcharge. The Committee learnt that this challenge still remains despite its relative insignificance. CEPEP implemented an internal process that stops the payment of management fees to contractors who become delinquent after the receipt of a warning and official letter to address the delinquency.

Officials stated that the issue of non-compliance of payments of health surcharge of 40% of its contractors has been reduced from 40% in 2017 to 12% as at March 2023. With regard to the issue of the payment of NIS as at March 2023, there were only a few thousand dollars outstanding compared

to millions outstanding in 2017. It was expected that this would be reduced further going forward given CEPEP's new responsibility.

At the time of the public hearing, there were three hundred and thirty (330) contractors enrolled with the company. As a monitoring mechanism, the company undertook a digitisation exercise to facilitate the company's work online. The Committee learnt that a Department was charged with the responsibility of monitoring contractors to avoid future non-compliance. In the event that the Department's efforts to contact the contractor and resolve the non-compliance proves ineffective, the company would stop the management fee. The Committee queried the number of contractors to whom payments of management fees had been terminated or stopped. Officials stated that there were thirty-seven (37) such instances, leading to the recovery of millions of dollars.

Recommendation:

- ***CEPEP should provide an update to Parliament by January 29, 2024 on the status of being an agent to pay the health surcharge and the improvements made regarding non-compliance by contractors.***

5. Diversifying the Company's Income Stream

CEPEP's main source of income is via subventions from the MRDLG. CEPEP also provides maintenance services, landscaping services as well as clean-up activities. The Committee was informed that CEPEP receives monthly Government subventions of \$33.35 million. The Committee questioned CEPEP's ability to diversify its income stream in order to increase its revenue generation. Officials from CEPEP indicated that there has been an aggressive pursuit of this initiative via its Business Development Department. However, the income streams being considered will not amount to the subvention received from the Government. Despite this, the company continues to expand its services, highlighting its success in the clean-up activities post-Carnival 2023. Officials expressed that, since the services offered were limited, CEPEP will continue to depend on the Government subvention unless significant changes are made. Officials also referred to the issue of the company's current workforce being unskilled, which hampered the diversification of the company's services.

Recommendations:

- ***CEPEP should draft a proposal of each service its Business Development Department determines feasible and submit to the MRDLG for consideration before forwarding to***

Cabinet for approval. A status update should be submitted to Parliament by January 29, 2024; and

- *CEPEP should determine the necessary actions that will address the issues that were not highlighted, to diversify its income stream, guide and develop its human resource capacity, to improve its efficiency and fulfil its mandate, and submit a copy of the actions to be taken to Parliament by January 29, 2024.*

6. Status update on the Execution of the Strategic Plan for the period 2021 to 2025

At the Public Hearing held on March 01, 2023, the Committee sought a status update on the execution of the Strategic Plan completed for the period 2021 to 2025. Officials indicated that the plan was being implemented and approximately 90% of the established targets were achieved. Regarding CEPEP's SWOT Analysis, the Committee questioned the weaknesses continuing to be experienced by the organisation. Officials indicated that operations in high-crime areas have been hindered due to criminal elements shutting down operations of CEPEP teams in said areas. Consequently, the organisation expressed its need to be mindful of the areas contractors are assigned due to the inherent risks involved.

Recommendation:

- *CEPEP should write to the Trinidad and Tobago Police Service requesting the provision of police supervision for its teams that have to work in high crime areas and submit an update to Parliament by January 29, 2024;*
- *CEPEP should establish a CEPEP Estate Constable Force that will always be on hand to provide security detail for CEPEP teams that have been mobilised in high crime areas; and*
- *CEPEP should provide a status update on the lessons learnt during the first two years of the implementation and execution of the current strategic plan and submit an update to Parliament by January 29, 2024.*

7. Absence of a Project Management Unit

In 2015, project management and construction projects were added to CEPEP's scope of work. Projects included:

- building of box drains;

- building of community centres; and
- repairs to some of the health facilities (Health Sector Initiative).

In 2016, CEPEP reverted to its original mandate, which involved adherence to a Cabinet-issued Environmental Policy document. Its core functions from 2015 to present are:

- Environmental Protection, Enhancement and Beautification;
- Waste Removal Operations;
- Dead Animal Removal Team (DART); and
- Disaster Emergency Response Team (DERT).

In a written submission received dated April 29, 2022, the Committee learnt that CEPEP did not have a Project Management Unit on its Organisational Chart. At the Public Hearing, the Committee sought an explanation for the lack of a Project Management Unit. Officials indicated that while the company had established a Project Management Unit within the last five (5) years, its stated function was placed within the company's Marketing and Communications Department as opposed to being a distinct Unit.

Recommendation:

- ***CEPEP should conduct a feasibility study on whether there was a need for a distinct Project Management Unit and restructure its organisational structure to include the function should the need arise and provide an update to the Committee no later than January 29, 2024.***

Conclusion

In light of the above, the Committee notes that CEPEP is determined to resolve the issues it faces and complete and submit the outstanding audited financial statements to the Ministry of Finance in a timely manner.

The Committee is optimistic that the company will continue to explore other avenues to diversify its income streams to better provide for themselves apart from receiving a Government subvention, while continuing to work for the nation by protecting, enhancing, and building communities through environmental entrepreneurship.

The Committee therefore awaits the responses of the Minister of Rural Development and Local Government to the recommendations proposed above, in accordance with Standing Orders 100(6) and 110(6) of the Senate and the House of Representatives respectively which states inter alia that –

“The Minister responsible for the Ministry or Body under review shall, not later than sixty (60) days after a report from a Standing Committee relating to the Ministry or Body, has been laid upon the Table, present a paper to the House responding to any recommendations or comments contained in the report which are addressed to it....”

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

Sgd.
Mr. Wade Mark
Chairman

Sgd.
Mr. Rushton Paray, MP
Vice-Chairman

Sgd.
Mr. Fitzgerald Hinds, MP
Member

Sgd.
Mr. Stephen Mc Clashie, MP
Member

Sgd.
Mr. Keith Scotland, MP
Member

Sgd.
Mrs. Renuka Sagrarsingh-Sooklal
Member

Sgd.
Mrs. Laurel Lezama-Lee Sing
Member

**THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE –
THIRD SESSION, TWELFTH PARLIAMENT
MINUTES OF THE THIRTEENTH MEETING HELD ON
WEDNESDAY, MARCH 01, 2023 AT 9:35 A.M.**

Present were:

Mr. Wade Mark	-	Chairman
Mr. Rushton Paray	-	Vice-Chairman
Ms. Amrita Deonarine	-	Member
Mrs. Laurel Lezama-Lee Sing	-	Member
Mr. Keith Scotland	-	Member
Ms. Renuka Sagramsingh-Sooklal	-	Member
Mr. Stephen Mc Clashie	-	Member
Ms. Hema Bhagaloo	-	Assistant Secretary
Ms. Rachel Nunes	-	Graduate Research Assistant

Excused was:

Mr. Fitzgerald Hinds	-	Member
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CALL TO ORDER

- 1.1 At 9:35 a.m., the Chairman called the meeting to order and welcomed those present. Mr Fitzgerald Hinds was excused from the Meeting.

THE EXAMINATION OF THE MINUTES OF THE TWELFTH MEETING

- 2.1 The Committee examined the Minutes of the Twelfth (12th) Meeting held on Wednesday February 1, 2023.
- 2.2 There being no omissions or corrections, the Minutes were confirmed on a motion moved by Mr. Rushton Paray and seconded by Mrs. Laurel Lezama-Lee Sing.

MATTERS ARISING FROM THE MINUTES OF THE TWELFTH MEETING

- 3.1 With reference to item 3.2, page 2: the Chairman informed Members that the following Committee's Reports were presented in the House of Representatives on February 10, 2023:

- Seventh Report on the Examination of the Audited Financial Statements of the National Entrepreneurship Development Company Limited (NEDCO) for the Financial Year 2017 and follow up on the Implementation of the Recommendations in the Committee's Tenth Report from the 11th Parliament; and
- Eighth Report on the Examination of Audited Financial Statements of the Telecommunications Services of Trinidad and Tobago (TSTT) for the years 2017 to 2021 and follow-up on the implementation of the recommendations in the Committee's Ninth Report from the 11th Parliament.

3.2 With reference to item 7.2, page 4: the Chairman informed Members that questions for additional information were sent to the National Maintenance and Security Company Limited (MTS) on February 9, 2023 with a deadline of February 24, 2023 for submission. The response remains outstanding.

3.3 The Chairman raised the issue of the non-submission of the additional information by the National Maintenance and Security Company Limited. A discussion ensued. The Committee agreed to send a correspondence to the MTS with a deadline of fourteen (14) days to submit a response explaining the reasons for the non- submission of the additional information. The Secretariat was instructed to prepare the relevant correspondence.

PRE-HEARING DISCUSSION RE: COMMUNITY ENVIRONMENTAL & PROTECTION ENHANCEMENT PROGRAMME COMPANY LIMITED (CEPEP)

4.1 The Chairman reminded Members that the purpose of the public hearing was to follow-up on the implementation of the recommendations in the Fourth Report of the Committee on the Audited Accounts, Balance Sheet and other Financial Statements of the Community-Based Environmental Protection and Enhancement Programme (CEPEP) for the financial years 2009-2014.

4.2 Members discussed their areas of concern and the general approach for the public hearing.

SUSPENSION

5.1 There being no further business for discussion in camera, the Chairman suspended the meeting at 10:08 a.m. to reconvene in public.

A FOLLOW-UP EXAMINATION ON THE IMPLEMENTATION OF THE RECOMMENDATIONS IN THE FOURTH REPORT OF THE COMMITTEE ON THE AUDITED ACCOUNTS, BALANCE SHEET AND OTHER FINANCIAL STATEMENTS OF THE COMMUNITY-BASED ENVIRONMENTAL PROTECTION AND ENHANCEMENT PROGRAMME (CEPEP) FOR THE FINANCIAL YEARS 2009-2014.

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

6.2 The following officials joined the meeting:

Community-Based Protection and Enhancement Programme (CEPEP)

- Ms. Marilyn Michael - Chairman
- Mr. Derek Ambrose - Deputy Chairman
- Mr. Keith Eddy - Chief Executive Officer
- Mr. Gary Stoddard - Senior Financial Officer
- Ms. Nicole Gopaulsingh - Corporate Secretary/Head Legal Dept.
- Mr. Matthew Kailah - Senior Operations Officer
- Ms. Alicia Austin - Senior Internal Auditor

Ministry of Rural Development and Local Government

- Ms. Desdra Bascombe - Permanent Secretary
- Ms. Annalean Inniss - Deputy Permanent Secretary
- Mrs. Gaynell Andrews-Vegas - Senior Planning Officer

Ministry of Finance – Investments Division

- Mr. Narine Charran - Deputy Permanent Secretary
- Ms. Chintamani Sookoo - Director (Ag.), Social and Economic Transformation
- Ms. Melba Brathwaite-Issa - Senior Business Analyst (Ag.)

6.3 **Key Issues Discussed:**

1. The status of the completion and submission of the auditing of the Financial Statements for the period 2015-2022;
2. The major challenges faced in completing and submitting the Audited Financial Statements for the period 2015-2022;
3. The details surrounding the server crash that occurred in 2015 and CEPEP's record keeping at the time of the crash;
4. The systems implemented to avoid another server crash;
5. The personal cost to CEPEP as a result of the loss of financial data;
6. The discovery of a container of destroyed documents outside CEPEP's office;
7. The details on the non-submission of the working papers to CEPEP by the previous external auditors Hardy's Chartered Accountants;
8. The details on the interventions made by the MOF and the MRDLG regarding the challenges with the previous auditors and the failure to produce the its financial statements;

9. The issues surrounding the calculation of the CEPEP's opening balances for the financial year 2015;
10. The legal actions taken to resolve the challenges faced with the receipt of its working papers and financial data;
11. The steps taken to rebuild CEPEP's data system for financial years 2014 to 2016;
12. The CEPEP's sources of income;
13. The number of contractors enrolled under the programme;
14. The findings of the investigation into the cause of the crash;
15. The measures in place by CEPEP to diversify its income stream;
16. The weaknesses encountered by CEPEP in achieving its mandate and objectives;
17. The CEPEP's Risk Register;
18. The mechanism employed to resolve the non-compliance of contractors to pay its employees' National Insurance and Health Surcharge;
19. The steps taken to clear the outstanding balances owed for National Insurance and Health Surcharge;
20. The processes and systems in place to ensure contractors are compliant and also treat with non-compliance;
21. The human resources capacity at CEPEP;
22. The plans in place by CEPEP to expand its operations in the Port of Spain South area;
23. The status of CEPEP's Internal Auditing Department; and
24. The process used to rebuild the expenditure profile of CEPEP for the financial years 2015 and 2016.

