

FIFTH

REPORT
FROM

THE PUBLIC ACCOUNTS
(ENTERPRISES) COMMITTEE

EXAMINATION
OF

the Audited Financial Statements of the National Schools Dietary Services Limited (NSDSL) for the financial years 2016 to 2019 and follow-up on the implementation of the recommendations in the Report of the Auditor General on a Special Audit of the School Nutrition Programme managed by NSDSL.

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
Ms. Amrita Deonarine	Member
Ms. Renuka Sagramsingh-Sooklal	Member
Mr. Fitzgerald Hinds, MP	Member
Mrs. Laurel Lezama- Lee Sing	Member
Mr. Keith Scotland, MP	Member
Dr. Nyan Gadsby-Dolly, MP	Member

Committee Staff

The current staff members serving the Committee are:

Ms. Keiba Jacob	Secretary
Ms. Hema Bhagaloo	Assistant Secretary
Mr. Darien Buckmire	Graduate Research Assistant
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Publication

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Date Laid in Senate:

Table of Contents

<i>Members of the Public Accounts (Enterprises) Committee.....</i>	<i>4</i>
<i>Executive Summary.....</i>	<i>5</i>
<i>Introduction.....</i>	<i>8</i>
<i>Establishment</i>	<i>8</i>
<i>Mandate</i>	<i>8</i>
<i>Ministerial Response.....</i>	<i>8</i>
<i>State Enterprises Performance Standards</i>	<i>8</i>
<i>Election of the Chairman and Vice-Chairman</i>	<i>9</i>
<i>Establishment of Quorum</i>	<i>9</i>
<i>Determination of Date and Time of Regular meetings</i>	<i>9</i>
<i>Methodology.....</i>	<i>10</i>
<i>Determination of the Committee’s Work Programme Second Session</i>	<i>10</i>
<i>The Inquiry Process.....</i>	<i>11</i>
<i>National Schools Dietary Services Limited.....</i>	<i>12</i>
<i>The Background of the NSDSL</i>	<i>12</i>
<i>Board of Directors.....</i>	<i>13</i>
<i>Management Team.....</i>	<i>13</i>
<i>Line Ministry - Ministry of Education.....</i>	<i>13</i>
<i>Issues and Recommendations</i>	<i>14</i>
<i>Conclusion.....</i>	<i>27</i>
<i>Appendix 1: Minutes of Meeting.....</i>	<i>29</i>
<i>Appendix 2: Verbatim Notes.....</i>	<i>45</i>
<i>Appendix 3: Mobile Meal Delivery Programme Proposal</i>	<i>82</i>

Members of the Public Accounts (Enterprises) Committee



Mr. Wade Mark
Chairman



Mr. Rushton Paray
Vice-Chairman



Ms. Amrita Deonarine
Member



Mr. Fitzgerald Hinds
Member



Ms. Renuka Sagrarsingh-Sooklal
Member



Mrs. Laurel Lezama-Lee Sing
Member



Mr. Keith Scotland
Member



Dr. Nyan Gadsby-Dolly
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 **an examination of the Audited Financial Statements of the National Schools Dietary Services Limited (NSDSL) for the financial years 2016 to 2019 and follow-up on the implementation of the recommendations in the Report of the Auditor General on a Special Audit of the School Nutrition Programme (SNP) managed by NSDSL** and produced this report. This report details the issues, endorsements and recommendations made by the Committee to improve NSDSL's performance.

The Report focuses on the followed issues:

- *Rising Food Prices and the Current Contracted Price Per Meal;*
- *Mobile Meals Delivery Initiative;*
- *Increasing Local Input In Meals;*
- *Impact of the Covid-19 Pandemic on Caterers and Kitchen Staff;*
- *No Official Risk Management Policy;*
- *No Internal Audit Function at NSDSL;*
- *Re-engagement for Strategic Plan Key Performance Indicators;*
- *Re-establishing a working Relationship with NAMDEVCO;*
- *Non-Payment of Meals provided by NSDSL from other State Agencies; and*
- *Updating of Procurement and Accounting Manuals and Creating a Dedicated Procurement Unit*

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

- *In carrying out its research, NSDSL should submit a status update on the request for quotations for another price evaluation no later than August 5, 2022.*
- *NSDSL should provide a status report on the change to the company's annual allocation that would be needed to cover the price increases per box from an approved price evaluation no later than August 5, 2022.*
- *The NSDSL should submit a status report no later than August 5, 2022, on the efforts the company put in place to ready itself and its caterers for the full resumption of the*

School Nutrition Programme (SNP) in time for the physical reopening of schools on April 19, 2022.

- *NSDSL should make clear the specific metrics it will use to assess whether the support system in place is improving no later than August 5, 2022.*
- *NSDSL should institute a minimum requirement level for the amount of locally sourced ingredients that SNP caterers should incorporate in meal plans and submit a report on the implementation of such and the improvements it is aiming to achieve no later than August 5, 2022.*
- *NSDSL should submit a report on how it intends to utilise the 15,000 acres of agricultural land the company has access to no later than August 5, 2022.*
- *The NSDSL should collect sufficient and reliable evidence on the impact of the financial pressures on the caterers.*
- *The NSDSL should also submit no later than August 5, 2022, a status update on all its SNP Caterers capacity to meet the full operationalisation of the SNP since the physical resumption of schools on April 19, 2022.*
- *The MOF should provide a status update on the Oversight Mechanism – Internal Risk Management Controls submitted by NSDSL for feedback no later than August 5, 2022.*
- *The NSDSL should submit a status update on the company’s plans to develop a formal Risk Management Policy no later than August 5, 2022.*
- *The NSDSL should look towards having the internal audit function become a permanent establishment on its organisational structure as opposed to being outsourced given the prices quoted by auditing firms. The company should submit a status update on the implementation of same no later than August 5, 2022.*
- *The NSDSL should also conduct a cost benefit analysis of outsourcing an internal audit function as opposed to having an in-house internal audit function and report to the Committee on its findings no later than August 5, 2022.*
- *The NSDSL should have meetings amongst its executive to detail all the necessities and requirements that would be needed prior to engaging a consultancy firm for the development of any type working documents.*

- *The MOE and MOF should ensure that the quarterly disbursements to the NSDSL were made on schedule so that the quarterly payment to SNP caterers was done on time.*
- *The NSDSL should formally communicate with NAMDEVCO about the possibility of restarting a redistribution network between the seven hundred (700) NAMDEVCO certified farmers and the SNP caterers. A status update on this initiative should be submitted to Parliament no later than August 5, 2022.*
- *The NSDSL should submit a status update on the company's attempts to retrieve the outstanding monies owed to it for services rendered to other state agencies no later than August 5, 2022.*
- *The NSDSL should submit a status update on the development of its OPR approved procurement guidelines as well as the establishment and staffing of a dedicated procurement unit no later than August 5, 2022.*

In light of the Committee's findings, the following endorsements were given:

- *The Committee commends the attempt made by the NSDSL and its SNP Caterers to serve the underprivileged students served by the SNP when schools were closed.*
- *The Committee endorses the efforts made by the NSDSL in ensuring that kitchen staff (attached to the School Nutrition Programme) who became unemployed owing to the pandemic had access to the Salary Relief Grant.*

Introduction

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

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

Trinidad and Tobago monitors the performance of State Enterprises to ensure that these enterprises successfully execute their mandates and maximize value for money for the national stakeholders and shareholders²

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.

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

Methodology

Determination of the Committee's Work Programme Second Session

At the Committee's Eighth meeting held on Wednesday February 02, 2022, the Committee identified the following entities for examination during the Second Session of the 12th Parliament:

- East Port of Spain Development Company Limited;
- National Entrepreneurship Development Company Limited;
- Telecommunications Services of Trinidad and Tobago Limited;
- National Commission for Self Help Limited;
- Community Environmental & Protection Enhancement Programme Company Limited;
- and
- National Maintenance Training and Security Company Limited.

The Inquiry Process

The Inquiry Process outlines steps taken by the Committee to conduct the inquiry into the operations of NSDSL. 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 First Report of the Eleventh Parliament on the Examination of the Report of the Auditor General of the Republic of Trinidad and Tobago on a Special Audit of the School Nutrition Programme managed by NSDSL. 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 NSDSL's Audited Financial Statements for the Financial Years ended September 30, 2016, through 2019. 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 NSDSL, Ministry of Education (MOE) and Ministry of Finance – Investment Division (MOF-ID) on April 20, 2021. The All responses were NSDSL's responses were received on May 26, 2021, the MOE's responses were received on May 4, 2021, and the MOF-ID's responses were received on May 5, 2021.
- IV. A public hearing was held on February 2, 2022.
- V. Requests for the submission of additional information to the NSDSL, MOE and the MOF-ID after the public hearing were made on February 7, 2022. The NSDSL's responses were received on February 28, 2022, and the MOF-ID's responses were received on February 22, 2022. The MOE's responses are outstanding.
- VI. Report the Committee's findings and recommendations to Parliament upon conclusion of the inquiry.
- VII. Carry out follow-up to monitor progress in the implementation of recommendations.

National Schools Dietary Services Limited

The Background of the NSDSL⁵

The National Schools Dietary Services Limited (NSDSL) was incorporated as a limited liability company by Cabinet Minute No. 943 of May 16, 2002 to manage the Schools Nutrition Programme (SNP) on behalf of the Ministry of Education (MOE). The NSDSL reports to the Ministry of Finance with the Ministry of Education as its line Ministry. As a state owned enterprise, the NSDSL falls under the scrutiny of the Public Accounts Enterprises Committee (PAEC) and the Auditor General. The NSDSL also works intimately and partners with the Ministry of Health in delivering its services.

School feeding has always been a priority of the Government of the Republic of Trinidad and Tobago (GORTT) as evident in the World Health Organisation's (WHO's) funded and MOE administered, 'Milk and Biscuit School Feeding Programme' in the 1950s and 1960s. The programme was further expanded in the 1970s when a large school feeding programme was implemented with the vision of every school child benefitting from the programme. Thereafter the programme faced a few revisions with the School Nutrition Company being established in 1980, superseded by the School Feeding Programme in the 1980s and 1990s, eventually evolving into the School Nutrition Programme as we know it today.

Based on the significant alignment between the role and function of the NSDSL in its management and delivery of the SNP and that of the Ministry of Education, the NSDSL plays a major role in contributing to the achievement of the MOE's Vision for Children as articulated in its Children's Value Outcomes below:

Vision for Our Children of Trinidad and Tobago- Ministry of Education's Value Outcomes

A. Children who will achieve their full potential

B. Children who are adequately prepared academically to achieve their full potential

C. Children who are adequately developed socially and culturally

⁵ NSDSL's PA(E)C submission dated 26th May 2021

D. Children who are healthy and growing normally

E. Children who are emotionally developed, mature and happy

The SNP, managed by the NSDSL, is Trinidad and Tobago's largest food and nutrition assistance programme. Further, the SNP has been recognized by CARICOM as one of the effective models for school meal services in the region with the NSDSL providing support to a number of territories in establishing/ enhancing their own school nutrition oversight and development capabilities.

Board of Directors

- Ms. Susan Corbett - Chairman
- Mr. Martin Lum Kin - Director
- Ms. Samantha Felix - Director
- Ms. Zena Ramatali - Director

Management Team

- Ms. Stacy Barran - Chief Executive Officer
- Ms. Vanesa Martina - Programme Manager, Nutrition Services
- Ms. Alisa Mohammed - Programme Manager, Operations
- Ms. Indra Mootoo - Programme Manager, Finance

Line Ministry - Ministry of Education⁶

Minister of Education - the Honourable Dr Nyan Gadsby-Dolly, MP

Minister in the Ministry of Education - the Honourable Lisa Morris-Julian, MP

Permanent Secretary - Mrs. Lenor Baptiste-Simmons

Permanent Secretary - Mr. Kurt Meyer

Chief Education Officer - Ms. Lisa Henry-David

Deputy Permanent Secretary - Ms. Michelle-Anne Thomas

Deputy Permanent Secretary - Ms. Sharon Ashman-John

Deputy Permanent Secretary - Ms. Shobha Jaisir

⁶ Ministry of Education Website accessed on March 30, 2022 <https://www.moe.gov.tt/about-us/>

Issues and Recommendations

In the Committee’s examination of NSDSL, the following issues were identified and the corresponding recommendations and endorsements proposed:

1. Rising Food Prices and the Current Contracted Price Per Meal

The contractual agreement between all SNP Caterers and the NSDSL stipulates that they were paid TT\$6.63 and TT\$8.28 (VAT exclusive) for breakfast and pre-school lunches respectively, as well as TT\$9.00 (VAT exclusive) for primary and secondary school lunches. The contractual agreement also states that SNP Caterers must get all ingredients and prepare meals, as well as deliver the respective meals to their allocated schools. The aforementioned prices have been in effect since 2014, which was also the last time a price evaluation was conducted. Officials from NSDSL stated that SNP Caterers have been challenged with the rising cost of imported food and raw materials. These challenges have become more impactful to the profitability of the SNP caterers since March 2020. NSDSL considered bulk discounts for large volume purchases as a solution, however with increasing food prices, the only solution to benefit the programme would be an increase in the price per box. NSDSL further stated that during financial year 2020/2021, the Board of Directors (BoD) had instructed the Chief Executive Officer (CEO) to get quotations for another price evaluation. NSDSL’s CEO informed the Committee that if the price per box were to increase by \$1.00 to \$1.25, the company would require approximately an additional \$8 million more to the company’s annual allocation each year. Below is a table illustrating the prices of food items in 2020 versus 2021 as provided by NSDSL.

	March 2020	March 2020	April 2021	April 2021		
Item name	Cost per Case	Cost per unit	Cost per case	Cost per Unit	Prices Increased by	% Increase By
Chicken - foreign	\$190.00	\$5.45	\$210.00	\$6.36	\$20.00/case	9.5%
Chicken -local		\$10.50 /lb		\$10.50	No change	
Chicken - minced		\$17.95		\$21.95	\$4.00/lb	4.5%
Canola oil (20 Liters)	\$341.00	\$8.53	\$415.00	\$20.75	\$74.00/Keg	4.6%
Vegetable oil (18 Liters)	\$165.00	\$9.16	\$220.00	\$12.22	\$55.00/Keg	3%
Parboiled rice	\$265.00	\$2.68	\$280.00	\$2.80	\$15.00/100lb	17.6%

Flour(white)	\$232.15	\$2.32	\$232.15	\$2.32	No Change	
Flour(whole wheat)	\$235.00	\$2.35	\$235.00	\$2.35	No Change	
Brown sugar	\$215.00	\$2.15	\$280.00	\$2.80	\$65.00/100lb	3.5%
Lentils	\$624.00	\$6.24	\$670.00	\$6.70	\$46.00/100lb	13.5%
Polished split peas (dhall)	\$343.00	\$3.43	\$380.00	\$3.80	\$37.00/100lb	9.27%
Chick peas (channa) 7 mm	\$728.00	\$7.28	\$760.00	\$7.60	\$32.00/100lb	22.75%
Red beans	\$728.00	\$7.28	\$760.00	\$7.60	\$32.00/100lb	22.75%
Black eye	\$530.00	\$5.30	\$580.00	\$5.80	\$50.00/100lb	10.6%
Pigeon peas	\$952.00	\$9.52	\$1090.00	\$10.90	\$38.00/100lb	25.25%
Cheddar cheese	\$795.00	\$18.07	\$850.00	\$8.50	\$55.00/case	14.5%

Recommendation

- ***In carrying out its research, NSDSL should submit a status update on the request for quotations for another price evaluation no later than August 5, 2022; and***
- ***NSDSL should provide a status report on the change to the company’s annual allocation that would be needed to cover the price increases per box from an approved price evaluation no later than August 5, 2022.***

2. Mobile Meals Delivery Initiative

On March 13, 2020, the Ministry of Education was forced to close all schools due to the Covid-19 pandemic. As a result of the closure of schools, the SNP was also mandated to stop operations. While the Ministry of Education opened schools again on July 20, 2020, meals were only provided to SEA students who were already registered on the SNP. By January 2021, the SNP resumed providing meals to secondary students at schools completing school-based assessments. The NSDSL provided the following data in relation to the provision of meals after the lifting of COVID-19 lockdown measures.

	July 2020 – August 2020	
SEA Students	109,110 breakfast meals	144,550 lunches
	January 2021 – March 2021	
CSEC/CAPE Students	121,139 breakfast meals	131,279 lunches

These figures only represented approximately 6% of the usual breakfast allocation and 5% of the usual lunch allocation respectively for secondary school students and 10% of the usual allocation for primary school students. However, with thousands of students still reliant on the SNP but not attending physical schools, the NSDSL proposed its Mobile Meals Delivery Initiative⁷ to the Ministry of Education for consideration. This initiative aimed at providing approximately 19,500 meals daily (500 meals per constituency in Trinidad) to children already registered on the SNP. Suggested sites for distribution were schools, community centres or Members of Parliament (MP) offices. Monday May 11, 2020, SNP Caterers donated 7,300 meals for distribution to underprivileged students in Trinidad who were on the Programme⁸. The NSDSL partnered with various MPs and Councillors to have the meals distributed throughout their communities. Unfortunately, a continuance of this initiative was not approved by the Ministry of Education. NSDSL's CEO stated that the Ministry did not approve of any activity which could possibly contribute to the spread of the COVID-19 virus.

Endorsement/Recommendations

- ***The Committee commends the attempt made by the NSDSL and its SNP Caterers to serve the underprivileged students served by the SNP when schools were closed;***
- ***The NSDSL should submit a status report no later than August 5, 2022, on the efforts the company put in place to ready itself and its caterers for the full resumption of the SNP in time for the physical reopening of schools on April 19, 2022; and***
- ***NSDSL should make clear the specific metrics it will use to assess whether the support system in place is improving.***

3. Increasing Local Input in Meals

Thirty percent (30%) of NSDSL's meal plans utilise local ingredients. NSDSL's CEO stated that the SNP caterers do not use fresh produce in their meal plans because microbial analysis of the produce shows evidence of faecal coliform which induces illness when ingested. Poor agricultural practices and the prevalence of flooding were highlighted as the likely cause of the contaminated produce. With the increasing costs of imported ingredients, SNP caterers began diversifying their meal plans to take advantage of locally available goods as locally grown produce and manufactured commodities

⁷ NSDSL's Students' Mobile Meal Delivery Programme Proposal

⁸ Trinidad and Tobago Government Online article: National Schools Dietary Services Limited distributing meals <http://www.news.gov.tt/content/national-schools-dietary-services-limited-distributing-meals#.YkSJMufMK5c>

remained readily available and reasonably priced in comparison to the imported food ingredients. Therefore, to facilitate a sustainable school meal service, the following are some of the locally grown, manufactured and processed items SNP caterers used in the production of meals:

- Poultry – chicken
- Flour (locally processed)
- Bakery products
- Burger Patties
- Bottled water
- Paratha Roti
- Pasta
- Condiments and fillings – jelly, ketchup etc.
- Processed Vegetables
- Vegetables and fruits

Officials from NSDSL’s informed the Committee that under the former School Feeding Programme, the programme had five thousand (5,000) acres available for agricultural production. Officials further stated that after engaging the Ministry of Agriculture, Land and Fisheries (MALF), NSDSL was able to have access to another ten thousand (10,000 acres) of land for agricultural production. Through NAMDEVCO, NSDSL’s stated that the company would engage NAMDEVCO certified farmers to produce and provide some of the imported products the SNP caterers require for their meal plans utilising the fifteen thousand (15,000) acres of agricultural land NSDSL had for production purposes.

Data collected from caterers for the fiscal year 2019/2020 indicated that approximately 1.9M lbs of local produce was used in the Programme, at an approximate cost of TT\$7.5M. The table below illustrates the actual local commodity usage on the School Nutrition Programme during the period October 2019 to August 2020

Food Items	Units	Volumes	Total Cost
Bodi	lbs	27,317.75	\$160,494.00
Breadfruit	lbs	140.00	\$455.00
Cabbage	lbs	23,966.00	\$128,953.00

Cassava	lbs	5,194.75	\$29,016.25
Celery	5lb bundle	5,579.60	\$172,801.85
Chadon beni	5lb bundle	10,143.10	\$198,997.35
Chicken	lbs	213,268.00	\$2,901,492.00
Chicken Breast	lbs	86,007.00	\$1,261,105.50
Chives	2.2lb bundle	4,872.85	\$164,699.50
Christophene	lbs	1,910.00	\$11,680.00
Coconuts	each	7,820.00	\$56,703.00
Corn on the cob	1.5oz pieces	26,741.00	\$9,744.61
Cucumber	lbs	2,046.00	\$11,106.00
Dasheen	lbs	1,108.00	\$7,864.00
Dasheen Bush	lbs	17,222.00	\$127,478.00
Ginger	lbs	4,952.13	\$110,308.74
Green Pawpaw	lbs	790.75	\$3,570.75
Mangoes	each	129,524.00	\$179,163.80
Melongene	lbs	2,635.00	\$14,475.00
Ochroes	each	198,546.00	\$99,523.00
Oranges	each	1,589.00	\$1,430.10
Patchoi	lbs	3,589.50	\$24,919.50
Pimentoes	each	663,853.50	\$234,491.30
Plantain	lbs	37,108.00	\$150,200.00
Pommecythere	each	17,291.00	\$16,312.25
Portugals	each	73,760.00	\$69,057.95
Pumpkin	lbs	203,223.00	\$462,138.50
Spinach	lbs	7,884.00	\$54,825.00
Sweet Peppers	lbs	49,126.50	\$318,194.75
Sweet Potatoes	lbs	3,317.00	\$24,879.00
Tomatoes	lbs	44,974.50	\$473,485.00
Watermelon	lbs	3,280.00	\$6,527.20

TOTALS	<u>1,878,779.93</u>	<u>\$7,486,091.90</u>
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Recommendations

- *NSDSL should institute a minimum requirement level for the amount of locally sourced ingredients that SNP caterers should incorporate in meal plans and submit a report on the implementation of such and the improvements it is aiming to achieve no later than August 5, 2022; and*
- *NSDSL should submit a report on how it intends to utilise the 15,000 acres of agricultural land the company has access to no later than August 5, 2022.*

4. Impact of the Covid-19 Pandemic on Caterers and Kitchen Staff

As a result of the closure of schools and the subsequent pause on the operations of the School Nutrition Programme, all staff employed in SNP kitchen facilities were left without jobs during the duration of the national shutdown. NSDSL’s officials informed the Committee that when in full operation, SNP Caterers provide employment for over seven hundred and fifty (750) persons in communities throughout Trinidad. Officials from NSDSL further added that eighty percent (80%) of the kitchen staff were women, with the majority being single mothers. When the Ministry of Education (MOE) started to gradually reopen schools, the SNP partially resumed operations but with most classes being taught online, the requested meal numbers were relatively low. The limited meal production meant that the majority of the over seven hundred and fifty (750) staff members at kitchens were rotated and when not scheduled, out of work and not paid.

To mitigate the financial challenges experienced by persons who were retrenched, terminated or experienced reduced income as a result of the Covid-19 Pandemic, the Government of the Republic of Trinidad and Tobago (GORTT) made available Covid-19 relief grants to support affected persons. NSDSL with the assistance of the Ministry of Finance (MOF) was able to get the 80% of the kitchen staff who met the qualifying criteria access to the Salary Relief Grant. This entailed working with persons to acquire and validate all the necessary documents they needed to approve their grant applications. NSDSL also tried to work with the commercial banks as well as the Agricultural Development Bank (ADB) with respect to facilitating loans to the caterers with reasonable repayment

times. On February 8, 2021 approximately eighty-one (81)% of the caterers (57 out of 70) started meal service for secondary school students who were at schools completing school-based assessments (SBAs). However, at the end of the quarter, approximately seventy-six (76)% (53 out of 70) of the kitchens were producing meals. NSDSL's officials stated that, four (4) kitchens discontinued service between February and March 2021. NSDSL's officials informed the Committee that with the extremely low productions figures and the resultant unsustainable profit margins, those four (4) caterers found it no longer economically viable for them to continue operating.

Endorsement/Recommendations:

- ***The Committee endorses the efforts made by the NSDSL in ensuring that kitchen staff (attached to the School Nutrition Programme) who became unemployed owing to the pandemic had access to the Salary Relief Grant;***
- ***The NSDSL should collect sufficient and reliable evidence on the impact of the financial pressures on the caterers; and***
- ***The NSDSL should also submit no later than August 5, 2022 a status update on all its SNP Caterers capacity to meet the full operationalisation of the SNP since the physical resumption of schools on April 19, 2022.***

5. Absence of Official Risk Management policy

The NSDSL does not have an official overarching Risk Management Policy. For fiscal year 2018/2019, the NSDSL completed a compilation of the various oversight mechanisms in use by the company's departments to mitigate risks. This document titled NSDSL Oversight Mechanism – Internal Risk Management Controls was submitted to the Ministry of Finance (MOF) with a response from the Ministry outstanding as at the time of the public hearing. While NSDSL lack an official overarching Risk Management Policy, the company utilises several policies which outlined standard operating procedures and processes, contained contingencies to cover organizational and legal risks and future regulations to be implemented. The various policy documents used in the interim are as follows:

- i. Finance and Accounting Manual;
- ii. Procurement Manual;
- iii. Human Resources Manual;

- iv. Health and Safety Policy; and
- v. Caterers' Manual

NSDSL however confirmed that there were plans in place to develop a Risk Management Policy following a risk assessment of the NSDSL's operations. NSDSL further added that when its Strategic Plans were being developed, a SWOT analysis was conducted, where the major threats of the organisation were identified and strategies to address such were outlined. NSDSL stated that this was also done during the development of NSDSL's Strategic Plan for 2020-2022.