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

- 7.1 The Chairman thanked the officials for attending the virtual meeting and they were excused.
- 7.2 The Committee agreed that additional questions would be sent to CEPEP.
[Please see Appendix 1]

SUSPENSION

- 8.1 At 12:22 p.m., the Chairman suspended the public meeting to resume in-camera for a post-mortem discussion with Members only.
- 8.2 There being no other business, the Chairman thanked Members for their attendance. The Committee agreed that the next meeting of the Committee will be held on March 15, 2023 at 9:30 a.m. At this meeting, the committee will examine the Audited Accounts, Balance Sheet and Financial Statements of the Estate Management and Business Development Company Limited (EMBD). The written submission from the EMBD was uploaded to the Rotunda (e-repository) for Members consideration.

ADJOURNMENT

9.1 The adjournment was taken at 12:27 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN
SECRETARY

March 01, 2023

ADDITIONAL INFORMATION***ADDITIONAL QUESTIONS ARISING FROM MEETING OF THE PUBLIC ACCOUNTS [ENTERPRISES] COMMITTEE*****Request for Additional Information – Questions to the CEPEP**

Provide in writing:

1. The findings of the investigation/s into the causes of the server crash;
2. A breakdown of the actions achieved and the targets met from the Strategic Plan in 2022;
3. The report on the findings of the consultation done to rebuild CEPEP's expenditure profile;
4. A list of all members of staff on the Board of Directors, Committees, Accounting/Internal Audit Department and I.T Department from 2015 to present;
5. A list of the members of staff who remained in the organisation following the change of Board of Directors;
6. A list of the members of the Audit Committee in 2015 and 2016 overseeing the 2015 audit (both on the previous and current boards);
 - a) A list of the work completed by the Audit Committee since the commencement of the new board in 2016;
7. A report on the "system crash" which resulted in the loss of all soft copy documents.
8. State whether CEPEP was able to restore its hard drive and recover its data;
 - a) A copy of the report from the consultants hired to recover the data.
9. The step by step process adopted to complete the financial statements (unaudited) for 2016;
10. A detailed breakdown of the sum paid to the audit firm Hardys Chartered Accountants since hired by CEPEP;
11. A detailed explanation as to why legal action was not taken against Hardy's Chartered Accountants.
12. The date of the last communication with Hardy's Chartered Accountant and all supporting documentation.
13. A list of the critical hardcopy documents that CEPEP were able to retrieve.
14. A list of the critical documents needed for accounting purposes that were not able to be retrieved.
15. State the following regarding the internal audit function
 - a) The date the Internal Audit Department was established?
 - b) The period of time that the internal audit department and function were absent;
 - c) The internal audit consultant was recruited; and
 - d) The duration of the employment period of the consultant?

Request for Additional Information – Questions to the CEPEP

Questions based on Issue: 3 Contract with the Arthur Lok Jack Graduate School of Business

1. State the four (4) phase Transformation Model outlined in the Lok Jack report that have been implemented to date?
 - a. What were the achievements and outcomes since the implementation of the recommendations?
 - b. What were the challenges encountered, since the implementation of the recommendations?
 - c. What were the solution of these challenges?
2. How has the CEPEP ensured the process for the award of contracts is transparent and fair?
 - a. State the steps involved in this process.
3. CEPEP indicated that it was “reviewing its existing processes and developing a Pre-Qualification of Contractors Applications Policy”.
 - a. What is the status of this review?
4. What is the status of the initiative for the revision of CEPEP’s governance structure?
5. Regarding the execution phase, has an assessment been conducted to establish whether improvements were made since training was completed?
 - a. If yes, what were the findings of this assessment?
6. When will the contractor training on the areas as recommended in the ALJGSB Report be conducted?
7. What does CEPEP’s Business Incubation Model entail?
 - a. What is the status of the implementation of the Model?
 - b. Who will be able to access or take part in this Model? What were the outcomes?

Questions regarding Issue 4. Issues Identified in CEPEP's Audited Financial Statements

1. Based on a follow-up question, the Committee requested the status of the implementation of the ‘Disagreement of Sub ledger and GL Accounts Payable’ recommendation. However, no response was forthcoming.
 - a. State the reasons no response was provided.
 - b. What is the status of the ‘Disagreement of Sub ledger and GL Accounts Payable’ recommendation?

Questions regarding Issue 5: Discrepancies in CEPEP’s Income

1. What proper financial accounting principles were implemented in light of the discovery of discrepancies in CEPEP’s Income Statement?
2. Were the financial statements realigned to IFRS 15 reporting standards as advised by the Internal Auditor?
3. What is the status of the implementation of the recommendations suggested by the Internal Auditor?
 - a. State whether there is a timeline for implementation?
4. What improvements have been noted in the quarterly financial statement assessments which were stated as part of the company’s Audit Plan?

Questions regarding Issue 6: Challenges faced by CEPEP

1. What were the changes put forth by the Cabinet to the Board of Directors?
2. What were the recommendations? Were the recommendations given to the Board of Directors adopted?
 - a. If yes, what is the status of the implementation of the Recommendations?
 - b. If any of the recommendations were not adopted, what were the reasons for not implementing the recommendations?

Questions regarding Issue 8: Absence of Internal Audit Function

1. What are CEPEP's plans to strengthen staffing in this area?
2. Have any internal control discrepancies been discovered?
 - a. If yes, what specific concerns were noted and what recommendations were proposed?
 - b. Were the recommendations accepted?
 - c. If yes, how is the implementation tracked?

Lack of Project Management Unit

Questions:

1. Since there is no Project Management Unit on the organizational structure of the company, who is responsible for the monitoring and evaluation of the projects undertaken by the company and extension the contractors contracted by the company?
2. In its written response, CEPEP indicated that in its preliminary verification and qualification process, the following documents must be provided by the Contractors:
 - A brief Company Profile (no more than twenty 20 pages)
 - Certificate of Incorporation, or any other documentation related to the Business/Company Registration.
 - A list of all company directors with the most recent Return of Directors.
 - A Valid Income Tax Clearance Certificate.
 - A VAT Clearance Certificate.
 - A Valid NIS Clearance Certificate, no older than six (6) months.
 - Two (2) years Audited Financial Statements or Management Accounts dated no earlier than 2018.
 - Evidence of worker's compensation insurance coverage, detailing type of coverage.
 - A bank reference letter indicating tenure, financial standing and credit rating.
 - Three (3) Letters of Reference from current corporate clients, with contact information, for whom similar services are provided.
 - Certifications specific to Maintenance services, if any.
 - Company Environmental Policy.
 - Company Training Policy.
 - Listing of recent/existing contracts.
 - Company COVID-19 management plan for their workers.

- Submission of the CEPEP Company Limited Supplier/Contractor HSEQ Questionnaire.
- a. How does CEPEP ensure the criteria stated above are met?
 - b. Who is responsible for verifying that the information submitted by a contractor is accurate and legal?
 - c. Is there a due diligence process in place? State the steps involved in this due diligence process.

Risk Management

Questions:

1. How does CEPEP treat with the risks associated with the pursuit of its mandate (**Page 19 of response**)?
 - a. Has there been any occurrences where employees were affected by the risk identified?
2. What is the status of the Risk Management Policy currently before the Board for approval?
3. What were the findings of the last quarterly internal controls analysis conducted?
 - a. Were any discrepancies in the internal controls discovered?
 - b. If yes, what action was taken to address these discrepancies?

Procurement Practices

Questions:

1. What is the status of the digitisation of the company's procurement process?
2. What will this digitisation entail?
3. What challenges were encountered in undertaking its procurement process?

Income

Questions:

1. How is income generated from the Beverage Container Clean-up Project? What is the total sum of income received?
2. Under the area of Income as stated in your financial statements (page 22 of response) what does "Other Income" entail?

Overhead Expenses

Question:

1. What expenses were incurred executing the Beverage Container Clean-up Project?

Personnel Costs

Questions:

1. Regarding the number of employees and vacancies listed on Page 24 of your response, is the number of staff listed inclusive of staff under its contractors?
2. How many vacancies currently exist at CEPEP?
 - a. Are the current vacancies for technical/specialized posts?

- b. If yes, have these vacancies affected the operations of the company? If yes, in what ways and how were the effects handled in the absence of the necessary staff?
3. How long have these posts been vacant?
4. What does “staff welfare” and “staff benefits” refer to under personnel costs?
 - a. In its written response it was stated that the information for the period 2013-2014 was not applicable. Explain why?
5. Who provides uniforms for the staff under CEPEP?
 - a. What is CEPEP’s role in the provision of uniforms to staff employed with the company?

Environmental Protection and Enhancement

Dead Animal Removal Team

Questions:

1. Regarding the public awareness initiatives undertaken by CEPEP, has an assessment of the effectiveness of these initiatives been conducted?
 - a. If yes, when? What were the findings?
 - b. If no, how will CEPEP determine if the public is well informed of its services?

Office Support

Questions:

1. Under the Environmental Protection and Enhancement, what expenditure items fall under the area of “Office Support”?

Administrative Expenses

Carnival Events

Questions:

1. In its financial statements an expense of \$1,691,155 and \$3,253,993 for fiscal 2013 and 2014 respectively was incurred. What was these sum spent on? (response was not provided)

Director’s Fee and Expenses

Question:

1. What was sum of \$57,266.00 spent on for between 2013 and 2014?

Donations

Question:

1. What donations were made in 2013 and 2014? (response was not provided)?

Groceries

Question:

1. Why was no response given to the questions asked by the Committee under this item?

Legal and Professional Fees

Questions:

1. What was sum spent on Legal and Professional Fess in FY 2013 and 2014? Provide detail on the reason for the expenditure.
2. Presently, how many cases are before the court and for what reasons?
3. Who is the lawyer for each matter and the cost of each matter?
4. What payments were made to each thus far?
5. What changes were happening with the company that saw the high cost expended on legal fees in FYs 2018-2019 and 2019-2020?

Medical**Questions:**

1. What was sum of \$84,556.00 for medical spent in 2014?

Property, Plant and Equipment**Questions:**

1. Was a valuation exercise on Property, Plant and Equipment conducted for the year 2022?
2. What is the current status of the impairment review of its plant property and equipment?
3. What is the status of the internal exercise to ascertain the correct balance/valuation of all fixed assets listed on the fixed asset register?
4. When will the next physical count verification and valuation exercise be conducted?

Cash in hand at the Bank**Questions:**

1. Why was there such a significant decrease in the balance in 2014 from 2013?
2. What debts were owed to the CEPEP for 2013 and 2014?

No response was provided for the following questions:

1. What measures have been implemented to review receivables on a timely manner to determine the need for the provision for doubtful debt?
2. Has the company established an optimal level of accounts receivable? If so, please quote the limit.
3. What mechanisms have been implemented by the CEPEP to ensure that monies owed were collected within the stated time period?
4. What were the reasons for the doubling of the Vat Account in 2014?

Payables and Accruals**Questions:**

- a) What were the company's Payables and Accruals for the years 2013 and 2014?
- b) Describe the company's payable process.

Questions to the Ministry of Rural Development and Local Government

1. Provide in writing:
 - a) The oversight role of the Ministry in accounting for the use of public funds by CEPEP.
 - b) State whether the Ministry conducted an investigation into CEPEP's issues regarding the non-submission of the audited financial statements and the server crash in 2014-2015; and
 - c) The recommendations that can assist CEPEP in improving its systems and processes to ensure the delivery of its services in any efficient and effective manner.

Questions to the Ministry of Finance

1. Provide in writing:
 - a) The oversight role of the Ministry in accounting for the use of public funds by CEPEP.
 - b) State whether the Ministry conducted an investigation into CEPEP's issues regarding the non-submission of the audited financial statements and the server crash in 2014-2015; and
 - c) The recommendations that can assist CEPEP in improving its systems and processes to ensure the delivery of its services in any efficient and effective manner.

Appendix 2: Verbatim Notes

VERBATIM NOTES OF THE THIRTEENTH MEETING OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE HELD (IN PUBLIC) IN THE J. HAMILTON MAURICE ROOM, GROUND FLOOR, CABILDO PARLIAMENTARY COMPLEX, OFFICE OF THE PARLIAMENT, ST. VINCENT STREET, PORT OF SPAIN, ON WEDNESDAY, MARCH 01, 2023, AT 10.15 A.M.

PRESENT

Mr. Wade Mark	Chairman
Mr. Rushton Paray	Vice-Chairman
Mr. Stephen Mc Clashie	Member
Mrs. Renuka Sagrarsingh-Sooklal	Member
Mr. Keith Scotland	Member
Ms. Amrita Deonarine	Member
Mrs. Laurel Lezama-Lee Sing	Member
Ms. Hema Bhagaloo	Assistant Secretary
Ms. Rachel Nunes	Graduate Research Assistant

ABSENT

Mr. Fitzgerald Hinds	Member [<i>Excused</i>]
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COMMUNITY-BASED ENVIRONMENTAL PROTECTION AND ENHANCEMENT PROGRAMME (CEPEP)

Ms. Marilyn Michael	Chairman
Mr. Derek Ambrose	Deputy Chairman
Mr. Keith Eddy	Chief Executive officer
Mr. Gary Stoddard	Senior Financial Officer
Ms. Nicole Gopaulsingh	Corporate Secretary/Head Legal Department
Mr. Matthew Kaliah	Senior Operations Officer
Ms. Alicia Austin	Senior Internal Auditor

MINISTRY OF RURAL DEVELOPMENT AND LOCAL GOVERNMENT

Ms. Desdra Bascombe	Permanent Secretary
Ms. Annalean Inniss	Deputy Permanent Secretary

Mrs. Gaynell Andrews-Vegas

Senior Planning Officer

Mr. Aldwin Hylegar

ICT Manager

MINISTRY OF FINANCE - INVESTMENTS DIVISION

Mr. Narine Charran

Deputy Permanent Secretary in the
Ministry of Finance

Ms. Chintamani Sookoo

Director (Ag.), Social and Economic
Transformation

Ms. Melba Braithwaite-Issa

Senior Business Analyst (Ag.)