Recommendations

- ***The MOF should provide a status update on the Oversight Mechanism – Internal Risk Management Controls submitted by NSDSL for feedback no later than August 5, 2022; and***
- ***The NSDSL should submit a status update on the company's plans to develop a formal Risk Management Policy no later than August 5, 2022.***

6. Absences of Internal Audit Function at NSDSL

There were no Internal Audit Unit at the NSDSL. It was stated that given the small nature of the company, the organisational structure has outsourced the internal audit function. When the position for Internal Auditor was last advertised, the company could not afford the fees it was quoted. The table below shows the fees NSDSL quoted when it advertised for the services of an Internal Auditor.

COMPANY NAME	FEES	
Alan Ramoutar and Company	\$240,000.00 per annum	
Ernst and Young Services Limited	\$345,000.00 - \$385,000.00 (total of 700 to 800 hours for completion of 4 internal audit reviews per annum) plus administrative fees – 7% of professional fees.	
KPMG	Risk-based Internal Audit Plan	\$155,000.00 total for 24 months
	7 quarterly reviews (2 audits per quarter)	\$85,000.00 per quarter

Deloitte and Touche	Enterprise Risk Assessment - \$65,000.00 exclusive of administrative expenses		
	Size of Audit	Duration of Audit	Fee TT\$
	Small	2 - 4 weeks	\$30,000.00 - \$60,000
	Medium	5 – 7 weeks	\$60,000.00 - \$95,000

Given the financial constraints of the company, no Internal Auditor was hired but attempts were made to reach out to the MOF and the MOE to get the additional allocation needed to fulfil the company’s internal audit requirements. In the absence of an internal audit function, for the fiscal year 2018/2019, the Audit Committee of the Board of Directors completed a risk assessment of the SNP catering establishments. The Caribbean Industrial Research Institute (CARIRI) was also contracted to conduct an audit of ten percent (10)% of the kitchens in fiscal year 2020/2021 to be completed in March 2022 at a total cost of twenty thousand dollars (\$20,000). The NSDSL Evaluation Committee (NSDCESC), formed in February 2018 was established by the MOE, to undertake an evaluation of the operations of the School Nutrition Programme. However, the last meeting held with the NSDSEC was on December 18, 2019. It was expressed by the Permanent Secretary (PS) in the MOE that despite NSDSL outsourcing its internal audit function, NSDSL has had positive external audit reports. The PS also stated that there were many state enterprises that outsourced their internal audit function but NSDSL’s lack of risk factors put the company in a favourable position to not have internal auditors. The PS also explained that while a full-time in-house internal audit function would be the best-case scenario, until the country’s financial situation improved, the external auditors PKF Trinidad would be relied on at a cost of seventy thousand dollars (\$70,000) per audit with oversight also provided by the Auditor General.

Recommendations:

- ***The NSDSL should look towards having the internal audit function become a permanent establishment on its organisational structure as opposed to being outsource given the prices quoted by auditing firms. The company should submit a status update on the implementation of same no later than August 5, 2022; and***

- *The NSDSL should also conduct a cost benefit analysis of outsourcing an internal audit function as opposed to having an in-house internal audit function and report to the Committee on its findings no later than August 5, 2022.*

7. Re-engagement for Strategic Plan Key Performance Indicators

The NSDSL, employed PricewaterhouseCoopers (PwC) to develop its Strategic Plan for the period 2020-2022 in 2018 at a cost of one hundred and seven thousand, eight hundred and thirty one dollars (\$107,831). A year later in 2019, NSDSL again engaged PwC but this time, it was with respect to the development of key performance indicators (KPIs) at a cost of forty six thousand, seven hundred and twenty-six dollars and eighty eight cents (\$46,726.88). When questioned on why NSDSL had to pay additional monies for KPIs that should have been submitted within the 2020-2022 Strategic Plan, NSDSL's CEO informed the Committee that the NSDSL requested the Strategic Plan have broad KPIs. Upon review, NSDSL realised that it needed to commission KPIs for each of the company's departments and as a result, incurred the additional fee.

Recommendation:

- *The NSDSL should have meetings amongst its executive to detail all the necessities and requirements that would be needed prior to engaging a consultancy firm for the development of any type working documents.*

8. Re-establishing a working Relationship with NAMDEVCO

NSDSL was questioned on whether having a formal arrangement with NAMDEVCO and its seven hundred (700) certified farmers to provide produce to the SNP caterers at fixed prices would be beneficial to the SNP. With NAMDEVCO setting clear guidelines for farming, processing, and packaging of produce, it was envisioned that this would ease NSDSL's health and quality concerns of the local products procured as well as reduce the need to import produce. NSDSL indicated that currently, caterers negotiate with suppliers on an individual basis. The prospect of having all the farmers supply produce to NAMDEVCO who would then redistribute it the SNP caterers was discussed as a possible solution. NSDSL's CEO informed the Committee that such an arrangement had existed in the past. NSDSL's late payments to the SNP caterers affected NAMDEVCO's profitability as well as the timeliness in which the farmers were paid. NSDSL assured the Committee that if disbursements were received on schedule, caterers would be able to pay the farmers on time

and a possible arrangement with NAMDEVCO to redistribute the produce to the SNP caterers could be explored once again.

Recommendations:

- ***The MOE and MOF should ensure that the quarterly disbursements to the NSDSL were made on schedule so that the quarterly payment to SNP caterers was done on time; and***
- ***The NSDSL should formally communicate with NAMDEVCO about the possibility of restarting a redistribution network between the seven hundred (700) NAMDEVCO certified farmers and the SNP caterers. A status update on this initiative should be submitted to Parliament no later than August 5, 2022.***

9. Non-Payment of Meals provided by NSDSL to other State Agencies

In 2012, when the focus of the NSDSL was on generating income, the company made representation to other Ministries through the Office of the Prime Minister (OPM) to utilize its catering services. The Company, in 2012 collaborated with the OPM to showcase local cuisine at two (2) functions. The intention was to generate future business from Ministries while offering local produce coupled with lower prices. The venture was successful as Ministries contracted the NSDSL to provide catering services. Thereafter, business was received from the Ministries of Health, National Security and Sport. However, this initiative was short lived, as NSDSL noticed Ministries were becoming delinquent in settling their debts. The NSDSL not wanting to continue using its own subvention to settle the debts to the caterers discontinued the service. The amounts due from those delinquent state agencies were still reflected on NSDSL's accounts despite the company being told by its external auditors to write them off.

NSDSL was also included in the Office of Disaster Preparedness and Management's (ODPM) disaster response plan. As such, the company was called upon to provide meals for the first response teams and Diego Martin residents impacted by the flooding and landslides that occurred on August 11, 2012 from the passing of Tropical Storm Isaac. The company attempted to receive payment for providing meals during the emergency by billing the ODPM. However, the ODPM directed NSDSL to the Diego Martin Regional Cooperation who indicated that they thought the meals were a donation from NSDSL. Attempts to recover this money has proven to be unsuccessful. Efforts were made (telephone calls, emails and written correspondence) to collect all outstanding funds owed up to September 30,

2021. Below is a table depicting debts owed to the NSDSL for fiscal years 2016 – 2019 by other state agencies.

Details	Period			
	2015-2016	2016-2017	2017-2018	2018-2019
Ministries (Ministry of Education, ODPM, Sports Company of T&T, Office of the Prime Minister)	\$1,874,102	\$1,683,685	\$1,737,224	\$1,694,372

Recommendation

- *The NSDSL should submit a status update on the company’s attempts to retrieve the outstanding monies owed to it for services rendered to other state agencies no later than August 5, 2022.*

10. Updating of Procurement and Accounting Manuals and Creating a Dedicated Procurement Unit

In its written response to the committee in February 2016, NSDSL indicated that it would be making amendments to its Procurement and Accounting Manual to align it with the Public Procurement and Disposal of Public Property Act, 2015. There have been no amendments to company’s Procurement and Accounting Manual since 2016. However, NSDSL stated that it was in the process of updating the procurement manual in consultation with the Office of Procurement Regulation (OPR). NSDSL indicated work on updating the manual had begun when the OPR expressed their intention in giving the NSDSL permission to adopt applicable practices from its booklets available online. This in turn caused NSDSL to come to the decision to no longer make amendments to the procurement manual but rather adopt the OPR’s handbook.

The NSDSL does not have a dedicated procurement unit but followed the recommendation of the OPR to assign a staff member as the Procurement Officer designate. The OPR provided training to that staff member and other key staff members such as the CEO. NSDSL stated that the OPR has continued to provide technical training support when asked. Additionally, the Board of Directors decided at Board meeting held on February 23, 2022 to convene a meeting with the OPR to discuss the staffing requirements for the Procurement Unit.

Recommendation

- *The NSDSL should submit a status update on the development of its OPR approved procurement guidelines as well as the establishment and staffing of a dedicated procurement unit no later than August 5, 2022.*

Conclusion

As the country grappled with the COVID-19 virus, NSDSL was constrained in delivering its mandate and executing its role due to the physical closure of schools. From March 2020, onwards, rising food prices on the international market negatively affected the profit margins of SNP caterers. This was quite worrisome as the Committee was informed that only 30% of the ingredients used in the meal plans under the SNP were locally sourced. Officials from the NSDSL further highlighted that fresh produce was not used in the menus because testing results have shown that local produce contains contaminants attributed to poor agricultural practices. The Committee also noted that the last time the caterers received a price increase in meals was June 2014. A price review was urgently needed as these caterers were being paid 2014 prices when prices have significantly inflated since then. SNP caterers employed over 750 persons most of whom are single mothers. Eighty percent of these workers had to access Salary Relief Grants when the national shutdown was in effect between March 2020 to June 2020. The Committee commends the efforts made by NSDSL to ensure that those unemployed kitchen staff had access to the Ministry of Finance's Salary Relief Grant.

Between February and March 2021 when the production levels of the SNP were resumed to facilitate meals to secondary students doing school based assessments, four caterers exited the SNP because their continued operations at limited production levels were unprofitable. The Committee also noted that efforts should be made to resume NSDSL's partnership with NAMDEVCO to distribute produce from NAMDECO's 700 certified farmers to the SNP caterers at fixed prices. By also utilising the 15,000 acres of agricultural land NSDSL has available for the production of imported ingredients, sustainable supply chains could be developed. This would encourage more use of locally grown produce as well as reduce the need to import food products by the SNP caterers.

The Committee understands the challenges the NSDSL faced as a result of the Covid-19 Pandemic and commends the company for trying to continue distributing meals to underprivileged students through its proposed Mobile Meal Delivery Programme. Despite the constraints of reduced production levels, rising import prices and the physical closure of schools, the Committee hopes that full production capacity of the SNP would be resumed without challenges in time for the physical reopening of all schools on April 19, 2022.

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

Mr. Wade Mark
Chairman

Mr. Rushton Paray, MP
Vice-Chairman

Ms. Amrita Deonarine
Member

Ms. Renuka Sagrarsingh-Sooklal
Member

Mr. Fitzgerald Hinds, MP
Member

Mrs. Laurel Lezama- Lee Sing
Member

Mr. Keith Scotland, MP
Member

Dr. Nyan Gadsby-Dolly, MP
Member

Appendix 1: Minutes of Meeting

**THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE –
SECOND SESSION, TWELFTH PARLIAMENT
MINUTES OF THE EIGHTH MEETING HELD VIRTUALLY ON
WEDNESDAY, FEBRUARY 02, 2022 AT 9:34 A.M.**

Present were:

Mr. Wade Mark	-	Chairman
Mr. Rushton Paray	-	Vice-Chairman
Ms. Amrita Deonarine	-	Member
Ms. Keiba Jacob	-	Secretary
Ms. Hema Bhagaloo	-	Assistant Secretary
Mr. Darien Buckmire	-	Graduate Research Assistant
Ms. Rebecca Rafeek	-	Procedural Officer Intern

Excused were:

Dr. Nyan Gadsby-Dolly	-	Member
Mr. Fitzgerald Hinds	-	Member

Absent were:

Mr. Keith Scotland	-	Member
Mrs. Laurel Lezama-Lee Sing	-	Member
Mrs. Renuka Sagrarsingh-Sooklal	-	Member

CALL TO ORDER

- 1.1 At 9:34 a.m., the Chairman called the meeting to order and welcomed those present. Dr. Nyan Gadsby-Dolly and Mr. Fitzgerald Hinds were excused from the meeting.

THE EXAMINATION OF THE MINUTES OF THE SEVENTH MEETING

- 2.1 The Committee examined the Minutes of the Seventh (7th) Meeting held on Wednesday April 7, 2021.
- 2.2 There being no omissions or corrections, the Minutes were confirmed on a motion moved by Member Rushton Paray and seconded by Member Amrita Deonarine.

MATTERS ARISING FROM THE MINUTES OF THE SEVENTH MEETING

- 3.1 With reference to item 3.2, the Chairman informed Members that the Secretariat received the responses to the request for additional information from the Export-Import Bank of Trinidad and Tobago Limited, the Central Bank of Trinidad and Tobago and the Ministry of Finance – Investments Division.
- 3.2 With reference to item 10.2, the Chairman informed Members that questions for additional information were sent to the Ministry of Finance - Investments Division, the Ministry of Public Administration and Digital Transformation. The responses were received by the Secretariat and used to draft the Fourth Report of the Public Accounts (Enterprises) Committee.

The responses were uploaded to the rotunda (e-repository) for Members consideration.

DETERMINATION OF WORK PROGRAMME

- 4.1 The Chairman highlighted the Mandate of the Committee as outlined in Standing Order 100 of the House of Representatives and 90 of the Senate.
- 4.2 The Chairman informed Members that a draft work programme for the Second Session, Twelfth Parliament and a list of all the entities under the purview of the Committee were uploaded to a web-based e-repository (Rotunda) for their consideration. A discussion ensued. Amendments were made to the draft work programme.

The Committee agreed to the following:

- i. Work Programme for the Second Session in this order:
 - East Port of Spain Development Company Limited;
 - National Entrepreneurship Development Company Limited;
 - Telecommunications Services of Trinidad and Tobago Limited;
 - National Commission for Self Help Limited;
 - Community Environmental & Protection Enhancement Programme Company Limited; and
 - National Maintenance Training and Security Company Limited.
- ii. That the Secretariat write to the Ministry of Finance –Investments Division with regard to the status of the outstanding financial statements of the entities under the purview of the Committee, with a deadline for response of one (1) week; and
- iii. Based on the written responses received from the MOF, the entities would be given an opportunity to provide a written response to explain the non-submission of the audited financial statements or deliver the response in public.

CONSIDERATION OF MINISTERIAL RESPONSES

- 5.1 The Chairman informed Members that Ministerial Responses to the First, Second, Third, Fourth and Follow-up Reports of the PAEC were uploaded to the Rotunda (e-repository) for consideration.

PRE-HEARING DISCUSSION RE: NATIONAL SCHOOLS DIETARY SERVICES LIMITED (NSDSL)

- 6.1 The Chairman reminded Members that the purpose of the virtual public hearing was to examine the Audited Financial Statements of the National Schools Dietary Services Limited (NSDSL) for the financial years 2016 to 2019 and follow-up on the implementation of the recommendations to the Report of the Auditor General on a Special Audit of the School Nutrition Programme managed by NSDSL.
- 6.2 The Chairman invited Members to review the Issues Paper based on the written submission received from the NSDSL.
- 6.3 The Chairman invited Members to raise any issues or questions on the examination into the Audited Financial Statements of NSDSL for the financial years 2016 to 2019 and follow-up on the implementation of the recommendations to the Report of the Auditor General on a Special Audit of the School Nutrition Programme managed by NSDSL. Members discussed the issues of concern and the general approach for the public hearing.

SUSPENSION

- 7.1 There being no further business for discussion in camera, the Chairman suspended the meeting at 10:04 a.m., to reconvene in public.

AN EXAMINATION OF THE AUDITED FINANCIAL STATEMENTS OF THE NATIONAL SCHOOLS DIETARY SERVICES LIMITED (NSDSL) FOR THE FINANCIAL YEARS 2016 TO 2019 AND FOLLOW-UP ON THE IMPLEMENTATION OF THE RECOMMENDATIONS TO THE REPORT OF THE AUDITOR GENERAL ON AN SPECIAL AUDIT OF THE SCHOOL NUTRITION PROGRAMME MANAGED BY NSDSL.

- 8.1 The Chairman called the public meeting to order at 10:18 a.m.
- 8.2 The following officials joined the meeting:

National Schools Dietary Services Limited (NSDSL)

- Ms. Stacy Barran - Chief Executive Officer
- Ms. Vanesa Martina - Programme Manager, Nutrition Services
- Ms. Alisa Mohammed - Programme Manager, Operations
- Ms. Indra Mootoo - Programme Manager, Finance
- Ms. Susan Corbett - Chairman

- Mr. Martin Lum Kin - Director
- Ms. Samantha Felix - Director
- Ms. Zena Ramatali - Director

Ministry of Education (MOE)

- Mr. Kurt Meyer - Permanent Secretary
- Ms. Lisa Henry-David - Chief Education Officer
- Ms. Lisa Madray-Valadere - Director, Research, Planning and Technical Services
- Ms. Naima Hosein - Director, School Supervision

Ministry of Finance –Investments Division– MoF-ID

- Ms. Chintamani Sookoo - Director, Social and Economic Transformation (Ag.)
- Mr. Suresh Dan - Senior Business Analyst (Ag.)
- Mrs. Takiyah Gordon - Business Analyst (Ag.)

8.3 Key Issues Discussed:

1. The estimated daily number of breakfast and lunches served per district and per category of educational institution in 2019 and 2020 and the yearly cost of each;
2. The challenges faced by NSDSL while administering the School Nutritional Programme (SNP) between the years 2020 to 2022;
3. The initiatives implemented to maintain health and safety practices amongst employees and catering staff during the pandemic;
4. The impact of rising food prices on meal valuations and caterer's profit margins;
5. The total number of caterers on NSDSL's register before and after the onset of the pandemic;
6. The assistance provided to caterers who were affected by the reduced demand for their services during the pandemic;
7. The NSDSL's capacity to administer the SNP in light of the reopening of schools in April 2022;
8. The initiatives proposed by NSDSL to cater to the Early Childhood Care and Education (ECCE) and primary school students who depended on the SNP but were schooled from home;
9. The NSDSL's total budgetary allocation between fiscals 2019 to 2022;
10. The percentage of local to imported ingredients used in the meals provided under the SNP;
11. The status of NSDSL's debt free position;

12. The non-submission of Internal Audit Reports to the Ministry of Education nor Ministry of Finance;
13. The absence of an Internal Audit Unit and Internal Auditor at the NSDSL;
14. The status of NSDSL Internal Audit Function;
15. The reasons and total cost for outsourcing the internal audit function;
16. The timeline for the establishment of an Internal Audit Unit;
17. The auditing of the production process of caterers by the Caribbean Industrial Research Institute;
18. The oversight role of the MoF-ID in monitoring the NSDSL;
19. The absence of Key Performance Indicators from the 2018 to 2020 Strategic Plan;
20. The mechanisms in place to assess the performance of caterers;
21. The Ministry of Health's role in auditing food preparation, providing quality assurance of meals and inspecting the cleanliness of kitchens;
22. The status of a formal agreement between NSDSL and NAMDEVCO;
23. The reasons for the decrease of the usage of fruits in meals;
24. The proposition of NSDSL offering its catering services to other state agencies;
25. The reasons for the write off of longstanding debts owed by other state agencies;
26. The measures taken to recover monies owed;
27. The consultancy firm used to aid the development of NSDSL's Procurement and Accounting Manual in 2007;
28. The policy document used to guide the purchasing and disposal of NSDSL's vehicle;
29. The rationale for the purchase of a BMW 316i Sedan; and
30. The mechanisms used to determine NSDSL's security service provider and the name of said provider.

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

8.4 The Chairman thanked the officials for attending the virtual meeting and they were excused.

SUSPENSION

9.1 At 12:39 p.m., the Chairman suspended the public meeting to resume in camera for a post-mortem discussion with Members only.

POST-HEARING DISCUSSION

11.1 The Chairman sought Members' views on the public hearing.

11.2 The Committee agreed that additional questions would be sent to the NSDSL, the MOF-ID and the MOE.

[Please see Appendix 1]

ADJOURNMENT

12.1 There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned to March 2, 2022 at 9:30 a.m. The committee will conduct an inquiry into the Audited Accounts, Balance Sheets and other Financial Statements of the East Port of Spain Development Company Limited (EPOSDCL) for the financial years 2012 and 2013.

12.2 The adjournment was taken at 12:42 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

February 02, 2022

ADDITIONAL INFORMATION

ADDITIONAL QUESTIONS ARISING FROM MEETING OF THE PUBLIC ACCOUNTS [ENTERPRISES] COMMITTEE

THE MINISTRY OF FINANCE – INVESTMENTS DIVISION

Requested Information arising from the 8th Meeting of the Public Accounts [Enterprises] Committee

1. Provide the correspondences between MoF-ID and NSDSL regarding the establishment of an Internal Audit Function and the submission of Internal Audit Reports.

Additional Questions arising from Written Submissions to Ministry of Education

Based on Response to Question 1 (Pg. 1)

1. How does the Ministry determine the Unit cost of its meals?
2. How frequently were reviews of the unit costs of meals conducted?

Based on Response to Question 2 (Pg. 2)

3. What is the status of the Strategic Plan for the period 2018 to 2022?

Based on Ministry of Education Response to PAEC-Question 2 (Pg. 3)

In Table II (Reporting Documents Submitted to the Ministry of Education by the NSDSL) of the Ministry's response, it was stated that "Reports in respect of the period April 2019 to date are outstanding".

4. What is the reason for the lack of submission of the 'Return of Award of Contract Reports' for the stated period?
 - a. When will the outstanding Return of Award of Contract Reports be submitted?

ADDITIONAL INFORMATION REQUESTED FROM THE NSDSL

Additional Questions arising from Meeting of the Public Accounts [Enterprises] Committee

Provide the following:

1. The proposals NSDSL made to the Government regarding the continuation of the School Nutrition Programme to provide meals to eligible students affected by the closure of schools due to the Covid-19 Pandemic.
2. The cost of NSDSL's engagement with PricewaterhouseCoopers for the development of the company's Procurement and Accounting Manual.
3. A list of all the consultants currently engaged with NSDSL including the reason for the engagement and the costs incurred to date.

Additional Questions arising from Written Submissions

Issue 2: Status of Outstanding Financial Statements

Based on Response to Question 2 (Pg.13)

4. What is the status of the request for an AGM to be held?

Issue 3: Risk Management

Based on Response to Question 1 (Pg.14)

It was stated in the NSDSL's submission to the PA(E)C, that they do not have a Risk Management Policy.

5. What is the reason for the lack of development of a Risk Management Policy?
 - a. Are there plans for the development of a Risk Management Policy?
 - b. Has a cost analysis been conducted to determine the economic feasibility of implementing such a policy?
6. What is the status and outcomes of the evaluation of the School Nutrition Programme by the NSDSEC?
7. How does the NSDSL detect and control risks without a risk management policy?
8. Who assesses the company's risk profile?

Issue 6: Generating Income

Based on Response to Question 1b (Pg.18)

It was noted that the main challenge encountered by the NSDSL in the provision of its services was the timely payment from entities.

9. What measures are being implemented towards addressing this issue?

Issue 8: Accounts Receivables and Prepayments

Based on Response to Question 1 (Pg.19)

It was noted that the NSDSL has significant outstanding monies to collect from the Ministry of Education, the ODPM, the Sports Company of T&T and the Office of the Prime Minister.

10. Provide an update on the most recent attempts made by the NSDSL to recover these funds.
11. What were the reasons for the write off debts by the NSDSL?
12. Does the NSDSL have any outstanding legal matters resulting from non-payment by entities in receipt of their services?

Issue 14: Procurement and Accounting Manual

Based on Response to Question 1 (Pg.26)

In the NSDSL's submission, it was stated that the NSDSL was in the process of updating the procurement manual, in consultation with the Office of Procurement Regulation (OPR).

13. Provide a status update on this process, including its expected completion date.
14. Provide details on all amendments being made to the procurement manual.
15. Does the NSDSL have a dedicated procurement unit?

Based on Response to Question 3 (Pg.26)

Under the Procurement and Accounting Manual section, it was also noted that NSDSL was responsible for the creation and updating of these manuals and that they would typically outsource the work to an external consulting firm.

16. Provide the name of the consulting firm utilized for this project and the cost of contracting them.
17. Conversely, what would be the cost of producing these documents internally?
 - a. Does the NSDSL have the internal capacity to do so?

Based on Response to Question 6 (Pg.27)

The NSDSL also stated that there have been no changes to the tendering process which guides the selection of caterers.

18. How frequently was reviews of this tendering process conducted?
19. When is the next review of this process expected to be conducted?

Issue 16: Meal Testing and Wastage

Based on Response to Question 1 (Pg.28)

In the response to question 1, it was stated that “Unfortunately there are no samples taken by Public Health”.

20. Given the remit of the Ministry of Health as the primary body responsible for the oversight of the health system of Trinidad and Tobago, what was the reason for the non-provision of samples to the Public Health for testing?
21. How frequent do Officers visit the Kitchen?
22. How frequent are samples collected, tested and results seen by the Suppliers Team?