Mr. Chairman: May I call this meeting to order and indicate, on behalf of our committee, this Committee, a warm welcome to all our officials from the Ministry of Finance, Investments Division; the Ministry of Rural Development and Local Government; and the CEPEP Company, the Community-Based Environmental Protection and Enhancement Programme Company Limited. Good morning and welcome.

My name is Wade Mark. I am the Chairman of the Public Accounts (Enterprises) Committee. As we are all aware, we are guided and governed by the Constitution of the Republic of Trinidad and Tobago, and we are mandated to examine the audited accounts, the balance sheets and other financial statements of all enterprises that are owned and/or controlled by or on behalf of the State, among other responsibilities and duties.

Now, the purpose of our meeting today, the Public Accounts (Enterprises) Committee, is to do what is called a follow up. It is a follow-up examination on the implementation of the recommendations in the Fourth Report of the Committee—well, the Committee, of course, is the CEPEP committee—no. We are examining the report and the accounts and other financial statements, I should say, of the Community-Based Environmental Protection and Enhancement Programme, CEPEP, of course, for the financial years 2009 to 2014.

Now, remember, we are seeking to assist CEPEP in understanding the various challenges that you face and how can we, as a committee, help improve your operations and services, so that it can become more efficient, more effective and more economical.

May I advise everyone that our meeting is being broadcast live on the Parliament's Channel 11, on Radio 105.5 FM and on the Parliament's YouTube Channel. Viewers and listeners can also send their comments related to today's enquiry via email, parl101@tpparliament.org, [facebook.com/tpparliament](https://www.facebook.com/tpparliament) or [twitter@tpparliament](https://twitter.com/tpparliament).

Now, I would like at this time to invite my colleagues to introduce themselves respectively.

Having done that, I will call on our officials that are with us today to follow. Firstly, Ministry of Finance, Investments Division, followed by the Ministry of Rural Development and Local Government and then the Community-Based Environmental Protection and Enhancement Programme Company Limited. So, in that order, may I now invite my colleagues to introduce themselves.

[Introductions made]

Mr. Chairman: And, officials, may I inform you that we have one of our members with us, but virtually. So I will now invite our member, Mrs. Laurel Lezama-Lee Sing. Laurel, I think I have done what you were supposed to do, but continue.

[Introductions made]

Mr. Chairman: Yes. Sorry about that, Mrs. Lezama-Lee Sing. I will now invite members of the Ministry of Finance, Investments Division, to introduce themselves.

[Introductions made]

Mr. Chairman: Thank you. May I invite our colleagues from the Ministry of Rural Development and Local Government to introduce themselves.

[Introductions made]

Mr. Chairman: Yes. And may I now invite the officials from the CEPEP Company to introduce themselves.

[Introductions made]

Mr. Chairman: Welcome to all, once again, and may I, at this time, invite the Deputy Permanent Secretary in the Ministry of Finance to make a very brief opening statement.

Mr. Charran: Thank you, Chair. The Investments Division of the Ministry of Finance is responsible for executing the investment policy as prescribed by the Cabinet. Accordingly, the mandate of the division includes oversight, monitoring and, where necessary, the rationalization of the Government of the Republic of Trinidad and Tobago's equity holdings in commercial enterprises. The CEPEP Company Limited is one of those enterprises.

Additionally, the division acts on behalf of the Minister of Finance, who is corporation sole, and carries out the corporate functions. This includes representation of the Minister of Finance at stakeholders meetings, establishment of new enterprises and the rationalization of the Government's equity holding in the state sector. We look forward to today's discussions and I hand it back to you, Chair.

Mr. Chairman: Thank you. May I invite the Permanent Secretary in the Ministry of Rural

Development and Local Government to make a brief opening statement.

Ms. Bascombe: Good morning, Chair, and members. It is certainly a pleasure to be here with you, again, today, face to face. The Ministry of Rural Development and Local Government has oversight over 14 municipal corporations and three state enterprises of which CEPEP is one. In terms of CEPEP, which is the subject of today's exercise, we essentially do monitoring and oversight of their operations, both operational and financial. Thank you.

Mr. Chairman: Thank you. And either the Madam Chairman of CEPEP or maybe the deputy CEO, whichever one, would like to make a brief opening statement.

Ms. Michael: Sure. Thank you. Good morning, again, to all members of this Committee. Thank you for giving me and my team the opportunity to report on our financials for the years 2009 to 2014 of the Community-Based Environmental Protection and Enhancement Programme, CEPEP. We at CEPEP Company Limited aspire to ensure public accountability and transparency in the use of public moneys. Over the last six years, CEPEP Company Limited has made significant strides in improving our governance, financial management, corporate performances and public accountability and plans to continue to fulfil our mandate. Thank you.

Mr. Chairman: All right. Well, thank you so very much officials from the three organizations that are before us today. I would like to commence the enquiry, formally, by raising a few questions and to seek, in the process, clarification from the company that is before us today, as well as the Ministry that is responsible for supervising its overall operations and, of course, the Investments Division.

Now, the State Enterprises Performance Monitoring Manual states, and I would like to quote: "State Enterprises are required to publish in at least one (1) major daily newspaper a summary of its audited financial statements within four (4) months following the completion of the financial year and a summary of the..."—their accounts.

Right? And that has to do with unaudited accounts in the newspapers as well.

Now, we also know that in this very state enterprises manual, state enterprises are required to submit audited financial statements to the Minister of Finance within four months of their financial year end. Now, these reports are to be laid in Parliament and, of course, subsequently submitted to the Public Accounts (Enterprises) Committee as well as the Public Accounts Committee.

Now, the first question I would like to ask the CEPEP team of officials is that given the above statement or the statements that I have just read out, we would like to know: What is the reason or what are the reasons for the non-submission of audited financial statements for the financial years 2014 to the present time? And as you prepare to answer that, we would like to ask: How does this

company intend to address these outstanding statements for the years 2014 to the present? So I would ask this to the officials from CEPEP and if you can get someone to respond.

Mr. Eddy: Thank you, Chairman, for the question. I believe we do have 2014 audited financials. I think 2015 is the one—from 2015 and beyond is what is outstanding.

Mr. Chairman: Yes, thank you.

Mr. Eddy: Yes. The main reasons are, there was a server crash somewhere around 2015, and all financial data was lost between 2010 and 2016. It took approximately two and a half years to recover that financial data and then we had to build out the system again. We then had some internal problems with the auditor for 2015 financials. Because of the server crash, we were all—none of the people sitting around the table here were there prior to 2016, so we could not verify the information in the 2015 financials, and the auditor then refused to give us the working papers. So we had no financial information and we did not have the working papers.

After we rebuilt the system, it took another six months, beyond the board's decision, in order to bring a new auditor on board. That has since happened and we are in the process of having those audited financials from 2015 to current, completed. I hope that answers the question.

Mr. Chairman: You did provide this Committee with some commitments to address these outstanding accounts. Do you care to share with this Committee what has happened to these deadlines that would have been given to us for the accounts, as you rightly said, '15 right up to 2019/2020? Right? We were told that by July of 2022, we should be able to get 2016/2017. And then, you went on to indicate 2017/2018, by October of 2022. And then in terms of 2018/2019, by December of 2022 and then for 2019/2020, of course, by March of 2023. Today is the 1st of March, so you could still say, well, okay, as it relates to 2019/2020, we still have some time, a few weeks to go, before we get the 2019/2020 financial audited accounts submitted to the Ministry of Finance and then through the Ministry and Minister to the Parliament. So, at least, we have a little breathing space for 2019/2020. Could you explain to this Committee what has happened to these other commitments?

Mr. Eddy: Chairman, I will then pass it on to the Senior Financial Officer, to give your more detail as to where we are and why we are at this position. Yeah?

Mr. Stoddard: Chair, good morning, again. Okay? The financial statements, as the CEO indicated, are in process of being audited. The challenges that we had pertained to the opening balances that we needed to verify for our external auditors. Given that we did not get the working papers from the previous auditors, Hardys, we had to provide the current external auditors with some more assurance

about the figures. That is in the process right now. We have been in constant communication with our auditors, our current auditors, and it should be noted that the opening balances for 2015 will trickle its way all the way down to current. So once they get past that initial hurdle for 2015, all audits should flow beyond that.

Mr. Chairman: What is your name, Sir?

Mr. Stoddard: My name is Gary Stoddard. I am the Senior Financial Officer.

Mr. Chairman: Okay. That has become a stock record, literally. We are talking about July of 2022, a commitment was given to this Committee that the 2016/2017 financial audited accounts would be submitted. We are now the 1st of March, and hear what you have just told this Committee: you are in the process of completing the audited accounts for these periods that we have identified. Look, this is totally indefensible, it is inexcusable and it is intolerable.

I think CEPEP has now gone rogue. I want to repeat that. CEPEP has now gone rogue. You are spending or you have spent close to \$1.5 billion from 2015 to 2021, and you have to spend another close to 300 million or thereabouts in 2022/'23. And you are telling this Committee and the taxpayers of Trinidad and Tobago and the Parliament of Trinidad and Tobago, that you have spent 1.5, or close to that, and you are in the process of auditing accounts for 2015 to 2021. I want to tell this CEPEP Company that this is not satisfactory, it is not acceptable and we will have to take strong action. We will have to report to the Parliament of the Republic on the conduct and behaviour of this company.

I would like immediately to ask the Ministry of Finance—but before I do so, I want to ask the Permanent Secretary in the Ministry of Rural Development and Local Government to explain to this Committee: What has been done by the Ministry to ensure that this company—as my colleague told me earlier on, is so critically important to the people of this country, and people have high hope for this company and its future to be in such a state. I would like the Permanent Secretary to explain to this Committee: How the Ministry is treating with this matter and what recommendations you would like to share with this Committee in order to help you help CEPEP to address these outstanding accounts for these years? Can you share with us what are your challenges—

Mr. Eddy: Chairman?

Mr. Chairman: Somebody wants to say something?

Mr. Eddy: Yes. Chairman, may I say a few words, because I do not agree with some of your statements. I going to ask my Senior Financial Officer to go into depth to explain the hardships that we have gone through to be able to get these audited financials. That is just a brief that you gave. I

want you to tell this Committee and the people here exactly what we have been going through to be able to get those audited financials completed.

Mr. Stoddard: Thank you, CEO. Chair, in our defence, all our financials, all our management accounts, up to 2021, have been completed. All our monthly and quarterly reports, that are due to both the Ministry of Rural Development and Local Government and Ministry of Finance, are completed and have been submitted. So all our current reporting is up to date. The challenges that we are facing, as the CEO indicated earlier, and because of anyone of us around the table here today, we have inherited the issue and have been assiduously working to get over those issues.

Every report or every request of our current external auditors are being attended to. As the CEO indicated earlier, we do not have the working papers that were prepared by our previous external auditors. As a matter of fact, they blatantly refused to pass the working papers to our current auditors. So we have to work around those challenges to get to where we are today. We are in constant communication with our external auditors to meet all their requirements.

So this started—it may take some time, but this started since—for the period 2012 to 2015, that is when the crash took place. Some of this information—this information was previously submitted to the Committee.

Mr. Chairman: Yes. Continue, Sir.

Mr. Stoddard: Right. This information was previously submitted to the Committee. It is in the document in detail. After the crash, the time spent was to recreate the financial system. Right? After completion of the recreation of the financial system, the accounts then had to be prepared. New external auditors had to be engaged. Each activity took time. There is a chronological explanation within that document before you, Sir.

Mr. Eddy: Let me just say also, between the recovery of the information and putting a new auditor in place with the refusal to get the working papers, it took three years to be able to get that information built and to have a new auditor in place, and that forward balance that we are referring to is something that the auditors require to get 2015 signed off. Because if you do not have that balance going forward, everything else that follows could be erroneous. So we had to make do and jump over a number of loops to try to figure out a way in which we can actually move the audit forward with having 2015 signed off. Had we gotten those working papers, these audits would have been completed. The auditor refused. The only thing we have not yet done is reported the auditor to the international—ICATT.

So it is not CEPEP's fault as to where we were. And I would reiterate that the period that we

are talking about, where the audits got stuck, was after 2014 into 2015. And none of us, neither the board nor myself, could sign on to something that we have no information on. Because somehow in late—sometime in around, I believe, it is August 2015, there was a server crash, and where we were left with no information, no financial information, to be able to take this company where we are. But, in the interim, we have done everything to ensure that there is compliance. We have put reports in the times that are required to be put forward, and we have management accounts all the way to 2021, I believe. Yeah?