Issue 17: Administrative Expenses

Based on Response to Question 2 (Pg.29)

23. Using the following scale, rate the effectiveness of these agencies in the provision of their respective expertise: 1 = Poor, 2 = Fair, 3 = Good, 4 = Very Good, and 5 = Excellent.
24. How is the impact and performance of special events monitored and evaluated?

Issue 18: Human Resource

Based on Response to Question 3 (Pg.34)

25. When are these vacancies expected to be filled?
26. How have these vacancies affected the performance of this company?
27. Provide a list of the positions that still need to be filled.

The Guidelines for Suppliers- Covid-19 Pandemic (Pg. 2)

It was stated that prior to the reopening of schools, the NSDSL conducted inspections to reinforce COVID-19 guidelines and ensure compliance with the Ministry of Health's food safety requirements.

28. Given the additional costs to caterers in ensuring compliance with the Ministry's food safety requirements, was financial assistance rendered to any caterers to ensure conformity with added safety regulations?
29. Were there any challenges associated with the implementation of these added measures by caterers?

NSDSEC Report with Appendix

Criteria for Selection of Students

In a review of the system for selection of students to access meals, it was revealed that the selection process lacked standardization.

30. When was the last time a review of the criteria for the selection of students was conducted?
31. Does the NSDSL intend to standardize the criteria for the selection of students?

At the ECCE Level, it was stated that all students received meals in order to encourage meal acceptance at an early age.

32. How long have ECCEs been operating in this manner?
33. How effective has this system been in fostering meal acceptance?

Number of Meals Provided

"This exercise found that a number of primary and secondary schools were in receipt of approximately 6,000 breakfasts and lunches in excess of the number required at an estimated annual cost of approximately five (5) million dollars".

34. Was the NSDSL ever provided with a reason for the excess meals provided to these schools?
35. Provide a list of the primary and secondary schools where food wastage was recorded.
36. Did the exercise determine whether wastage occurred with the excess 600 meals?
37. How long has NSDSL been experiencing these wastages?
 - a. Why wasn't a reconciliation exercise done by the NSDSL to verify how many meals were being paid for?

In previous years, it was noted that the NSDSL was able to save significant revenue by cutting out days from the meal service calendar (TT\$15,806,048.76 for 2018).

38. Considering how much was saved for the financial year 2018 by the removal of some meals service days, how much was the NSDSL able to save for the year 2020 as a result of the pandemic?

Recommendations and Conclusion

Recommendation II: The current system for provision of meals at the preschool level should be reviewed to align with the approach used at primary and secondary schools.

39. Provide an update on the implementation of this recommendation.

Recommendation III: NSDSL should explore the option of providing lunch/breakfast at a subsidised rate to students not selected but who can afford to contribute to the cost of meals.

40. What steps have been taken towards the implementation of this recommendation?

In order to implement the aforementioned recommendations, the committee developed the following three (3) instruments:

- I. On-site Monitoring Form
- II. Critical Incidents form for the Investigation of Critical Incidents/Allegations of Foodborne Illnesses
- III. Medium-Term Adjustments Form

41. Provide an update on the implementation of these instruments.
42. Is there a cost associated with the implementation of these instruments? If yes, provide details.
43. What challenges have been encountered in the implementation of these instruments?

Recommendation VI: There should be closer collaboration between the MoE and NSDSL with respect to:

- IV. Timely response to facilitate short-term changes in provision of meals
- V. Sign off and verification by principals for meals provided by caterers

44. Provide details on the progress of implementation of the measures stated in this recommendation.

NSDSL Oversight Mechanism- Internal Risk Management Controls

Health, Safety and Security (Pg. 8)

According to the NSDSL Oversight Mechanism document, it was noted that the NSDSL had a safety committee with the responsibility for the management of the company's risks.

45. Provide details on the members of the safety committee and their respective responsibilities.
46. How would the NSDSL rate its performance with respect to the management of its health safety and security operations? Use the following scale: 1 = Poor, 2 = Fair, 3 = Good, 4 = Very Good, and 5 = Excellent
47. What policy document guides the operations of the safety committee?
48. How does the NSDSL effectively manage its risks without a Risk Management Policy?

The risk assessment is a critical part of the Health and Safety culture and therefore technical advice is also received from external consultants throughout the process. (Pg.9)

49. Provide a full list of all consultants utilized by the NSDSL.
 - a. Include the cost for enlisting their services as well as the purpose for recruitment.

Training (Pg.12)

It was stated that should training be required, in respect of food quality, the matter is referred to the Recipe Testing and Development Department, which assists caterers in the standardization of recipes towards ensuring the satisfactory quality of the food.

50. Provide details on the challenges experienced by the Recipe Testing and Development Department in ensuring the provision of quality meals by caterers.

Procedure for Projection of Boxes, Verification & Proper Accounting of Supplies (Pg.15)

51. Have there been any instances of caterers being fired? Provide details inclusive of the following:
 - a. The period for which each company was contracted; and
 - b. The reason for their termination.

Information Technology (IT) (Pg. 20)

The Information Technology department is responsible for overseeing the IT function of the company, and therefore secures and maintains all IT hardware and software for the NSDSL.

52. Using the following scale of 1 = Poor, 2 = Fair, 3 = Good, 4 = Very Good, and 5 = Excellent, rate the performance of the IT department in the maintenance and management of the NSDSL's systems.

National Schools Dietary Services Limited- Strategic Plan 2018-2020

Achieving Mandate (Pg.9)

“Education of nutrition practices and standards is not a core function of the NSDSL but rather the Ministry of Education.” Thus, it was stated that greater participation is required from the MoE to ensure that standardized information on proper eating habits is disseminated throughout the population.

53. What steps has the Ministry of Education taken towards addressing this weakness?

It was further stated that price gauging and the generally higher prices of local produce were weaknesses or threats to the operations of the NSDSL.

54. What steps have been taken to reduce or prevent price gauging by caterers and suppliers?

It was further recommended that the Ministry of Education needs to develop standardized criteria to determine the eligibility of students to access the school meal service.

55. Have any steps been taken towards the implementation of this recommendation?

NSDSL staff security concerns in crime hot spots and / or poorly secured areas were also identified as being problematic.

56. In light of this serious issue, what additional measures have been implemented to ensure the safety of staff?

Incapable and/or Outdated Information and Communication Technology Framework (Pg.11)

Efficiency and productivity would greatly increase if NSDSL moves away from a mainly paper based system. The database servers currently used are backed up but there is a need for redundancy system to be implemented, a 2nd back up and is becoming increasingly incapable of handling the growing volume of information.

57. In light of the challenges of utilizing a paper-based system, what steps are being taken by the NSDSL to overhaul and digitize its application and tendering processes, as well as the digitization of its information sharing and records management system?
58. Has an analysis been conducted to determine the cost of upgrading its current system in keeping with this recommendation?

Lack of a scientific tool to validate selection of eligible students (Pg.12)

At present the MoE does not apply scientific mechanisms to identify the current recipient pool of underprivileged students. Until the Whole School Approach is fully implemented and achieved, scientific methods will be required to effectively validate the eligibility of meal recipients.

59. What was the reason of the NSDSL not using a scientific method to validate the selection of eligible students?
60. How would the NSDSL rate the effectiveness of the system currently being utilized in ensuring that priority students receive first preference?

Use the following scale of 1 = Poor, 2 = Fair, 3 = Good, 4 = Very Good, and 5 = Excellent.

Strategies, Actions and KPI (Pg.24)

Under Key Performance Targets, one of the indicated performance measures was the number of countries adopting the SNP as a model to inform development of their own national SNPs.

61. To date, how many instances of countries adopting the SNP have been recorded?
62. Have any countries reached out to the NSDSL for assistance in creating their own SNP? Provide details if applicable.

The formulation of a Quality Assurance/Risk Management Committee comprising the CEO, and other key officials of the NSDSL was also identified as a key activity for the enhancement of the company's performance.

63. Provide an update on the implementation of this measure.

Under Contractor/Caterer Management, it was stated that a caterer capacity analysis needed to be conducted for more informed meal pricing decision making.

64. Has the NSDSL taken steps to conduct such an analysis?
- a. Provide details on any measures or steps taken towards the conduct of such an analysis.

Protocol for Award of Contracts to Caterers

Eligible Applicants (Pg.7 of 18)

Applicants who have been found to have personal relationships with individuals in the NSDSL were considered to have a conflict of interest and as such would be ineligible.

65. Has there been any instance of conflict of interest being found after a contract was awarded?
- a. If yes, provide details on how this instance was addressed.

Corrupt Practices (page 7 of 18)

66. How many instances of corrupt or fraudulent practices have been uncovered by the NSDSL?
- a. Provide details on all caterers or supplies that have been disqualified from working with the NSDSL as a result of fraud and/or corruption.
67. Can previously disqualified caterers or supplies re-apply at a later date?

VERBATIM NOTES OF THE EIGHTH VIRTUAL MEETING OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE HELD (IN PUBLIC) ON WEDNESDAY, FEBRUARY 02, 2022, AT 10.15 A.M.

PRESENT

Mr. Wade Mark	Chairman
Mr. Rushton Paray	Vice Chairman
Ms. Amrita Deonarine	Member
Ms. Keiba Jacob Mottley	Secretary
Ms. Hema Bhagaloo	Assistant Secretary
Mr. Darien Buckmire	Graduate Research Assistant
Ms. Rebecca Rafeek	Procedural Officer (Intern)

ABSENT

Mr. Fitzgerald Hinds	Member
Mrs. Renuka Sagramsingh-Sooklal	Member
Mrs. Laurel Lezama-Lee Sing	Member
Mr. Keith Scotland	Member
Dr. Nyan Gadsby-Dolly	Member

MINISTRY OF FINANCE–INVESTMENTS DIVISION

Ms. Chintamani Sookoo	Director, Social and Economic Transformation (Ag.)
Mr. Suresh Dan	Senior Business Analyst (Ag.)
Mrs. Takiyah Gordon	Business Analyst (Ag.)

MINISTRY OF EDUCATION

Mr. Kurt Meyer	Permanent Secretary (Ag.)
Ms. Lisa Henry-David	Chief Education Officer (Ag.)
Ms. Naima Hosein	Director, School Supervision
Ms. Lisa Madray-Valadere	Director, Research, Planning and Technical Services (Ag.)

NATIONAL SCHOOLS DIETARY SERVICES LIMITED (NSDSL)

Ms. Susan Corbett	Chairman
Ms. Stacy Barran	Chief Executive Officer
Mr. Martin Lum Kin	Director
Ms. Samantha Felix	Director
Ms. Zena Ramatali	Director
Ms. Vanesa Martina	Programme Manager, Nutrition Services
Ms. Alisa Mohammed	Programme Manager, Operations
Ms. Indra Mootoo	Accountant

Mr. Chairman: Good morning. Good morning to all and welcome to the officials from the Ministry of Finance, Investments Division; the Ministry of Education; and the National Schools Dietary Services Limited. My name is Sen. Wade Mark, Chairman of the Public Accounts (Enterprises) Committee.

May I say from the outset that the Public Accounts (Enterprises) Committee has a mandate to 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; the Auditor General's Report on any such accounts, balance sheets and other financial statements; and whether policy is carried out efficiently, effectively and economically; and whether expenditure conforms to the authority which governs it.

The purpose of this meeting of the Public Accounts (Enterprises) Committee is to examine the audited accounts, balance sheets and other financial statements of the National Schools Dietary Services Limited for the financial years 2016—2019 and follow up on the implementation of the recommendation into the report of the Auditor General on a special audit of the School Nutrition Programme managed by the NSDSL. The Committee is desirous of hearing the challenges being faced by the key stakeholders at the National Schools Dietary Services Limited in an attempt to determine some of the possible solutions to these challenges. The role of the Committee is to help the National Schools Dietary Services Limited to improve its delivery of services in an efficient, effective and economic manner.

This virtual meeting is being broadcast live on the Parliament's Channel 11 and radio 105.5 FM, and the Parliament's YouTube Channel, *ParlView*. Participants are advised that their microphones should remain muted until recognized by the Chair. May I at this time allow other members of the Public Accounts (Enterprises) Committee to introduce themselves. Members.

[Introductions made]

Mr. Chairman: Thank you. May I invite representatives to introduce themselves in the following order: Ministry of Finance, Investments Division; Ministry of Education; and National Schools Dietary Services Limited, in that order.

[Introductions made]

Mr. Chairman: Officials from the Ministry of Education.

[Introductions made]

Mr. Chairman: Yes. We have another official or representative, Lisa?

[Introduction made]

Mr. Chairman: Okay. Thank you so very much, Mrs. Madray. May I now go on to the National Schools Dietary Services Limited's officials.

[Introduction made]

Mr. Chairman: Thank you. Next.

[Introduction made]

Mr. Chairman: Thank you. Next.

[Introduction made]

Mr. Chairman: Thank you.

[Introduction made]

Mr. Chairman: Anyone else?