So to say that we are not doing anything, to me, Sir, it is not a correct statement. This company has done everything that it can to get those audits, so much so now that we are ready. The auditor went off to do other stuff and they gave us a date of July. I am in constant contact with them to move that date forward because we are ready to have those audits done. So I must put that in because that statement of saying that CEPEP has not done—we were given something that was very difficult to deal with to be able to get our audits in place. So I just wanted to put that on the record, Chairman.

10.45 a.m.

Mr. Chairman: Yeah. Madam Permanent Secretary, could you indicate to this Committee—this thing seems to be going on forever, so I would like you to share with this Committee what your Ministry has been doing to assist CEPEP.

Ms. Bascombe: Chair, I am in the beneficial position having started as PS in local government from the end of 2015, so I have experienced, along with CEPEP, all the trials and pains they have been going through. We were aware of the system crash, which affected their operations, and the attempts they have made to rebuild. The only recommendation I have to move this process forward, in light of what the CEO and the Senior Financial Officer have said, is perhaps the route of litigation where they may wish to take legal action against the first auditor in order for them to deliver the audited reports. That is the only way I can see of them getting that data. So, CEPEP, you may wish to consider that and, Committee, you may wish to comment on that.

Mr. Chairman: Yeah. Mr. Scotland, you go ahead.

Mr. Scotland: Chairman, not at all wanting to provide free legal advice, but the working papers, as I understand it, are the documents that the auditors would use from the entity to form its audit report, but those documents are not the property of the auditor. That is the property of CEPEP. On another incarnation, I have seen here where CEPEP has retained attorneys to do litigation. What about CEPEP being on the front foot? Mind you, if these papers, Chair, through you, are retained from 2014, there may be an issue of statute barred because four years, having elapsed—unless you say it is

a continuing brief. But, to my mind, because I think this entire Committee agrees as to the critical role of CEPEP in today's society in Trinidad and Tobago, but you need to be a little more bullish with the errant auditor, whoever that firm may be, to retrieve your working papers, because it gives this Committee no joy to have to be appearing to chastise CEPEP for not doing what it ought to have done. So what is being done about these papers, that are your property, that the auditors are refusing to give? Chair, through you, may I ask that question: What is being done?

Mr. Eddy: Let me, again, say—and you are absolutely correct, member. But we have gotten to the position now, without those working papers, that we have readied ourselves to be able to have these audits done. I mean, we could still take that course, in terms of verification, but I am going to speak for the Senior Financial Officer, and you could—I do not think it is required at this point in time, and you can answer me.

Mr. Stoddard: That is correct, CEO. On the last meeting that we had with the auditors, we did discuss a workaround, not having the working papers from the previous auditors. So we have since acquired the information that they put forward to us and we just have to present to them now. So on our last meeting they asked us to present what we have in hand now so they could see if they could move the date forward so that they could come in and continue the audit.

Mr. Eddy: Chair, just one more thing. I mean, having said that though, I will take the member's advice, and I agree that those working papers do belong to CEPEP. It is not the auditors'. And, as I said, we will still go after it in order to make sure that we have those working papers so we can always have checks and balances in place.

Mr. Chairman: Before I go to the Deputy Permanent Secretary on this matter, my colleague would like to raise something.

Mrs. Sagrarsingh-Sooklal: Thanks, Chair. It is just to springboard off of the comment made by member Scotland. Now, I hear what CEPEP is saying relative to the papers not being necessary now because you have bobbed and weaved and find yourself in a position where you have your financials in order. But to springboard off of what member Scotland would have stated, relative to that being the property of CEPEP, beyond that it is confidential property that belongs to CEPEP. And if you have a rogue auditor who is refusing to give you—provide you, the entity who hired them in the first instance, your information, one can only imagine, with that data, that information in their hands, what they can then do with that information. So I just want to reiterate how critical it is, notwithstanding the fact that you are in a position to be able to provide to the Committee and to the country accountability for how moneys are being spent, that information that this auditor is holding, it is critical

that you assess—you go after it.

Another thing is, what you would also have to find out—okay, as lawyers, we know sometimes liens are placed on—I mean, on client’s documents. If, let us say, there are outstanding fees or there may be some issue that would have existed that would position the auditor that he feels, “Okay, I could now put a lien, I can now hold this document,” that is information you would also want to find out and do some sort of engagement because that could very well be some of the reasons why these documents have not been released—right?—and especially bearing in mind that you all are new. I hear the Committee, I could hear the pain, for want of a better word, being a new board, a new, you know, administration having inherited this issue, but the reality is you now sit in the hot seat and you have to determine, as you have seemingly done, try to figure out a way forward. So that is just to add my two pence, Chair, on that point.

Mr. Chairman: Yeah. Before I ask Mr. Rushton Paray to come in, Deputy Permanent Secretary in the Ministry of Finance, based on all that you have heard thus far, would you advise this Committee or inform this Committee whether your Ministry and your division was aware of these challenges, as outlined by the deputy CEO and the financial person who spoke earlier, on those challenges faced or being faced by CEPEP in seeking to complete its financial audited accounts? And if you were aware of these developments, what would have been your advice to CEPEP to address those challenges?

Mr. Charran: Thank you, Chair. So the Ministry of Finance, Investments Division, is aware and has been aware of the challenges concerning the data server crash and the challenges in rebuilding the data. We have been in contact with CEPEP on a regular basis to get status updates, so we are aware of the point at which the company is at in getting the reports. The company has also been providing us with the necessary information that is required under the State Enterprises Performance Monitoring Manual. Your last question, I think that I would concur with my colleague, the Permanent Secretary in the Ministry of Rural Development and Local Government, that legal action may have been warranted.

Mr. Chairman: All right. Mr. Rushton Paray.

Mr. Paray: Thank you very much, Chair, and good morning to our visitors. I just want to make it clear that I think CEPEP is a critical organization. I think you deal with the most vulnerable, in terms of the social fabric in our country, especially in rural communities, like those that MP Scotland and I would represent at the end of the day. So an efficient and well-oiled and well-running organization is beneficial to all of us as representatives of the people. I have a couple of questions I would like to, you know, point to the finance director in the back there. How many sources of income does CEPEP

have?

Mr. Stoddard: The main source of income is via subventions that we receive from the Ministry of Rural Development and Local Government.

Mr. Paray: So there is one source of income?

Mr. Stoddard: We also have services that we offer, maintenance services, landscaping services, clean-up activities that we do offer, but that is in the minority. Given the scale that we operate under, those other sources of income will not be able to sustain the CEPEP at this point in time, but we are growing in that regard.

Mr. Paray: If you were to give me a percentage, in terms of the income that you get from state intervention versus what you generate on your own, what percentage that would be?

Mr. Stoddard: All right. Currently, the subvention that we receive is to the tune of \$33.35 million on a monthly basis. The income that we derive from other sources are merely in the thousands.

Mr. Paray: Okay. So the vast majority comes from state intervention?

Mr. Stoddard: Yes. It should be also noted that 92 to 95 per cent of the subvention is spent on the programme itself.

Mr. Paray: In terms of your customers—the CEPEP Company as an entity that has a customer base, and I suspect your contractors may be a customer of the CEPEP Company. Is that a correct assumption?

Mr. Stoddard: They are part of the process. Yeah, they are part of the process. They are the point people for the persons within the programme, so I will not say they would be our customers per se. No.

Mr. Paray: The reason why I am asking this is I am trying to ascertain and get a picture in my mind of the complexity of your record requirements in terms of recordkeeping, that you have one major source of income through state intervention and then I suspect, in terms of the other side, why I asked about your customer base. Can you tell me how many contractors that you have employed in terms of your management of the service, how many of them you have in terms of your arrangements with those contractors? How many of them?

Mr. Stoddard: I will defer to the Senior Operations Officer on this one.

Mr. Kaliah: Through you, Chair, Vice-Chair, we have 330 contractors currently enrolled in the programme as of day.

Mr. Paray: Okay. So 330?

Mr. Kaliah: Yeah.

Mr. Paray: I want to just revert back to the server crash of 2015. Outside of the inputting of data in this electronic system, in 2015, when that server crashed, would you have had in your possession, ledgers, journals, bank statements, receipts, sourced data that could have been used in some way to start the process of getting afield or afoot of what happened from 2010 to 2015 from that server crash? Was that something you had in your possession in 2015?

Mr. Stoddard: You are correct. Those are the documents that were used to recreate the system.

Mr. Paray: And with one source of income and 300 contractors, it still took seven years to get there? Sorry, I should not ask that question. It is just a statement that I made. I find it hard to believe that with one major source of income and 300 customers or clients or contractors that still, in 2022, we do not have the data to show anything. Now, you have claimed that it is in some place in the process. It has not come to us before the Parliament. We can only speak with what is before us today, which is nothing. All right?

I have two follow-up questions, Mr. Chair, on this issue and it was not on the issues paper here. What systems have you put in place, in terms of your IT system, to not have a recurrence of that problem in 2015 and what is the relationship between your manual system to be a very efficient backup, outside of whatever technology backup you may have on your systems? What is currently in place to prevent us from having a similar situation this year and push you back for another five years, in terms of reporting to the Parliament?

Mr. Stoddard: Okay. We do have daily backups, weekly backups and monthly backups. We are also in the process of scanning all our hard copy documents for recordkeeping purposes.

Mr. Eddy: Let me just add, again, every 24 hours the system is backed up, every week the system is backed up, and every month the system is backed up, but none of the servers are held on-site anymore. They are all saved in the cloud. And we also have a process of where we scan all documents—*[Device goes off]*—on an ongoing basis, so we had to go backwards—

Mr. Chairman: Just a minute, Sir.

Mr. Eddy: Yes.

Mr. Chairman: Can I ask, all devices—all persons with mobile phones, can you put them on silent so that there will be no interruption or disruption. This is going live. So all persons with cell phones, mobile phones, put them on silent. Continue, Sir.

Mr. Eddy: Yes. So, as I was saying, so all of those things are backed up. The servers are not on site, they are held in the cloud, and we do have manual scanning and manual backup. This will never happen to us again.

Mr. Paray: Thank you, Chair.

Mr. Chairman: Yes. Mr. Mc Clashie, would you like to come in at this time and then we would go to Laurel and then Amrita?

Mr. Mc Clashie: Yes. We have been focusing on the financials a bit with regard to their readiness and so on, and I lament the fact that we are still looking at 2014 which is some ways back, and therefore we do not have an opportunity to influence 2015, but we do have an opportunity now to influence what goes further. And in that regard, with respect to the strategic initiatives under CEPEP, I heard of 300 contractors and a whooping disproportional thing between what you get as a subvention and what you generate as an organization. Many times the audits that are done suggest the weaknesses that are inherent in the organization and, as a result, if those weaknesses continue, then whatever strategies and things you put in place really falls on the wayside.

The question is, I am looking at the documents provided and I am seeing a lot of information but I am not seeing any scorecards with respect—unless I missed it—to where we are and where we want to go and how we have been performing in those areas. And as a second part, in terms of diversifying the income stream, how aggressive are you pushing that particular aspect to move from a couple of hundred thousand to a couple million dollars?

Mr. Eddy: Let me start with the second part of it. We are very aggressive, in terms of being able to—we have a business development department, and as we indicated earlier, we offer several types of services. It is not something that is going to fill the bucket for us, in terms of being able to compete with subventions. I do not see that happening, but we are constantly increasing the amount of work that we did. We just did Carnival clean up for a few million dollars between NCC and the corporation for the first time—right?—because we do have a record. And those of you who would have seen Carnival Monday and Tuesday, you would have recognized the work that was done by CEPEP, because when people came to work on Wednesday nobody knew that there was Carnival in Port of Spain. So that department is constantly expanding the services but we have a limit to which we could go, in terms of those services. So subventions, in my opinion, unless something drastically changes, will be the way that we go.

So it is a small percentage of the subvention because remember, we operate on almost \$500 million of subvention a year, so to fill that gap with a business development department, it is going to be very difficult. And we employ mostly unskilled or, you know, not very skilled people in the society, so it is going to be a difficult transition. I do not think that could be done with the way CEPEP is currently set up. But we do monitor the contractors. We have 330 contractors constantly. We have

made a lot of changes with those things in terms of digitizing the company. All of what we do now is online. We had a big problem with non-compliance. [*Device goes off*] The majority of that has gone away now because we now pay the NIB part of it as an agent, and we soon would be paying the health sector initiative also as an agent.

So CEPEP has made a transition from where it was in 2015 to 2022, and it is a very different company today. Yeah? And I would make that statement. So I hope I have answered your question.

Mr. Chairman: All right. I will now ask Laurel Lezama-Lee Sing, and then I will ask—

Mrs. Lezama-Lee Sing: Thank you kindly, Chairman. Thank you. Good morning, again, all. Let me begin by congratulating CEPEP as someone who actively participated in Carnival activities. It was really very good to come out on Ash Wednesday and see the capital city extremely well, and I also saw videos circulating. So I want to congratulate CEPEP and all of the teams who were responsible for the outstanding work. That said, CEPEP continues to be very beneficial to our country and to all our communities, both for beautification and employment and economic stimulation. So I want to place on the record my firm belief that CEPEP is critical in this country.

I do have a few concerns though and I would like to raise—my apologies—and I would like to go back a little bit to the financials because I have some questions. Some of the responses that I have received from you, I do have a slight concern about. Just to be clear, you said that:

We have lost the records from—I am just quoting from my notes, yes?—the records from 2010 to 2016 had all been lost.

Is this correct?

Mr. Eddy: Yes. That is correct.

Mrs. Lezama-Lee Sing: To Mr. Stoddard, 2010 to 2016?

Mr. Eddy: That is correct, member.

Mrs. Lezama-Lee Sing: Okay. Thank you very much. And you said that there was a crash in 2015,'14?

Mr. Eddy: 2015.

Mrs. Lezama-Lee Sing: There was a crash in 2015. Was there an investigation into the cause of the crash?

Mr. Eddy: Yes. We did try to investigate what would have caused the crash and we did produce a report also on that, from that investigation.

Mrs. Lezama-Lee Sing: Do you mind very briefly sharing with me just one or two major things that would have come out of that report, if you are in a position to do that?

Mr. Eddy: I probably will have to provide that at a later time. I cannot recall the—

Mrs. Lezama-Lee Sing: No problem. I do look forward to receiving that from you within a specified period. So thank you very much for that because I think that is critical for us to know what caused the crash. Now, I am looking at another document here and I see that Sinanan Dass & Associates were the external auditors at the time. Is that correct? Are they the ones who are in possession of the documents that belong to CEPEP?

Mr. Stoddard: No, that is not correct. Sinanan Dass was used to recreate the system.

Mrs. Lezama-Lee Sing: “Ahhh”. So could you tell me then who were the auditors before?

Mr. Stoddard: Hardys & Associates.

Mrs. Lezama-Lee Sing: Sorry. Could you say that again?

Mr. Stoddard: Hardys & Associates.

Mrs. Lezama-Lee Sing: Hardys & Associates. Okay. So I will leave it to the legal people and would leave you to source your legal advice in taking action in going forward because I do not think that—I feel as if you are probably being held hostage, and it is the country’s business at hand here and it is not a private exchange. It was a proper commercial transaction. Can I ask you: Do you have a list of who the leadership of CEPEP would have been at the time of the crash? Because, obviously, all of this stems from the crash.

Mr. Eddy: Yes, we do. Yes, we do, member.

Mrs. Lezama-Lee Sing: Can I ask you to provide a list—when you submit the report from the crash, can you provide a list of who the leadership of CEPEP was and any other relevant leadership at that time? I would be very grateful so see that, please, because I do not think we can get anywhere unless we know a little more about this crash. And while I am concerned about the submission of the audited accounts, obviously this is a hurdle that we all need to cross and as quickly and as competently as possible.

Mr. Eddy: Okay.

Mrs. Lezama-Lee Sing: And I want to compliment you as well on the proactive measures that you have taken to ensure that you have backed up now in the event of another crash, and let me compliment you on being proactive to make sure that we do not have to go through this situation again. Can I just ask you, you also have a strategic plan—Chairman, can I continue here or is—
[Inaudible]

Mr. Chairman: Yes, of course. Continue.

Mrs. Lezama-Lee Sing: Thank you. Thank you kindly. I noticed that you have a strategic plan for

2021 to 2025. Can I ask you: How is the execution of that strategic plan coming along, juxtaposing or working in tandem with the recommendations from the Arthur Lok Jack school?

Mr. Eddy: Yeah. So the strategic plan is what we live by in CEPEP, so it is coming along very well. Last year, we were able to achieve approximately 90 per cent of the plan of all the targets that we set. So we are going along very well with the strategic plan.

Mrs. Lezama-Lee Sing: Can I just ask for a little more detail in that, please, from that? Thank you.

Mr. Eddy: I could provide a breakdown of action, because it is a weekly meeting that I hold with the management team and that is the subject of the weekly meeting. All the actions are placed on an action list and those things are followed and tracked. So I could provide that information for you.

Mrs. Lezama-Lee Sing: All right. I very much appreciate that. And do you see—I know in your strategic plan you had a SWOT analysis as well. Can I ask you, please, to speak to any of the weakness that continue to plague you—to plague the organization?

Mr. Eddy: I will just speak to one mainly, which is a main one for us. It is really operating in the high-crime areas. That is a big for deal us. Sometimes we have to actually shut teams down. We also have to be very careful about the boundaries in which we put contractors, but we do have a proper management system in place in the field so that we can monitor that on a daily basis. Sometimes you hear gunshots and stuff, and we have to very quickly move people from one place to the next. So that is a big, big issue for us, in terms of the risk that these contractors go through in some of those areas. But we do have a risk register and we do identify—some of which we talked about this morning would be ensuring that we do not have another server crash that will destroy the work. So we have a risk register where we put those risks, in terms of IT, operations, finance. Those were the major areas that we looked at, and those are the ones that we follow and track to make sure that we have mitigating measures on that risk register, and that is transmitted to the people in the various departments.

Mrs. Lezama-Lee Sing: Thank you very kindly, Mr. CEO. Chairman, this ends my first round of questioning. Thank you.

Mr. Chairman: Thank you. I will now ask Ms. Deonarine.

Ms. Deonarine: Thank you, Chair. Good morning, again, everyone. I have been listening to the discourse so far. I would not delve into the whole system crash and the audit issue at the moment. You all mentioned that there were 330 contractors you all have on board right now. Right. During the last time that you all were here, you all mentioned that there were some contractors who were not compliant with statutory payments with respect to national insurance and health surcharge, right? And I also see that in the list of requirements that you all require when you pre-qualify contractors, those

are some of the requirements as well. It is a long list of requirements that you all have, that these contractors must provide for you all—to you all in order to pre-qualify. So given that this issue was raised back in 2017, where you had 106 contractors non-compliant with the payment of national insurance and health surcharge, have these issues been resolved?

Mr. Eddy: Yeah. I did mention earlier, the contractors are no longer responsible for paying NIS. We do that as an agent, so that has completely gone away. However, they still pay the health surcharge and we do have a bit of an issue—not as big as we had before because it is a much smaller number we are talking about. But we have an internal process that monitors those contractors and if they start becoming delinquent, there is a process that we go through, and the final thing in that process would be to stop your management fee to get you to do that. But we are also working and very soon we should be able to be paying that health surcharge also. We had back in—I think it is 2017, somewhere about 40 per cent of contractors being non-compliant. That has been reduced to about 12 per cent now, but that 12 per cent is only on the health surcharge side. Before we had NIS side and that was millions of dollars that was outstanding. We now have a few thousand dollars that is outstanding and, as I said, very soon that would also go away.

Ms. Deonarine: Okay. And what exactly is the mechanism you all employed to cause the problem to go away? Is it that you all came in and you all paid the NIS?

Mr. Eddy: Well, we stopped the management fee, which was something that should have been done way before we came in, but it should never have gotten to that level. We stopped the management fee and what normally would happen is that the contractor will then come forward and ask to pay off the outstanding amount. So whatever is owed in management fees, we ensure that the company takes what is owed to them. If anything is left, it goes to the contractor. So that worked very well for us but, as I said, that is not an issue anymore.

Ms. Deonarine: Okay.

Mr. Eddy: Right? But we do the same with the health surcharge. So if you become non-compliant then the same thing happens; you are warned, you are sent a letter and then we stop your management fee. And we do find that they come in and they ask that—they use the management fee, pay it off, and then they start back on a normal basis.

11.15 a.m.

Ms. Deonarine: Right. Well, with respect to ensuring that the list of contractors are compliant, what I understand is that you have a team set up that is monitoring to make sure that they comply.

Mr. Eddy: We have a department.

Ms. Deonarine: A department.

Mr. Eddy: Yes.

Ms. Deonarine: In the event that you find that some contractors are not compliant, what is the process that you have to engage them to ensure that they first become compliant? And if after a period of time they do not become compliant, what is the process that you employ?

Mr. Eddy: So, again, once they start becoming non-compliant, because this is monitored all the time, they will be called and indicated that they have an issue. If they do not respond to that, they are formally written. If there is no response, we stop the management fee. Ultimately, we have the ability to terminate the contract if it becomes a big problem.

Ms. Deonarine: Okay. So in the course of—since you have been there, how many contractors have you had to terminate or stop management fees?

Mr. Eddy: Several contractors. I cannot give you a number offhand, but we did have a lot of contractors that we had to stop their management fees, and that is how we were able to recover several millions of dollars of the—currently, it is not a big number, and I could provide that, if you require, in terms of how many contractors—37, I just got the number. We have 37 non-compliant.

Ms. Deonarine: Okay. All right. Thank you, Chair.

Mr. Chairman: Yes, Mr. Scotland, please.

Mr. Scotland: Chairman, through you, good morning all. Tell us, what is the level of staffing now at CEPEP?

Mr. Eddy: I think it is about 121 currently. I think I will also mention, if you remember, also we had a pandemic. We have been operating not with the full complement of staff in the organization. I think the full complement is about 132. So we have operated somewhere between about 110 and maybe 115. So I have had to ask my senior people and my staff to really work overtime, and I have gotten the cooperation. So the company has not missed a beat. We do have some vacancies, which we intend to fill shortly, which would be advertised in the newspapers and our website and stuff.

Mr. Scotland: Because we do wish CEPEP continued success, because particularly in areas such as Port of Spain South, CEPEP is a very critical entity as it relates to, not only the duties that CEPEP performs but the employment that is provided in those areas.

Does CEPEP intend, in particularly challenged areas, to expand—Chairman, I ask this through you—the amount of operations, the amount of units and contracts in those areas, particularly like a vast area like Port of Spain South, which starts up from Picton and ends at the pan yard down, when you come from Cocorite and—no, we go even further, we go a little further beyond Cocorite.

What is being done to augment the amount of units in these areas or are there any plans to do so in 2023? We go up to Fort George.

Mr. Eddy: I will answer part, and then I will ask my operations person to come in. We did budget for 340 contractors. So we do have some room to be able to add some more contractors to assist in any areas that are possible. But I would then ask my senior operations person to give you an idea of how we cover the areas that we do cover, and how we look at it in order to be able to get to an optimum level.

Mr. Kaliah: Thank you, CEO. Through you, Chair, so in terms of the gridding of contractors, so contractors are gridded on two basis. There was a misconception, in terms of gridding contractors by constituencies. I want us to stop thinking about constituencies and contractors belonging to constituencies. Instead, we use environmental work areas, and we build this up to regions. Currently, CEPEP has six regions. I just want to draw—I mean, I am not going to call out any other entities, but I just want to draw on things that you may have seen.

You cut one side of the road, you leave one side of the road out. You cut to a certain point, CEPEP is not doing that. If we are cutting a road, we do not care if it belongs to whatever constituency, two adjoining constituencies, we are cutting the both roads, because we are looking to optimize our resources and grid in that regard. We will distribute contractors by population density, and not wholly or holistically only on geography. So you may see a big geographic area and you may wonder why certain contractors are only allocated over there. However, CEPEP, we have to go back to the original moorings and we are here to service communities.

The way our programme is designed, we are entwined in communities, member, as you just identified, in terms of bringing that economic and social development to specific communities across the board. So that is what we do. So in reference to—I just want to draw on one other thing. If there is a disaster or if there is a problem facing any part of the county, what we would do is swarm down, in terms of we would pull contractors from all of the areas. The last instance we had to do that was in Mayaro. MP, Vice-Chair was there as well, and we would have swarmed down in that community, pull contractors from the areas and get that done.

For example, when we have our—well, we already launched our coastal clean-up, but the first for this year, which will be in Mayaro tomorrow—all are invited at Ortoire—we are going to bring that same aspect, in terms of getting those contractors in. So just to bring back to the point over there, in terms of communities, yes, we look at certain things—and the company is twofold. It is getting the job done, in terms of productivity. I mean, we have a high productivity rate but, more

importantly, I would say, is the social aspect and bringing that development to communities.

In you look at our workforce, you would see a lot of single mothers. That is the number one thing that we do, in terms of we bring that equity and that development to these communities. Hope that answers the question.

Mr. Scotland: Chairman, and my final area of interrogation. Is it that there is no project management unit still in your organizational structure? And if that is so, who is responsible for the monitoring and evaluation of the projects undertaken by the company and extensions of contractors contracted by the company?

Mr. Eddy: We do now have—for the last probably five years, we do have a project management unit, which is based in our Marketing and Communications Department. So, yes, there is. So when we have particular projects, the Brian Lara stadium that we do work in, those things are developed and monitored by our project teams.

Mr. Scotland: Chairman, this will end my first round of questions. I am very grateful to you.

Mr. Chairman: May I continue some further questions for clarification? Can I ask the deputy CEO or the person who is in charge of finance—

Ms. Michael: Chairman, may I make a correction. We have the CEO with us, not our deputy CEO. We do not have a deputy CEO.