[Introduction made]

Mr. Chairman: Thank you. Is that—do we have anyone else?

[Introductions made]

Mr. Chairman: Thank you.

[Introduction made]

Mr. Chairman: Thank you. Is there anyone else, if not?

Ms. Mootoo: Good morning.

Mr. Chairman: Yes, go ahead. Thank you, Indra.

[Introduction made]

Mr. Chairman: May I at this time invite the Permanent Secretary or her representatives—representative rather, of the Ministry of Finance, Investments Division, to make a brief opening statement. Ministry of Finance.

Ms. Sookoo: Good morning, Chairman and members of the Committee. I thank you for the

invitation with this meeting today. The Investments Division of the Ministry of Finance is responsible for executing the investment policy as prescribed by government. The mandate of the division includes oversight, monitoring and, where necessary, the rationalization of government equity holding in commercial enterprises. The division acts on behalf of the Minister of Finance, Corporation Sole, and carries all the corporate function. This includes: representation of the Minister at shareholder meetings, establishment of new enterprises and rationalization of the investment portfolios of the shareholder. Thank you.

Mr. Chairman: Thank you. May I invite the Acting Permanent Secretary of the Ministry of Education to make a brief opening statement?

Mr. Meyer: Chairman, members of the Committee, members of the public, the Ministry of Education is very pleased to be here today as we review the audited financial statements of the National Schools Dietary Services Limited for the years 2016—2019. The School Nutrition Programme, managed by the NSDSL, has been a core element of the Ministry's inclusive policy which has sought to strengthen the educational opportunities of our students by providing nutritious meals for those in need. The NSDSL has performed this task in spite of challenges brought about by reduced budgetary allocations and rising food prices. The Ministry and officials from NSDSL stand ready to assist today this Committee in its deliberations. Thank you.

Mr. Chairman: Thank you. And finally may I invite either the Chief Executive Officer or the Chairman of the National Schools Dietary Services Limited to make a brief opening statement.

Ms. Corbett: Good morning all, Chairman and hon. members of the Public Accounts (Enterprises) Committee; CEO and staff of the National School Dietary Services; PS and representatives of the Ministry of Finance and the Ministry of Education. The pleasure is mine to be part of this exercise this morning on behalf of the Board of Directors of the National Schools Dietary Services Limited. We thrive on providing value for money, being efficient in our services and being effective in how we execute the programme of the National Schools Dietary Services Limited. We started as a board in August 2021, and we have been availed of at least most of the information as it relates to the operations of the National Schools Dietary Services Limited. So we are pleased to be part of this exercise today. I thank you.

Mr. Chairman: Thank you all so very much. May I begin by posing a few questions for clarification on this very important organization/company known as the National Schools Dietary Services Limited. I would like to ask the following question and the Chairman can direct who would be best placed to answer this question. Could you share with this Committee what is the current estimated

daily number of breakfasts and lunches served per educational district by category of schools?

Ms. Corbett: Okay. Thank you. I will now direct this question to the Chief Executive Officer, Ms. Barran.

Mr. Chairman: Ms. Barran, thank you.

Ms. Barran: Thank you, Chair. Chair, what I will have to present is figures prior to the pandemic and figures currently served. At this point, we are in fact serving the secondary schools—132 secondary schools—and we are providing to the secondary schools 6,403 meals per week. And the reason I am not giving a daily figure is because of the rotation in the secondary schools. Because of the rotation we have different numbers on different days.

So what we have there is for south, we have 6,403 meals per week; central, 5,503 meals; east, 5,873 meals; and for the north zone, 5,480, a total for the week of 23,257 breakfasts.

And lunches: 6,543 lunches for the south zone; 5,753 lunches for the central zone; east zone is 6,473 meals; the north zone is 6,530, meals, and we have a total of 25,299 meals.

The total budgetary allocation—well, let me just go back down. Before it cost actually \$256,152.38 to provide those meals on a weekly basis. Prior to the—well, Chair, I do not know if you want me to go into prior to the pandemic what we were serving. I will just give you the figure.

Mr. Chairman: Yes. Let us go back to prior pandemic.

Ms. Barran: Yeah. Prior to the pandemic, before March 2020, we would have been serving the ECCE—let me just get my figures from 2020. The ECCE centres, we would have been providing 47,773 meals—well, the daily figure would have been 79,000 lunches—approximately 79,000 lunches and 54,000 breakfasts before the pandemic. I will just try to breakdown the figures now.

For the year 2019/2020, ECCE, we would have been providing 47,753 breakfasts; primary, 3,552,820 breakfast meals; secondary, 1,031,464 meals; technical/vocational, 90,732 meals; special, 52,528, and that would have given us a total number of breakfasts for the year, 4,775,296 meals.

For the lunch figure, ECCE, 542,316 meals; for the primary schools, 4,728,463 meals; for the secondary schools, lunch meals, 1,424,236 meals; and technical/vocational, 111,279 meals. So that will give us 6,872,253. This is at a total cost of \$104,760,024.71.

Mr. Chairman: Is that for the two sets of meals, both the breakfasts and lunches, or is that the combined cost?

Ms. Barran: Yes, Chair.

Mr. Chairman: Would you be kind enough to just disaggregate for us how much it will cost for breakfasts and how much it will cost for lunches?

Ms. Barran: So the cost of the breakfast meal is \$6.63, and preschool meals are \$8.28, and the cost of a lunch is \$9. So again, a disaggregate, the number of—the total cost for the ECCE is five lunches, \$5,051,673.54. The lunches for the primary schools, \$47,875,687.26 and for the secondary, \$14,420,387.73. The—

Mr. Chairman: Repeat that for us.

Ms. Barran: Sorry, Chair.

Mr. Chairman: Excuse me, Ms. Barran, could you repeat that number, is it 14 or 40?

Ms. Barran: One-four; \$14,420,387.73, Chair. Technical, \$1,025,449.79 and we have the special schools, \$769,087.35. And when I say special, I refer to like Lady Hochoy and those specialist schools.

Mr. Chairman: Yes. Okay. Thank you so very much. Now, you started off by talking about the period 2020/2021, in terms of the pandemic period in terms of allocation and distribution, focusing specifically, as you said, on the secondary school system because that is what is now opened on a rotational basis. Could you indicate to us how have you been able to administer this programme between 2020/2021 and in 2022? What are some of the challenges that this company is facing in addressing this School Nutrition Programme for the period 2020 to the present time in this period of the pandemic? Could you share with us some of your challenges?

Ms. Barran: Thank you, Chair. And, of course, as you would have alluded to it as well before in your speech, the rising food cost, that would have been our major challenge because the programme has contracted prices to caterers. So the prices per meal, according to their contract, is \$6.63 for breakfast, \$8.28 for the preschool meal and \$9 for the lunch meal. Of course, if there is rising food cost, the caterers will find it being a big challenge to procure the ingredients for the meal and, of course, remember our objective is meeting one-third RDA for lunch and a quarter RDA—the Recommended Dietary Allowance—for breakfast.

So that is our major challenge right now in terms of trying to work with suppliers. We have approved suppliers that we work with to try to get prices—volume prices for the caterers. However, because of the opening of the secondary schools you would realize from the figures—well, you will see from the 2020—prior to 2020, when I would have called out the 79,000 and the 54,000 breakfasts and lunches, those volumes were big volumes. Right now, we are doing 1 to 5 per cent of that volume, hence the reason the income to the caterers have been cut drastically in terms of what they work for now. So therein lies the challenge because whereas if you are procuring larger volumes, you would get lower prices. But right now, that is not the case and, you know, the profit margins have

been lower.

In the pandemic period, of course, we would have had the retrain, we would have had to redesign. Luckily for the programme, we have always been a big—well, food safety has been a very big area for us in terms of standards for the kitchen, standards for the programme. So face masks were nothing new for us, for example, because in the boxing line, when we are boxing food, actually staff wear face masks. Sanitizing and cleaning and all that, in terms of standard operating procedures, those are procedures that we have.

We had to change—in terms of training, we would have enforced training. We had to look at handwashing facilities on the outside, coming in, sanitizing, ensuring that everybody who comes in to the facilities will fill out their declaration forms, take temperature checks. We have a zero tolerance policy in terms of employees coming in because, of course, we want to ensure that every meal that we supply is safe and nutritious as well for the children.

Going into the schools, the other issue that, you know—luckily we have all our—I do not know if I could say that, but vaccination status, all our employees have been vaccinated and are being safe, protocols are being followed. So, you know, in terms of the pandemic, I do not see the delivery in terms of those meals being delivered, and the care and safety, they are also followed.

So our biggest challenges would have been—[*Technical difficulties*] Right now we have been getting releases on a timely manner and, of course, we have been paying the caterers as they send invoices in as well.

Mr. Chairman: Yeah. May I also enquire what has happened—well, before I deal with what has happened, could you share with us the total number of caterers within the system of the National Schools Dietary Services Limited? What is the number of caterers you have at this time on your register?

Ms. Barran: Chair, at this time, we have 69 caterers. Prior to the pandemic, we had 75. So that was one of our challenges as well, through the period where we were not feeding, some of the caterers were actually at a disadvantage in terms of finances and they had to close their businesses.

10.45 a.m.

Mr. Chairman: Now, did any—I know that the Government had made efforts to come to the assistance of some of these individuals and organizations that were experiencing financial challenges because of the lockdown, because of the closure of schools for a very long time at one time. Can you share with us what efforts were made to at least reach out and provide some kind of support, some financial assistance to these caterers who had their expenses to cater for but they were not getting the

demand for them to supply meals and therefore they would have been in a difficult situation? What, if anything, was done to come to their assistance even if it means on a temporary basis, any assistance, any approaches to the Government to work with these caterers to provide them with some support?

Ms. Barran: Chair, we worked with the Ministry of Finance and we worked closely to try to get grants for the employees because we have over 750 employees that were affected in terms of the single mothers. We have 80 per cent of our staff at kitchens are women and this we would have worked with the Ministry of Finance. We would have gotten about 80 per cent in terms of my last check, in terms of those grants, so those were provided. In addition to which we tried to work with the banks in terms of, we have a facilitation, we have worked with ADB in lending money to the caterers and we asked for time in terms of those loans. We have done letters, we have tried to work with the caterers in terms of that kind of support lending, you know, to the banks and, you know, and we also tried to do some proposals where we would have proposed to do community feeding, but of course because of the pandemic and Ministry of Health guidelines, they did in fact think that it would have encouraged grouping and, of course, the spread of the virus.

So, we did try to get some income and we tried to work with the banks and the financial institutions and we did try to work with Ministry of Finance who actually was quite helpful and they keep giving us feedback in terms of what documents that they needed from these caterers and their staff and we tried to get some assistance there.

Mr. Chairman: Could you tell us, out of the 75 caterers, prior to the entry of the pandemic into our society, COVID-19 virus, can you tell us what or to put it in another way, how many caterers have closed down their operations on a permanent basis and they have gone out? How many of them have had to close down on a temporary basis? And how many have begun to restart some limited operations given the rotational arrangements at the secondary school level? Can you share with us?

Ms. Barran: Yes. Well, we have six caterers closing on a permanent basis. Out of the 69 we have 50 operating on the—well 49 to 50 because we had one caterer, because of profit margin they would have reduced as well. Because you see what is happening at the schools, because we are trying to reduce wastage and we are trying to maximize in terms of the input, we changed figures with the schools; we work together with the principals and the teachers and today you might be providing 50 meals and if the volume of students coming in and the next week goes down to 30 then that number changes to 30. And you could imagine in terms of a size of operation like ours having 80 meals and 100 meals just, it does not make economic sense for some caterers.

So, while caterers are working with us and they are trying to bridge the gap, because everybody

understands the need for the meals, because only weekend we were hearing from a parent who indicated to us that their child wanted to go back to school for food, for meals, and I mean it made us feel very important because I know we have been providing that service and some of the children, their parents have lost their jobs and they look forward to the meals. Sometimes it is the only meal that they get or one meal for the day in addition to that, so it is quite important. So the caterers have been bridging the gap, they have not been making a lot of money, but to start the business back and their love for provision of meals for the nation's children they are working hand in hand with us.

[Pause]

Chair, we are not hearing you.

Mr. Chairman: No, my mike was off, I beg your pardon. I was asking the question Ms. Barran, whether, if you can share with us what will happen with a further expansion of your School Nutrition Programme and the engagement of more caterers and an expansion of the School Nutrition Programme. Would the Government's decision, recent decision that is, to resume classes at the secondary school level, if I am not mistaken Forms 1 to 4 and then come April back to the primary school level, can you share with us how will this impact on a further expansion and a further ramping up in your production and catering of meals for both the primary and secondary school populations?