Mr. Chairman: Thank you. May I ask the CEO, when would CEPEP be able to formally submit, given all that you have said thus far, the financial audited accounts for 2015, 2016, 2017, 2018, 2019, 2020, 2021, to the Minister of Finance and, of course, through him—you cannot deal with when it would come to the Parliament. But when would you be able to submit those final audited accounts to the Ministry of Finance?

Mr. Stoddard: Chairman, if you would allow me, that would depend on the schedule from our external auditors. Once we provide the required information, once it meets their requirements, the audit will move along as planned. If they ask for further information, we will have no choice but to go and get the required information that they requested. But once the information that we have in hand meets their requirements, the audit will move along, based on their schedule.

Mr. Eddy: Let me just also add, Chairman, I mentioned earlier that we have a July start date now from the auditor. I have met with the auditor on an occasion, asking the auditor to pull that forward. So if you take July as our start date, I believe that it would take about two to three months for each of those years for the audit to be completed. So if you go from—2015 is not an issue in terms of having to do an audit, but from '16 to '21, if you say three months for each of those years, or two months for

each of those years, that would leave us with '17, '18, '19, probably about a year to be able to complete those audits. It may go a lot quicker, but that is the timeline that I can give you currently.

Mr. Chairman: Mr. CEO, can you explain to this Committee the reasons for not providing information on the internal controls of CEPEP?

Mr. Eddy: Sorry, I am not sure—let me ask the Senior Financial Officer, because we did provide information.

Mr. Stoddard: Chair, would you care to give some more detail into that question, please?

Mr. Chairman: Well, based on—remember, we had submitted a number of questions to the company.

Mr. Stoddard: Could you make reference to the part of the document, please, Sir?

Mr. Chairman: We are talking about—*[Mr. Chairman confers with the Secretary]* We received from CEPEP, a written document report. Right?

Mr. Eddy: I think if you go to page 4—what requirements would the internal auditors—*[Inaudible]*—to strengthen the financial department's internal controls, and there is a whole list of things that have been placed there.

Mr. Chairman: On page 4? On page 4 of which report?

Mr. Eddy: On page 4 of the questions. You talked about authorizations, reconciliations, and we sent a sample document in. So we did provide a significant amount of information on internal controls.

Mr. Chairman: And these recommendations, Mr. CEO, have been implemented?

Mr. Eddy: Yes, yes, absolutely. It says so on page 7.

Mr. Chairman: How many internal auditors do you have at this time in that unit?

Mr. Eddy: We have an internal auditor and an assistant.

Mr. Chairman: And do you think that they are adequate for the job based on what—

Mr. Eddy: Yes, we do.

Mr. Chairman: Now, as it relates to administrative expenses, along with personal costs, what is the cost for those two items for 2014? And if you can bring us up to speed at this time, we will appreciate it.

Mr. Eddy: 2014?

Mr. Chairman: Yes. In terms of 2014, is there any information—because that is again, Mr. CEO, when we requested information.

Mr. Eddy: No, no, I know you did request it and we did provide an answer. I think we said, and we could go back to the document, that we could find no information. But let me just double-check that,

because it is in the document also.

Mr. Chairman: Yes. Well, it is exactly that. We were told that you could not find any information to provide to this Committee. So I wanted to find out from you and the Permanent Secretary, in terms of backup information, even if your server had crashed, rendering a lot of critical information being lost, was there any provision of hard copies being made available to the Ministry of Rural Development and Local Government at the time, or even the Ministry of Finance so we would be able, as a committee, to have an idea, as it relates to expenses in 2014, as an example, what were the administrative expenses like? What was the personal cost like? There is no information whatsoever, because we got no answers from CEPEP, insofar as these matters are concerned. It is a bit worrying. So, Madam Permanent Secretary, I just wanted to know if there were no hard copies, no backup copies so that you would know what the costs were.

Ms. Bascombe: No, I am being told that no hard copies were lodged at CEPEP's office.

Mr. Chairman: None—no copies? So no hard copies were lodged with you as well?

Mr. Eddy: Since we were not able to find—we searched the system and we were not able to find any information. And as far as I can recall, we also did not have any hard copies. It was almost like a blank period when we went into the system.

Mr. Chairman: No, all I am saying is that there are supposed to be monthly statements being submitted to the Ministry of Finance, as well as Rural Development and Local Government. So whilst you would have some challenges with the system, I am asking the Permanent Secretary, was there any kind of information submitted to you in 2014, in the form of a hard copy, and similarly the Ministry of Finance, Investments Division? Because there cannot be a situation where there was only one source, the source crash, and there is nothing. So there is no information whatsoever on overall expenses, whether it be personal costs, whether it be administrative costs or, as I see here, an item called “repair and maintenance services costs”. Nothing at all like that?

Ms. Deonarine: Chair, could I intervene and follow up on your question?

Mr. Chairman: Yes.

Ms. Deonarine: I too am wondering why there were not any hard copy records at the CEPEP office, not necessarily at the Ministry of Rural Development and Local Government or the Minister of Finance, but at CEPEP's office. Not necessarily at the Ministry of Rural Development and Local Government, or the Ministry of Finance, but at CEPEP's office, because CEPEP is a limited liability company. According to the companies law, hard copy of records should be kept for a certain period of time, I think it is seven years.

So I understand the problem of the system crashing, but at the same time, according to law, according to statutory requirements, we should have hard copy of every single piece of document, bill, receipt, invoice, that is used to prepare accounts for, at least, seven years. So how come there was only one single source of this information that was required or necessary, to provide the accounting, which was on that system? Could you clarify, please?

Mr. Eddy: Member, I hear you, but I could only tell you what—as I said, nobody from this current group was there at the time, so I could only tell you what we found, and we went in there and met a server crash. So we know that the information, I do not know what happened to it. And in searching our records—that is why we provided the response that we did. I think you would have to get the people who were there to sort of figure out what happened to that information.

Ms. Deonarine: Chair, if you allow me, I would like to follow up on that please. Mr. CEO, tell me something, when the new board came on board, that was when exactly?

Mr. Eddy: 2016.

Ms. Deonarine: Okay. What month in 2016?

Mr. Eddy: I think somewhere between July and September. I cannot tell you exactly.

Ms. Deonarine: So tell me something, was anyone from the previous board that was—the previous—nobody stayed on board for a transition—to facilitate a transition?

Mr. Eddy: Again, I do not believe so but I was not there, and neither was anybody there. The Chairman, at the time, I do not know, maybe he could answer the question.

Ms. Deonarine: What about the members of staff who would have been part of the accounting division of CEPEP?

Ms. Austin: I just want to make a point, as the Internal Auditor, I went in and looked for a lot of old documents, and that was to aid in the building of the 2015, when we realized what happened, and a lot of documents were missing; hundreds of documents.

Mr. Eddy: I would also add to that, that we did find a container—was it on the outside?

Mr. Stoddard: Yeah.

Mr. Eddy: Where things were just destroyed. In fact, it was a hazard. So we just do not know, and we cannot account or tell you what would have happened to that information.

Ms. Deonarine: Now, Mr. CEO, based on what you are saying here, this is making me think that this was pure sabotage.

Mr. Eddy: Member, I cannot—

Ms. Deonarine: Chair, if you allow me, I would like to ask the Ministry of Finance, have you—in

your history of dealing with state enterprises, have you had any sort of experience like this before, where state enterprises would have encountered files—in containers you said, Mr. CEO?

Mr. Eddy: Yes.

Ms. Deonarine: Containers—trying to be destroyed and so on?

Ms. Sookoo: Through you, Chair, from my experience, no, we have not had incidents of these in the past.

Ms. Deonarine: Chair, my last question. Ministry of Finance, were you able—how did you all intervene in this situation, when this new board came on board and all these problems were discovered? And also, you had a situation where hard copy files were not being kept as per statutory requirements?

Mr. Chairman: Who have you asked that question to?

Ms. Deonarine: Ministry of Finance.

Ms. Sookoo: The Ministry would usually liaise with the company to get the submission of the reports that they are required to submit under the State Enterprises Performance Monitoring Manual. We would have noted their difficulties in having the audited financial statements completed, but they have been complying with all the other reports that they are required to submit under the manual. We continue to liaise with them, to have their audited financial statements brought up to date.

Ms. Deonarine: Okay. Thank you. So therefore, Mr. Chair, from what I understand, it seems as if the primary documents that are used for the preparation was the responsibility of CEPEP, and CEPEP only, based on the responses that I heard.

Mr. Chairman: I think Mr. Scotland and then Mr. Rushton.

Ms. Bascombe: Chair, may I just make one statement before Mr. Scotland, please?

Mr. Chairman: Yes.

Ms. Bascombe: For the benefit of longevity, CEPEP was not under the purview of the Ministry of Rural Development and Local Government in 2014. So if we are seeking hard copies of documents, you may wish to write to the Ministry of Public Utilities under which they fell at that time.

Mr. Chairman: Yes, Mr. Scotland.

Mr. Scotland: My understanding, Chairman, under the Companies Act, there are certain subcommittees that are mandatory. An audit committee is mandatory under the Companies Act, so if we start with that fundamental principle. We understand the timeline, 2015, 2016; we understand—I am keeping the politics out. I am talking about a company which is very critical to a constituency that I have had the honour of serving. I understand—and the country, because when you go on the

beaches, sometimes as far as Icacos, you see how clean it is. So it is a critical company. What have we done to prosecute this—Chairman, I want to use a neutral word. I think “sabotage” is a neutral word. It is a neutral word. What have we done to prosecute this sabotage? Have we reported it to the Fraud Squad?

Mr. Eddy: I do not believe we did, member.

Mr. Scotland: Have you reported it to your line Minister?

Mr. Eddy: Yes.

Mr. Scotland: You have a robust Minister of Finance. Have you reported it to the Minister of Finance? Because, Chairman, the work of this Committee will have a lacuna. It will have a lacuna for the period, and we are not blaming. Chairman, through you, we want solutions. You must get to the bottom of this. Once you see documents in a drum, in a barrel, what—“dey shipping out de documents”, that must raise a red flag.

Chairman, through you, I think we ought—this Committee is a public committee. We ought to write. We ought to enquire as to what went on with those documents. Your auditor must be, whoever that group is, must be made to account and bring those documents. It is not their documents. The intellectual property and ownership is that of the State, your company. They must be brought to retrieve those documents and, Chairman, we need to have a write on this. We need to have an enquiry on this, as your mandate through your Standing Orders dictate, because they are mandated under the Companies Act. One of the mandatory subcommittees is that of the audit committee. Chairman, that is my respectful recommendation this morning.

Mr. Chairman: In fact, before I ask Rushton Paray to speak, it is something that our committee will have to consider, because I was going to ask the same question that you have asked. If we are talking about what we are talking about here, where this Committee and the citizens of this country and the Parliament have no access to financial audited accounts for almost seven years, for the period 2015 to 2021, and we are getting almost a surf, almost a heavy tranche of reasons, why these things, that is, the financial audited statements are not with us, then something is fundamentally wrong. I think Mr. Scotland asked a very pertinent question. Has this matter been reported to the police? And if it has not been, why?

A step further, maybe we may have to write to the Auditor General to do a forensic. We will have to write to the Auditor General to do a forensic investigation, because they have the power and they will have to get the resources. Because, at the end of the day, we want to get to the bottom of this matter. So I fully support that recommendation.

Mr. Scotland: Chairman, in what years were the documents—the documents that were destroyed, what years do these documents represent? What years of the operation of CEPEP?

Mr. Eddy: 2012 to 2015.

Mr. Scotland: So you have no financial documents of CEPEP between—Chairman, Chairman, that—so it is as if there was no financial—it was a ghost then, between—Chairman, through you, I wish to guard my words. But, Chairman, this is an unacceptable state of affairs. And, Chairman, what it has done, it has hamstrung their ability to produce from 2015 to now, but still there is just a vacuum. Chairman, through you, I seek the intervention of this Committee to resolve this matter.

Mr. Chairman: I think Mr. Paray would like to—

Mr. Paray: Thank you very much, Mr. Chairman. I am just trying to get some clarity here; 2012, '13 and '14, there is no source documents in terms of their ability to have an assessment of the financial status of CEPEP. But we have financial reports up to 2014. Is that correct? We have financial reports, statements?

Mr. Eddy: Yes.

Mr. Paray: So data that is in a barrel or something somewhere, to me, is irrelevant for 2010, '11, '12, '13, '14, because we have financial audited financial statements for those years. So we can accept the financial audited statements as proof. The spot between 2014 and somewhere on your board, Mr. CEO, or your board, Madam Chairman, somewhere in 2016, there is a gap that has no data, from what I am hearing. You could have found no physical data to have your financial director have the ability to make a financial assessment from 2014 to, let us say, 2016 in fairness. So that is two years. That is 24 months.

Now, in your earlier presentation, you said that after the server crashed, there was some rebuilding. You would have had to rebuild some information. Now, if there is no source data from 2014 to 2016, when your board came in, what was used to rebuild the picture from 2014 to 2016? What was the source of that rebuilding? Where did it come from?

And two, if there is a new board and there was a new team, throughout the CEPEP organization, from 2016 going forward, can I justifiably say that you would have had no hindrance in the collection of data from 2016, '17, '18, '19, '20, '21, because you are in charge and you have that data? Where is the sticking point from '16, '17, '18, '19, '20? Because you were in control, you have the data, you have source data.

11.45 a.m.

I have a closing and opening balance at the end of 2014. Right? So I am just trying to get a

clear picture in my mind, for when we sit as a committee, to understand the predicament that you found yourself in, to find a rational way forward. So that is the two questions I had to ask: one, how did you rebuild '14 to '16 if there is no source document? Because you need an opening and closing balance; '16, '17, '18, because that is what I understood, you needed some balances that you could not get from the old auditors. So how did you get '14/'15—sorry, '15 and '16 pictured?

And then, how come we still are impeded for the balance for the other years when you are now in charge of that collection of that data, and it is there? Because there has been no mention that data was missing for '16, '17, '18, '19, '20, '21, going forward. So just to provide some clarity for us.

Mr. Eddy: I think you just answered the question. We talked about exactly that, where the gap is, so I will just let the financial officer repeat what he has said. And that opening balance that you are talking about is exactly what has kept us from being able to move forward.

Mr. Stoddard: Correct. Correct. The details of the opening balances are caught up in the working papers.

Mr. Paray: Where did you build back? What was the source to create back from day one, 2014/'15 and '15/'16?

Mr. Eddy: Bank statements.

Mr. Paray: Bank statements. So you had bank statements?

Ms. Austin: No, we had to request bank statements from the bank.

Mr. Paray: And that is not a difficult process, we request that every Monday morning. Right? So there is no hindrance in getting bank statements. So outside of that—

Ms. Austin: Well, it took a while because it was a little way back. So it took a lil while for us to get it.

Mr. Paray: We know how that “does work”, Ma'am. We are all business people as well. Right? Outside of the bank statement, which will give you a revenue position of what money you received and what money you spent, your bank statement does not give you the details of your expenditure profile. How would you have shared that spend when the bank statement tells you, I spent \$250 million in this fiscal year based on checks, and so on, that would have been issued? How did you manage or can you explain to me the process that you would have created this expenditure profile for '15 and '16? And I mean, I do not want to sound, you know, facetious here, because if you do not have the source documents to give me that profile for '15 and '16, how do we justify, you know, that it is still—going beyond '16 is still outstanding? Because you have all the data for '16, '17, '18, '19, '20, '21, going forward. Any thoughts on how did you build that profile for '15 and '16?

Mr. Stoddard: The information that you are speaking about for '16, '17, '18, those were the current

years that we have the information for. We have been—

Mr. Paray: So there is nothing impeding those records?

Mr. Stoddard: No, no, no, we maintained. The hindrance is with the opening balance for the 2015, where we have to substantiate the details for the opening balances.

Mr. Paray: So you take out the opening balances from it—

Mr. Stoddard: Impossible. Impossible. Impossible, Sir.

Mr. Paray: I mean, I did accounting in Form 5, right, and I work from the balances—

Mr. Stoddard: Impossible.

Mr. Paray: Ms. Deonarine is an accountant as well. “Ah cyah” see the opening and closing balances impeding the preparations. Now, that being said, the question to you—

Mr. Stoddard: The opening balance for 2015 hinges on all the following accounts.

Mr. Paray: The question I have asked and I have not gotten a response as yet, outside of the bank statement, which does not give you an expenditure profile, it gives you a spending profile, how have you rebuilt—because you said you had to spend some time with the new server and the new stuff. How have you built back that profile for ’14—or for ’15 and ’16, which I think is where the data was missing? How did you do that?

Mr. Stoddard: A consultant was hired for that process, Sir.

Mr. Paray: Okay.

Mr. Chairman: So if a consultant was hired, did the consultant produce a report?

Mr. Stoddard: Yes, he did.

Mr. Chairman: Could you make that report available to this Committee?

Mr. Stoddard: Yes, Sir.

Mr. Chairman: What was the name of this consultant that was hired?

Mr. Stoddard: That is the Sinanan Dass & Associates.

Mr. Chairman: How was he hired? Was that sole selective or was that based on some competitive tendering process?

Mr. Stoddard: I will have to defer to a colleague.

Mr. Chairman: What?

Mr. Stoddard: It was done by a tendering process.

Mr. Chairman: No, no, no, no—

Mr. Stoddard: I was not at the organization at the point in time.

Mr. Chairman: Was it a competitive tendering process? Is that what you are saying?

Mr. Stoddard: I will defer to a colleague for the response, Chair.

Mr. Chairman: Yes. Who is the colleague?

Ms. Austin: Yes, it was a tendering process.

Mr. Chairman: Yes, we know it was a tendering process. Under tendering, you have sole selective, you have competitive. So I am asking whether it was a competitive.

Ms. Austin: Competitive. Yes, it was, Sir.

Mr. Chairman: That is all I am trying to clarify.

Mr. Paray: I have one more question, Mr. Chairman, just one.

Mr. Chairman: Before Mr. Rushton. We are saying to rebuild that system so you can go forward in the 2014/2015 period where you had a lot of challenges, you engaged a consultant called Sinanan and that consultancy was able to provide a report to guide CEPEP as to how they should rebuild to go forward. Is that what I am hearing?

Mr. Eddy: [*Inaudible*]

Mr. Chairman: Right. So submit that report. And, Mr. Scotland, I want to say that this Committee will have to consider formally writing before action is taken. Hardys & Associates, because Hardys & Associates, we are being told by the CEPEP Company and its officials, that company that was auditing the books refused to provide any assistance. So if we want to get a picture as to the next steps, this Committee will have to consider at the appropriate time whether we write to Hardys and even if we should invite them formally before us so we can get to the bottom of this matter in a serious way.

Mr. Scotland: Chairman, may I? And I really want the attention of CEPEP and Ministry of Finance. Whoever the company is may very well say to us, there is no privity between this Committee. They may say that to us and they may hide behind privity of contract. In other words, you never hired me. You have no right to ask me for anything. I think the first port of call, Chairman, with the greatest of respect, is that CEPEP must take the mantle and show that they are serious about what is happening here. Because, Chairman, if you look at our issues paper, it is stated, in a written response they said:

The server crash...

—I am at page 3 of the rubric, issues 4:

The server crash of 2013 continues to impact the opening balances and the financial audit process.

So that is the beginning of the issues.

CEPEP, it is your duty, it is your legal duties, under the Companies Act, to write to whoever the auditing company is, who refused to give you the document, Chairman, before, and then report

to us. And, Chairman, after that, we may have some locus to interrogate them. And I think, Chairman, that letter should be written within a fortnight, if it has not been written. Because this is 2013, 10 years have passed. They can hide. Any company may very well be able to shield themselves with laches and delays. “Ten years, yuh now writing meh for that?” That may be the response.

So, Chairman, maybe, through you, you can ask CEPEP and its management if they do intend to make that request of the auditing company, who seems to be very much in the fore now, and then this Committee can act thereafter.

Mr. Eddy: Member, let me just provide a response. We did write to Hardys, several occasions. And actually, Hardys became a part of a joint select committee where they were invited to the Joint Select Committee because of their refusal to provide us with those—

Mr. Scotland: I do not want to name any—Chairman, we have to be careful when we name entities here because we do not know—whoever the firm is may very well say, “Well, you know, you owing meh money so I have a lean on this.” We do not know what the particulars are, but we would need from you, CEPEP, a response that will empower us now as a committee, Chairman, to act, but you are the first port of call.

In other words, CEPEP was the client, the breach affects CEPEP, and then after they engage the entity, Chairman, then I think when they report to us in writing, we should do that. If the letters are written, Chairman, may I ask, through you, that they be provided, the responses? Well, the letters first and the responses be provided to us, and particularly the timelines, because the timelines are very important if we are to go forward.

Mr. Chairman: So can you make those letters available?

Mr. Eddy: Yes, we will.

Mr. Chairman: Those that have been written as well as the responses.

Mr. Eddy: Okay.

Mr. Chairman: I think Mr. Mc Clashie would like to raise a point and then Mr. Rushton Paray.

Mr. Mc Clashie: Chairman, I do not believe that we have—I know that we have people who are mental in Trinidad, but I “doh not believe everybody mental”. And I feel that fundamental in all of this discussion, we are not getting something. Nobody will refuse to give you documents that they know—having been in the business of auditing and understanding processes and so on, without some given reason. And I am hearing them saying—I am hearing CEPEP saying that these people are not responding. But there has to be a fundamental reason why they are not responding. I am not getting a sense of what that is. Something is missing.

Mr. Eddy: Well, member, if you know that, I certainly do not. We have gone through the process—

Mr. Mc Clashie: So you “doh” owe them money? You “doh” have any—

Mr. Eddy: We do not owe the company money. We paid them and we have met with them, we have written to them and they have outrightly refused. I just said that they also became a subject of a joint select committee where they were invited. So I have no idea of what would be the reason because I was not there when Hardys was hired. I came and I met Hardys there. What we wanted from Hardys was the working papers so that we could move the process forward quickly, so then we ended up writing to them. We would provide the letters and stuff. So I do not know what other reason there could be.

Mr. Chairman: All right, Mr. Rushton, please.

Mr. Paray: Yes. Thank you, Mr. Chair. Just two quick questions. I have one on the conversation around the NIS, right? You are saying that because of the approach of some of the contractors in the past, in terms of running up some huge bills to the NIS, you have now taken the responsibility of holding that NIS money and submitting it to the National Insurance Board. Is that correct?

Mr. Eddy: We do not hold the NIS—

Mr. Paray: So rather than the funds go to the contractor and then the contractor uses it “all how” and they do not pay the NIS, you have decided to hold that portion and submit it on the contractor’s behalf to the board.

Mr. Eddy: We would submit it as an agent on behalf of the contractor.

Mr. Paray: As an agent. Because I was wondering if there may have been something in terms of a breach of the regulation. Because if the CEPEP worker is working for Rushton Paray company limited, then CEPEP, as an organization, cannot pay that NIS portion for the employee because he is working for me. So I was just wondering how you were overcoming that component with the one-third, two-third, because the CEPEP employee does not work for CEPEP Limited as an organization. They would work for the contractor. How have you overcome that so that there is no problem there? I mean, when you submit the payment to NIS on this document, then you have to submit 335 forms for each one of your contractors, with their two-third value and the one-third for the employee. That, to me, is a bit complicated. How do you overcome that?

Mr. Stoddard: The payroll software does the reporting for us. In the arrangement—when we were making the initial arrangement with NIB, we met with our developers with the software to tailor the report for the mass transfer.

Mr. Paray: Okay. So that is something that you have done in-house with the NIB to be able to

overcome that.

Mr. Stoddard: Correct.

Mr. Paray: All right. So this is not standard like how we would have to do it in private sector. Your arrangement is made with the NIB and that is working so far.

Mr. Stoddard: Correct.

Mr. Paray: All right. And I think, just before I close—

Mr. Stoddard: One second. One second.

Mr. Paray: Sure.

Ms. Gopaulsingh: Sorry, I just wanted to add though that we do actually have the consent of each contractor to make those payments to the NIB on behalf of them. So we do have their written consent to do so and those payments are, as Mr. Stoddard indicated, made as an agent of the contractor.

Mr. Paray: Okay. And just in closing, Mr. Chairman. CEO and team, I mean, the line of questioning that we have all taken here today, it is with the best interest of CEPEP at heart. As a parliamentary committee, our function really is, when we write this report, to identify challenges; how do we approach your Ministry, the Ministry of Finance, to fix these challenges so we do not go down the road again. I just want to put it on the record that CEPEP is a very important organization, it touches the social fabric of this country.

I do not want to have CEPEP ending up in bacchanal every Monday morning, when you should be focusing on building the service, trying to get your new contractors—and I always maintain that when we get new contractors, it should always be a new contractor with CEPEP as your first business. You should not be depending on CEPEP for your business, but the contractor should have CEPEP as your budding business to build and two years down the road or three years down the road, with mentoring and so on from CEPEP as an organization, you go out into the world of work and we get you out of the sight of having to depend on CEPEP. So I trust that is in your plans going forward and you will continue to have all of our support as an organization, because it is critical, especially in committees like ours, Sir.

Mr. Eddy: Thank you for that, member—

Mr. Chairman: Thank you.

Mr. Eddy: —and we do a lot of training.

Mr. Chairman: All right. Thank you very much, CEO. I now invite Mrs. Laurel Lezama-Lee Singh who has been waiting to intervene. Laurel Lezama-Lee Singh, the floor is yours.

Mrs. Lezama-Lee Singh: Thank you very much, Chairman. Thank you. I want to just ask some

questions, please, initially to CEPEP. In 2014/'15, the line Ministry was Ministry of Rural Development and Local Government or the Ministry of Works? Can you confirm which Ministry it was, please?