Ms. Barran: Chair, we have, so far our budget is \$1.2 million for what we are providing right now. Our allocation for the year was \$41 million and with the increase on the 7th of February where the Standard 5s in the primary schools will be coming out and the 1 to 3 in the secondary schools from the 7th of February, we are working closely with the Ministry of Education in getting those numbers and, yes, we are fully ready to start. We have the budgetary allocation for the meals as well. So as our hon. Minister would have indicated to the public that children coming in will be provided with both breakfast and lunches. So we stand ready to serve.

Mr. Chairman: All right. Now, I just wanted to follow up on that by asking, we have had a situation where at the level of the primary schools and the secondary schools and we know pending resumption in February and in April what is going to take place. I wanted to ask you as CEO, what contingencies or what kind of initiatives did your organization and/or company recommend to the National Schools Dietary Services Company to cater for children who are not at this time actively involved at the primary school level, but they are at home, online, conducting online classes at home? They may have challenges with their parents being unemployed because of closures of businesses, retrenchment. I wanted to ask, like in Miami, Florida, where even though there were closures of schools you still had the catering for the children at the primary, at the kindergarten level, at the primary school level,

equivalent, throughout the closure.

So you had the schools being used as a central collection point so parents could have come and collect their meals for their children and take it to their homes rather than having these children having to fight up to get a meal even though the Government came up with some food box or some—they had some programme that the Government had introduced. I wanted to ask you whether any proposal would have been made to the Government to ensure that your population at the ECCE centres, primary school levels and those at that time who were not at the secondary school face to face classes, their parents could have still come to the schools and pick up their lunch boxes for their children so that that nutritional level could have been retained particularly when you take into account several parents being retrenched, being dismissed and not being able to have the wherewithal to provide proper meals for their children. Did any such proposal—were you able to put forward any such proposal to the Government so that you could have continued your School Nutrition Programme even in the face of the lockdowns?

Ms. Barran: Yes, Chair. We did—hello?

Mr. Chairman: Yes.

Ms. Barran: We did in fact do a proposal to have community feeding where we would have used a combination of the community centres, the MP offices, the schools as the point of distribution for the children. And we actually, in May 2020 we did do an exercise where the caterers themselves they donated meals and through MP offices, we got all MP offices to distribute those meals and they were well received. Actually, they put a delivery system. We helped as well to get those meals to the children. They were well appreciated. It was not the full amount. What we had proposed is that in every community, every area we would have done 500 meals. So, we would have scaled down in terms of crowding and that kind of thing, but we would have met their nutritional needs. And you are right, because there are some children at home and our children, we normally provide the meal and remember we are providing the quota recommended dietary allowance and the third dietary allowance, breakfast and lunch, and what is happening when this child is at home and how many children are like that.

So our Minister did in fact approve and we were on with it but then we had a surge in COVID--19 cases and, of course, children are very susceptible so we had to pull back in terms of that proposal. But, yes, we looked at the models around the world, because everybody had the “Meals on Wheels” and they had the distribution. Even we had—I had worked together with Tobago to do the same proposal and they had actually put that in place as well where the children were in fact getting

the meals through the community centres at certain drop off points. So it was something that was considered, but, of course, everything is subject to the time—

Mr. Chairman: Yeah. Ms. Barran, may I ask whether you have any data that would show us and the country during the period when you exercised the initiatives that you just outlined, how many children would have been catered for, given your population at the various, given the various categories? That is the ECCE centres, the primary schools, the secondary schools, the special needs children, the vocational and technical population. When you were dealing with the 500 per community or constituency, when you look at the deficit, what was supplied and what was not supplied, do you have any data to share with us as to how many people would have been required to have meals? But because of your circumstances these are the amounts that you were able to supply and therefore you were not able to reach, let us say X number of students in the categories that I have just outlined. Do you have any data to substantiate?

Ms. Barran: Well, Chair, we did not start the initiatives. We had just proposed but we had actually allocated for each area, 500 meals. So the target would have been, normally we provide 71 per cent of our meals to the primary schools, 21 per cent to the secondary schools, 5 per cent to the ECCE. So it would have been in that kind of ratio we would have gotten those meals. But we did not execute because as I said we had a rise in numbers.

Mr. Chairman: Yeah. But since then, what efforts have been made to continue that programme that you put in writing and discussed with the relevant authorities? Because we know that the infection rate has been going up and down, deaths have been going up and down, but the reality is that there are critical needs out there at a nutritional level that our children would need. So can you tell us, what efforts have been made by you to reemphasize the need for that particular programme that you would have drawn up and discussed with the relevant authorities to see if anything could be done to get your organization involved in reaching out to these communities and the children in particular?

Ms. Barran: Well, Chair, with the opening of primary schools where we have the Standard 5s coming in, this will make it very easy in terms of rolling out such a proposal, because then you have the primary schools open. If we reconsider the proposal, the children can in fact come to the primary schools and the community centres and receive those meals. So if we have a further 10 per cent as we proposed, the further 10 per cent increase for the primary schools, then we can accommodate for the children who are online and need the meals as well because we have that data. So that can be something that we can look at with the Ministry, well our line Ministry and Ministry of Finance.

Mr. Chairman: Would you be kind enough to share with us, this Committee that is, the actual

document that you would have drawn up as it relates to your attempt to reach communities and you did give us a number of 500 meals. I would like you to share with our Committee a copy of that proposal so we can have a better understanding of what you were attempting during the height of this pandemic to reach our children who you would have traditionally catered for prior to the pandemic.

Ms. Barran: Yes, Chair, that is no problem. We can send the proposal forward.

Mr. Chairman: And the final point I would like to raise before I ask my other colleagues to join me in furthering this enquiry would be, I know that you did emphasize two main challenges that you encountered, essentially of a financial nature. You talked about, of course, the economic challenges in terms of the downturn. You talked about rising food prices, the financial constraints and the impact of same on your operations. Do you care to share with us, pre-pandemic, what was your budget, your total budget for the year? And what was your budget during the pandemic? And what efforts you made to really fill the gap as far as it is practically possible so you can meet your objectives? What it was before the pandemic in 2019, what it was during the pandemic and what efforts you made to close the gap so that you can realize your objectives in catering for all the categories that you earlier outlined: ECCE centres, primary school, secondary school, technical and vocational, and special needs? Could you share with us?

Ms. Barran: Yes, Chair. So pre-pandemic we would have been looking at about \$200 million in terms of our budgetary allocation. In the pandemic of course because 94 per cent of our budget goes into the provision of meals, we would not have had a budgetary constraint as such. However, our other objectives that I want to speak to is things like agriculture. Because we would have been on that downturn what we would have looked at is increasing the agriculture output, and increasing the agriculture output is really planning for the return of the schools and the children to the schools. So what we did in that downtime with the reduction in budget we did not really look at wasting resources, we had our staff. We did two things with them, retraining all staff at kitchens—three things actually, retraining all staff at kitchens. In addition to which, we visited 700 farms.

What we wanted to look at is coming back out of the pandemic, well we realized in the pandemic we would have if we could no longer import, the programme would have been in trouble, because to provide for 134,000 children without having the local input and the local resources, to provide meals definitely we would have been challenged because we do not provide everything for those meals. So what we did we went out, through the help of the Ministry of Agriculture, Land and Fisheries and NAMDEVCO, we went out to farms, of course, following all protocols because you know the farms is one farmer, you know, not crowding and that kind of thing. What we realized, we

had about 10,000 acres of land that the farmers were actually willing to produce.

So, coming out of the pandemic, not coming out but going forward and providing meals, we now have a further 10,000 acres of land that we could now engage through the Ministry of Agriculture, Land and Fisheries, through NAMDEVCO, we can now engage those farmers to provide some of those imported products. So we used the time to do that with the staff and also we partnered with the Ministry of Health in doing contact tracing. They were retrained, the staff has actually retrained in a Johns Hopkins course to do contact tracing so we assisted, we actually made about 21,000 calls to assist people as well in the pandemic. But the main focus would have been on provision of meals and providing food, local agriculture increasing that input. Because one of our objectives is using as much local in our menu plan. And with the onset of the pandemic, if nothing we have learnt is other than everything else, the main thing coming out of the pandemic is that we need to feed ourselves.

So with that input and the 10,000 acres, what we realize is that we only had 5,000 acres under production for the School Feeding Programme. So we had that further 10,000 capacity and only in that downtime you were able to send people, you know, officers out to the farms to really engage the farmers with our objective in providing what we require and also engaging. For example, right now peas, we do not provide peas. Peas is something that we import. Thousands of dollars we import in peas every year. So those are the initiatives that we would like in terms of getting those acreage under production. So that would—

Mr. Chairman: Two final questions. One, what was the budget in 2020/ 2021 allocated to the School Dietary Services Limited? It was 200 million as you said in 2019. What was it in 2020 and what was it in 2021? And what is it in 2022? Could you just give us that quickly?

Ms. Barran: 2020/2021 is 41 million. In 2020, 200; in 2021 would have been the 41 million.

Mr. Chairman: So in 2020 we got the—in 2019 we got 200 million; in 2020/2021 we got—

Ms. Barran: In 2019 would have been 224—

Mr. Chairman: 224—

Ms. Barran: Then we had 200 and then we had 41million.

Mr. Chairman: All right. So let us get it clear, 2019/2020 200 million—

Ms. Barran: 224 in '19.

Mr. Chairman: Right. In 2020/2021, how much?

Ms. Barran: In 2020 you would have 200 and then in 2021 you had 41 million.

Mr. Chairman: In total?

Ms. Barran: Yeah.

Mr. Chairman: Wow! And finally what percentage of local input do you access through your caterers for the provision of meals as opposed to the percentage of imported food stuff or ingredients that go into the meals that are provided to our students, both at the ECCE centre level, the primary, secondary, technical/vocational, et cetera. Could you share with us what percentage?

Ms. Barran: Chair, the percentage that we have, out of our—well, the last year that we would have used, \$10 million go back into local input in terms of farming the commodities. What we have as a percentage in terms of the boxes is about 30 per cent, 25 to 30 per cent. We have challenges in terms of adequate amounts, whether that is going to meet our needs in terms of timing. Sometimes we have floods, we have to pull because of faecal coliform and good agricultural practices. We have to look at food safety as well, but we try as much as possible to at least use 30 per cent in our meal plan.

Mr. Chairman: All right. Thank you very much. I would now invite my colleague Amrita Deonarine and then after Rushton Paray. Sen. Amrita Deonarine.

Ms. Deonarine: Thank you, Mr. Chair. Good morning again everyone. Now, I believe that the National Schools Dietary Services Limited provides an instrumental role to the population, especially to the vulnerable population both on the beneficiary side in terms of the recipients of these meals and also in terms of the unskilled labour that you all employ. I believe from looking at your submission almost 80 per cent of your employable labour force, labour, are women.

Now, I know that earlier on you all alluded to two significant challenges, those are financial constraints and those financial constraints you all were experiencing since 2015 and also the challenge of rising food prices. Now, I did not get clearly exactly what the response plan to deal with these rising food prices is going to be. And also, has an assessment been done to determine the impact on the cost per breakfast and per lunch due to the increasing food prices? So I will start with that question.

Ms. Barran: Thank you, hon. member. We have looked at—the only solution is actually looking at the meal price in terms of increasing. And, yes, we have tried to look at solutions in terms of looking at bulk discounts, looking at the volumes, but with the rising food prices, 4 per cent on chicken as much as, you know, 10 per cent on bakery items. There are certain things that are beyond our control now. So as a programme, we have to look at an increase in the price per box.

So nowhere I think in Trinidad right now we can go and get a meal for \$6.63, a breakfast that provides a quarter of the recommended dietary allowance. It is very, very difficult and it is a big challenge when we look at the nutrients that we want to provide and what we can provide. And, I mean, I will give you just one example. For breakfast we normally do a fruit. Right now, we had to cut the fruit out which is, I mean, of course, in this time with the pandemic you want children to have

their immune system up and running, you want them as healthy as possible in terms of fighting the COVID-19 if, you know, to ensure that they are safe. And with those challenges, with those financial constraints we cannot provide what we want.

11.15 a.m.

So, in terms of the solution there could be only one solution in terms of increasing that price per meal. And when you are fair to both sides in terms of the caterers and the programme, we, of course, are going to get better value in terms of what is going to be provided, better quality. What we ask for, for the caterers to provide in terms of food safety is a lot. And then in terms of the pandemic as well, you had to increase in terms of the layout, making sure certain things happen, training. You have a training component, you have temperature checks. A lot of other checks and balances that you have to put in, and those, of course, come at a cost.

Ms. Deonarine: Thank you so much for your response. Now I understand what you are saying, but given—and I saw that you all alluded to in your written responses that you all in addition to the rising food prices you all have the challenge of dealing with price gouging, how is that from suppliers? Am I correct?

Ms. Barran: We have food suppliers on the list. We inspect those suppliers and we negotiate prices for the caterers. So we tend to go with the bulk. So although we are not doing the purchasing ourselves, we ensure that, you know, the prices are best in terms of what they would offer to the programme.

Ms. Deonarine: Okay. So do you have an estimate yet the extent to which the price per meal would increase? Have those estimations been done?