Ms. Bascombe: The Ministry of Public Utilities.

Mrs. Lezama-Lee Singh: CEPEP fell under the Ministry of Public Utilities around the time of the crash?

Ms. Bascombe: Yes, they came to local government in 2016.

Mrs. Lezama-Lee Singh: Okay. Very good. And can I ask then, please, was an investigation into CEPEP's lack of auditing accountability—was an investigation launched by either the line Ministry, which you have just informed me was the Ministry of Public Utilities, or by the Ministry of Finance at that time?

Ms. Bascombe: I am now being told that in '14 and '15, it was under Ministry of Housing.

Mrs. Lezama-Lee Singh: Under the Ministry of Housing. Okay. So then, I will ask the question again. Did the Ministry of Housing or the Ministry of Finance launch an investigation into CEPEP and its affairs around that time, following the crash; following the crash and knowing that there was no opening balance, which is in fact critical to do the incoming audited accounts?

Mr. Chairman: Was there any investigation, she is asking, the member.

Mr. Eddy: [*Inaudible*]

Mrs. Lezama-Lee Singh: That is to the Ministry. It is the Ministry of Finance and I presume the Ministry of Housing is not here. But if the Ministry of Finance can answer it, if any investigation was done from that end from that Ministry, or if anybody who is knowledgeable can advise if an investigation was done through the then line Ministry of the Ministry of Housing?

Mr. Chairman: Ministry of Finance, can you answer?

Ms. Sookoo: Sure. Through you, Chair, we would communicate with the company, CEPEP in this instance, concerning the status of the financial statements, and we would have gotten the explanation that they would have given and we continue to liaise with them. We did not conduct an investigation because the issues were between the company and the auditor. So we did not have a role to play in that part.

Mrs. Lezama-Lee Singh: Thanks, Ministry of Finance. And that is the standard practice, yes?—that the Ministry will not get involved. But what is the extent of the Ministry's involvement therefore?

Ms. Sookoo: So the Ministry's role is one of monitoring. We do not get involved in the operations of the company.

Mr. Chairman: Continue, Laurel Lezama-Lee Singh.

Mrs. Lezama-Lee Singh: I understand that completely. Thank you very much for that clarification. Can I ask then, the situation with Hardys, have there been any efforts to reach Hardys in recent times? This question is directed to CEPEP.

Mr. Eddy: Yes, we did but through the auditors. They had reached out to the auditors. The new auditor has reached out to Hardys.

Mrs. Lezama-Lee Singh: And has response been forthcoming?

Mr. Eddy: No.

Mrs. Lezama-Lee Singh: Do you know when the first and last attempts of establishing contact would have happened? Can you provide that for us, if you can provide it now?

Mr. Eddy: We will provide it in writing. I cannot provide it right now.

Mrs. Lezama-Lee Singh: Okay. I appreciate that. Thank you very kindly. Thanks, Chairman.

Mr. Chairman: Yeah. Just a follow up, Mr. CEO, on what Laurel Lezama-Lee Singh asked. Do you recall, and maybe the Ministry of Finance can advise, given the crash of the server in 2013/2014—and as the Finance Ministry said, that is a matter between the auditor and the company. Do you know, subsequent to that development, whether between 2015, '16, '17, given the severity of the crisis that you were faced with as CEPEP, did the Ministry of Finance at any time sought to conduct an enquiry or an investigation into the crash of this server, knowing fully well that it had begun to have a negative impact on the operations of CEPEP as it relates to being able to produce their audited financial statements? Can you recall, Mr. CEO, having reported this matter?

Mr. Eddy: Yes.

Mr. Chairman: Because you must have reported the crash of the server upon entering office in 2016 to the then line Minister, right?—in a report. And I am asking whether upon doing so, whether any enquiry, as far as you could recall, having submitted a report to the Minister of Finance on this matter, was any enquiry conducted into this matter, knowing full well it was hampering these audited financial accounts that you would have had to produce? Can you recall and share with us?

Mr. Eddy: Yes, I think we did—the Ministry did indicate that they were aware, so it was reported to them. But, I guess, that based on the fact that their function is monitoring, it was left to the company to engage Hardys to be able to provide that information to us. So we did provide the information, in terms of the crash, and what we found about how the crash occurred, what we think had occurred, in terms of our investigation. But I do not think the Ministry ever came in and did an investigation themselves, because they left it up to CEPEP to have to deal with Hardys of that matter.

Mr. Chairman: But what about the Ministry of Rural Development and Local Government? Did the Ministry of Rural Development and Local Government ever see it fit to intervene, to have any investigation launched with the support of the Ministry of Finance, of course, with a view to having this matter—we are trying to get to the bottom of this matter, or was it left again just to CEPEP and the auditor involved, that is Hardys?

Mr. Eddy: Yes, a similar situation.

Mr. Chairman: A similar?

Mr. Eddy: A similar situation. They were all aware—

Mr. Chairman: No, no, no, I am not asking you. I am asking the Permanent Secretary.

Ms. Bascombe: Yes, a similar situation. We left it up to the management of CEPEP—management and board to deal with that matter.

Mr. Chairman: So—and let me just ask the Ministry of Finance, because this thing is becoming like *Alice in Wonderland*, you know, “curiouser and curiouser”. This is a very serious matter that we are dealing with, and the Ministry of Rural Development and Local Government, conscious of a crash that has taken place, knowing fully well that this company called CEPEP, that we all have agreed is extremely critical to our development and the support of our young people in this country, and the Ministry of Rural Development and Local Government takes a hands-off approach and says, “You see this matter is for CEPEP and the auditor.”

So I now go to the Ministry of Finance to see if the Ministry of Finance has done the same—who has adopted the same approach. And seven years later, this Parliament and this Public Accounts (Enterprises) Committee has no financial audited accounts from CEPEP, and CEPEP has spent over \$1.5 billion of taxpayers’ money. And the Ministry of Finance says, “That is not my business.” And we at this Committee level say, “This is your business.” And Mr. Scotland is on record as saying, “This is serious and the Fraud Squad should even be involved.” And we have the Ministry of Finance saying—well, I cannot say the Ministry of Finance, Rural Development and Local Government saying, “That is not my business.”

I would like to ask the Deputy Permanent Secretary, as far as he can recollect, whether this crashing of the server and the need for CEPEP to produce its audited accounts, which was hampering it, did the Ministry of Finance thought it was necessary at that time to conduct an enquiry to get to the bottom of this matter? Can I ask you for your advice and intervention on this matter?

Mr. Charran: Yes, Chair. So let me put it into context. The Investments Division of the Ministry of Finance is guided in its operations by the performance manual, so there are certain things that we can

and cannot do.

Mr. Chairman: “Mhmm”.

Mr. Charran: Additionally, the staff of the Investments Division does not have the necessary skills to do any kind of IT investigation, so we could not do it. Additionally, what we did in when we found out that we could not get the financial statements on a regular basis, we wrote the entity to get an explanation as well as to find out what is the status of getting the financial statements as well as what have you done to your IT systems.

We, as recently as the end of January, did write CEPEP again for an explanation, and they did respond, but the response is in alignment with what they have advised today. So while I understand your concern and the concern of the Committee, the Investments Division is guided by its mandate through the manual. And to a large extent, CEPEP has been, aside from the audited financial statements, they have been complying with the requirements of the performance manual.

Mr. Chairman: All right.

Ms. Bascombe: Chairman, I just want to add one more comment.

Mr. Chairman: Yes, Permanent Secretary, sure.

Ms. Bascombe: Thank you very much. I do not want us to leave this august body with the impression that the Ministry of Rural Development and Local Government washed their hands and followed Alice down into the rabbit hole. What actually transpired, the crash occurred just before elections in 2015. CEPEP came—

Mr. Chairman: Wait, wait, wait, wait, wait.

Ms. Bascombe: 20—

Mr. Chairman: No, wait, wait, wait, wait.

Ms. Bascombe: I am giving a timeframe.

Mr. Chairman: Wait, wait, wait, wait, wait. Let us get it clear, we are hearing crash, 2013; we are hearing crash in 2014. Now we are hearing crash just before the general elections of 2015. Could you tell this Committee exactly when the crash of the server, as far as you are concerned, took place? Was it in 2013, 2014, or was it, as you have just put on the record, before the general elections of 2015? I am not too clear.

Mr. Eddy: Chairman, we never said it was 2015—no, sorry 2014 or 2013. We have maintained and we have put it in reports that the server crash happened in 2015.

Mr. Chairman: What time in 2015?

Mr. Eddy: August, I believe, in 2015.

Mr. Chairman: When was the elections?

Mr. Eddy: September.

Mr. Chairman: September. I should not ask you. I think that is outside of your purview, so let us not get involved in that. So it was just before the general elections of 2015. So it is now clear, we are now having it on record that the crash of the server took place before the general elections of 2015. So that is now pellucidly clear—as the former Prime Minister used to say, Patrick Manning, it is now pellucidly clear. So, Madam, continue, please.

Ms. Bascombe: Yes. Thank you, Chair. CEPEP came under the purview of our Ministry in the third quarter of 2016, one year later, and our response has been to provide them with the financial resources to hire the consultant to try to redress the issue. So we did not just throw our hands up in the air and abandon CEPEP. Thank you.

12.15 p.m.

Mr. Chairman: Okay. Well, listen, I do not want to go down the road of *Alice in Wonderland* again. So what I would say at this time, it is now after 12.00 p.m., and I have another commitment and we are all busy people. What I would like to say is that whatever questions—further questions we would like to raise with you, we will try to follow up with any questions from our colleagues and we expect you to address those when they reach you. Can I ask for closing comments—just brief closing comments and so on?

Ms. Michael: Thank you, Chairman, for allowing us to provide pertinent information to members of this Committee on the financials for CEPEP Company Limited. Please allow me to publicly thank our line Minister, the hon. Faris Al-Rawi, Minister of Rural Development and Local Government; and our Permanent Secretary, Ms. Desdra Bascombe for their continued support and guidance; as well as to all the staff of CEPEP Company Limited, our contractors, the workers and all stakeholders for their commitment towards the environmental protection and community enhancement. Again, I say thank you.

Mr. Chairman: Permanent Secretary, I now invite you to make brief remarks before we close.

Ms. Bascombe: Thank you, Chair. It has certainly been an eye-opening experience and as Permanent Secretary, I hope when we meet on the next occasion we may be discussing issues of business development and the growth of CEPEP. Thank you.

Mr. Chairman: Permanent Secretary, Deputy, would you like to make a few brief closing remarks?

Mr. Charran: So the Investments Division of the Ministry of Finance is cognizant of the issues and concerns of the Committee. But the Committee needs to also be cognizant of the role and function

and mandate within which the Investments Division operate. We, at the Ministry of Finance, will continue to assist wherever we can in providing explanations and clarifications as the Committee requires.

Mr. Chairman: Well, again, may I, on behalf of our committee, extend our appreciation to our officials from the Ministry of Rural Development and Local Government for being here; as well as our colleagues—officials from the Ministry of Finance, Investments Division; and the company before us today, CEPEP, which, we have all agreed, is an extremely important institution and organization in the scheme of things in this country. So we all recognize it.

And I want to say on behalf of this Committee, we have our work to do because we represent the people, through the Parliament. And I just want to tell everyone who is here, as Mr. Scotland stated earlier, and Mr. Paray, we are here as a team, as a committee, to hear from you, to get your recommendations, to solicit your suggestions, all in an effort in the final analysis to make CEPEP a star in the firmament; to make CEPEP, through recommendations, more efficient, more effective and more economical in its operations. That is what we are here about.

We are about processes; we are about systems; we are about seeking, through your own interventions, to make organizations, known as state enterprises, more efficient, more effective and more economical. That is our mandate, that is our objective. We have no other objective as a committee; none. So I want to make that clear to everyone. So, at the end of the day, we will even invite Mr. Eddy, our CEO of the CEPEP Company, to submit recommendations to our committee, through our Secretary, to see how as a team we can work together to make CEPEP stronger as an organization, better as an organization. We look forward to the Permanent Secretary in the Ministry of Rural Development and Local Government submitting suggestions to our committee, through our Secretariat, so when we are putting forward our report, it will be a strong, powerful report to make CEPEP stronger and better. And we look forward to the Ministry of Finance, as a monitoring unit, how you can you improve your monitoring role in your responsibility through recommendations and suggestions. So, at the end of the day, we have a stronger state enterprise sector, a more transparent state enterprise sector, a more accountable state enterprise sector, a state sector that will give the people value for their money. Because, at the end of the day, all we are concerned about is how we can improve the operations of these companies so that they can provide better quality service delivery to our citizens in the Republic of T&T.

So I just wanted to make that very clear before we bring our proceedings to a close and to profusely, on behalf of our Committee, thank you, officials from CEPEP; thank you, members from

the Ministry of Rural Development and Local Government; and thank you, members from the Ministry of Finance, Investments Division. At this point in time, we would like suspend our proceedings to excuse our colleagues who have come from these various agencies so that you can leave. So you are now excused and thank you very much on behalf of this Committee.

Meeting suspended at 12.22 p.m.