Ms. Barran: When we looked at it and, of course, we have to be mindful of all factors, because if we take the price of the meal up by a dollar it costs the programme \$8 million more for the year. So the initial—we will have to look at the initial cost, and when we analysed the percentage increases we were actually looking at a dollar, \$1.25 increase to start with.

Ms. Deonarine: Okay. So then with that being said and also in response to one of the earlier questions to the Chair in terms of the budgetary allocation, would that be sufficient to meet the supposed price increases that you all would have to foot the bill of going forward? And further also, when I looked at your accounts—when I looked at the trade payables in the audited financial statements and in your written submission, I see that there is an ongoing balance that is owed to caterers within the vicinity of 52 million, and 70 million in 2018. So how would this rise in the prices per lunch or per breakfast going to impact on your ability to clear the bill with the caterers, or to pay all the bills to the caterers? Because right now there seems to be an ongoing balance.

Ms. Barran: Well, at this point all bills were paid off. We have no—thank God, we have nothing owing to caterers, but it was in fact a difficult period where caterers used their finances to provide meals. We did in fact get releases late. Sometimes three to six months we were owing the caterers, but now we are back to paying on time and you know releases have been on time. But, of course, if we go back to normal feeding where it costs the programme over 25 million per month, it is out of our hands. We have to liaise with our line Ministry and the Ministry of Finance to be able to get those funds. And you are right, if we increase by \$8 million the budgetary allocation will allow for the increase. We will have, of course, to ask for more money.

Ms. Deonarine: Have those discussions begun already?

Ms. Barran: Yes. They have begun because we were in fact at the verge of issuing contracts, and we did do a short-term contract for the caterers because we had to look at—we could not lock caterers into \$6.63, and \$8.28, and \$9.00 for meals. It is absolutely untenable in this time. So a review—the board has asked for a review and recommendations to follow, and we will take it to the relevant Ministries.

Ms. Deonarine: Okay. Thank you. Now, I want to move to the financial statements and I saw that the 2020 financial statements are still outstanding, and I saw in your response you all indicated that you all were awaiting the approval of the Ministry of Finance’s date to have the annual general meeting. Was that sorted out?

Ms. Barran: Yes, and they were submitted. The financials were submitted to the Ministry of Finance and you should have gotten it as well. It was on the way to Parliament. And as a matter of fact, I could also report that our financials for this year— Well 2020/2021 would have been completed as well and we have a second draft in hand. So that will be—well it would have been due on the 31st of January but we are not too far, today is the 2nd. So hopefully by the end of the month it should be forwarded to the Ministry of Finance and Ministry of Education.

Ms. Deonarine: Okay. All right. So, another thing that strikes me from the responses was that you all do not have an internal audit department and an internal audit was not done for some time? Is that correct?

Ms. Barran: Well, the internal—because it was a small company the org structure had the internal audit as an outsource. So we had an outsource in 2013 and then after that we had different aspects. We went out for an auditor and the cost was high. So we actually had—also you would see a report on the NSDSL committee—we have the NSDSL committee—and right now the risk in the organization because of the pandemic would have been production. So we have a CARIRI audit.

CARIRI is conducting audit on the kitchens. So—

Ms. Deonarine: Right, 10 per cent of the kitchens I saw.

Ms. Barran: Yeah.

Ms. Deonarine: Right. But in terms of the internal audit, the price was too high. Were any attempts made to reach out to the Ministry of Finance or the line Ministry to get additional allocation to meet that requirement to do the internal audit? Because I understand as a compromise what ended up happening is that the audit committee ending up doing a risk management control report? Is that correct?

Ms. Barran: Yes.

Ms. Deonarine: But I do not think that that is sufficient to fulfil the requirements that Ministry of Finance needs. Could you comment on that?

Ms. Barran: So we would have been asking—of course, we liaise with the Ministry of Finance all the time. It is our Corporation Sole and we would write on all these reports and let them understand that—of course, in view of the financial difficulties that we were having at that time it was in fact a very big challenge, and some of the sums when we went out it was \$150,000 for a two months audit and three months audit. Now, those prices have fallen in this time and we are in fact in the process of going back out. The board I know will address that issue in going back out and ensuring that we have the internal auditor after CARIRI is finished with the production audit.

Ms. Deonarine: Okay. So when CARIRI will be finished with the 10 per cent of kitchens audit, and when does the board of directors intend to go out to resolve this internal audit situation?

Ms. Barran: So CARIRI is already finished with 50 per cent and they will complete at the end of March—that at the end of this term they intend to complete that report and— Well, the board is considering, and maybe I should allow Ms. Corbett to—

Ms. Deonarine: Sure.

Ms. Barran: Yeah.

Ms. Corbett: All right. Thank you, Madam CEO and hon. member. We have been looking at the entire org chart and we realized the importance of the internal auditor, and I agree with you that we need to resolve this. So we have been in discussion with CEO as it relates to this position and I know we have spoken about CARIRI and the fact that they have started the process of auditing some of the kitchens, but we have stressed the need to go out there and get an internal auditor. We know finance is a problem, but we really have to make representation for the adequate finance for the internal auditor, and I know we have other positions on the org. structure that we need to deal with and fulfil.

And what has happened, I know even before we came in as a board, there was a proposal for a new structure also to the company. So we have been reviewing that and we have been, you know, making suggestions, and we are hopeful that soon we will be able to resolve this issue.

Ms. Deonarine: Okay. Thank you. So is there anybody present here today who could give me some idea as to a timeline as to having this decision of an in-house internal auditor be present or hired?

Mr. Chairman: Can I direct that question to the Ministry of Education seeing that this company falls under its direct remit, and then maybe we can get a view from the Ministry of Finance - Investments Division please?

Mr. Meyer: Okay. There are two issues. The first issue is in spite of the outsourcing of their internal audit function, they have had positive external audit reports. The second issue is that I know for a fact that the National Schools Dietary Services Company Limited is not the only company that outsources their internal audit function because it is an expensive resource to get. It is really a matter of risk. If there is definitely a risk you would probably need to have one but they have external auditors and at the end of the day auditor general still provides the oversights. We will—if the financial situation improves, I definitely think full-time in-house resources is probably the best case scenario, but again we are in difficult financial times. And when you are in difficult financial times you have to make some creative decisions. Not creative to put the company at risk, but creative in terms of saving the money to the taxpayer. Ministry of Finance probably would have a view.

Mr. Chairman: Acting Permanent Secretary, could you share, based on my colleague's question, have the Ministry done a proper cost benefit analysis as it relates to—would it be cheaper to have established in this company that has been in existence for over a decade now to have on internal audit department or unit as opposed to outsourcing this particular function? And as I am on that, may I ask: What is the name of the company that has been engaged to conduct this particular audit; and what is the cost to the taxpayers of this outsourcing to this particular company that is doing this job and for how long that has been done? Could you share with us your thinking on this matter?

Mr. Meyer: Salaries for an internal auditor, a qualified internal auditor, probably would be slightly more than the outsource, but that could be old prices. I am not sure what the current prices would be right now.

Mr. Chairman: No, no, no. Mr. Meyer, Mr. Meyer, I am asking whether the Ministry—

Mr. Meyer: No.

Mr. Chairman:—has done any technical study to guide it in its determination that it should outsource the auditing function of this company? Is there any paper, any analysis that you can share with this

Committee as to why that particular approach was taken as opposed to establishing an internal audit unit? That is the point I am trying to clarify.

Mr. Meyer: The answer to the question is no.

Mr. Chairman: Can you then tell us which company is doing this particular work of auditing over the last few years for this important company called the National Schools Dietary Services Company Limited?

Mr. Meyer: Ms. Barran, do you have the name?

Ms. Barran: Yes, Chair. The cost for CARIRI is 5,000 per kitchen. So it would have been a total cost of \$20,000. The reason for the outsource is because at the time of the analysis when the org. structure was done because of the limited transactions they did not see the need to have a permanent auditor on the staff. It was really a cost saving exercise but it did not turn out that way because when you outsource, the outsource comes at a big cost as well.

Mr. Chairman: Ms. Barran, can you tell us what is the total cost on an annual basis for outsourcing the auditing function?

Ms. Barran: So the cost of the auditing function for the external auditor is \$70,000. That is for external audit.

Mr. Chairman: How much? Could you repeat?

Ms. Barran: 7-0—\$70,000 for the external audit, and the internal audit that we are doing right now with CARIRI is \$20,000.

Mr. Chairman: So \$20,000 annually to CARIRI for the outsourcing—right?—in terms of the internal?

Ms. Barran: Yeah.

Mr. Chairman: And could you tell us how many years CARIRI has been doing this function, the internal auditing function on behalf?

Ms. Barran: This is the first year, Chair.

Mr. Chairman: So who was doing it before?

Ms. Barran: No, not the production audit. This is the first time we are doing the production audit by CARIRI.

Mr. Chairman: So over the years you have done no internal auditing function at this company? Is that true?

Ms. Barran: Well Chair, we have the NSDSL committee which is the Ministry of Education. Through a Cabinet Minute that report is here. The NSDSL committee did in fact do some auditing. So in light

of that and the recommendations we had held on doing the internal auditor, but we are in the process of recruiting—the board will recruit the internal auditor soon.

Mr. Chairman: You said you are in the process, could you share with this Committee a timeline; what is the timeline for ensuring that this particular unit is established? And may I ask Mr. Meyer to also indicate to us, working with you what time frame collectively you all are working towards as it relates to the establishment of an internal audit unit?

Ms. Barran: Mr. Chair, we can look at—if CARIRI finishes their audit in March, we can engage in March to start to look at quotations, and I would say by April we should have an internal auditor on board.

Ms. Deonarine: Chair, if I may?

Mr. Chairman: Yes.

Ms. Deonarine: I think we are confusing something here. There are two different aspects of the internal audit that is being undertaken or should be undertaken. Right now we have the production audit that is being undertaken by CARIRI which is the 10 per cent of the kitchens, and then there is the issue of the internal audit which is a financial audit. Now, our questions are mostly directed towards the financial audit right now—right?—and I am trying to understand that is it that the decision has not yet been made to hire internally for an internal audit department; or is it that we are saying that the cost of contracting an auditor, outsourcing an auditor to do the internal audit function is costing us between \$95,000 to \$500,000 based on the quotes that you have submitted in the written submission? So which one is it? Is it that it is too expensive and we just not going to do it; or is it that we are in discussions to hire someone to conduct the internal audit function? Could somebody clarify that for me please?

Ms. Barran: We are in discussions and we want to—These quotes were old quotes. So, of course, we were hoping to get better quotations. With people unemployed as well, I think we can get somebody cheaper. So we are committed to hiring an internal auditor and it will be done, of course, at a cheaper cost.

Ms. Deonarine: Right. Now, I am only pressing on this because I heard the PS in the Ministry of Education says that it depends on the risk in order to hire the internal audit as a role or as a unit in the organization itself. But the role of the internal auditor or an internal audit is to assess risk, and based on the risk management control document that I saw you all provided, it does not clearly ascertain, or identify, assess, mitigate the risks of NSDSL. So I think this is something that is very critical and it is an oversight that can, that can, lead you all into problems later on. And further to that,

the Ministry of Finance in their submission, Investments Division, I saw that they indicated that to the question and I shall read the question:

What is the process used by Permanent Secretary to measure outcomes, evaluate performance and value for money?

And one of the things listed in the response was the internal audit reports, and from my understanding from this discussion here there has been no internal audit report. I am correct? Could somebody clarify?

Ms. Barran: Yes—

Ms. Corbett: Could I respond CEO? Because the issue is that since the board came in we have been reviewing how the national dietary services carry out the function and we have been looking at these, same queries that you are bringing up which pertains to the internal audit which we also see as an important part and we have been working with the CEO. Up to the last meeting that we had you know we discussed the fact that we need to get a listing of all the positions that we have that we have to send out to let people bid for. Because the issue is that we need to fill these important positions and we hold to that also and we are committed to ensuring that that happens. So I thank you for bringing up that exercise. It was very important.

Mr. Chairman: All right. Ms. Amrita, I think that I want to come in at this point to just again support your submission. This company was born on the 3rd of July, 2002. This is over 20 years of existence and this company does not have an internal audit unit. That is unacceptable. That can be defended. On the one hand we are being told by the CEO that there is need for us to establish such a unit and they are going to explore rapidly that particular objective. And then on the other hand we are being told by the acting Permanent Secretary in the Ministry of Education that there is no need—or I get the impression that there is no urgency in establishing this internal audit function. So I do not know if we are talking at close purposes, but I would like to say on behalf of this Committee that we would like to give this company a minimum of three months to report to this Committee that you have taken steps to advertise and to ensure that an internal audit unit is established. That situation of 20 years of the non-existence of an internal audit function, given all that Sen. Deonarine has stated with the risk management function, can no longer be tolerated and, therefore, on behalf of this Committee we will be writing to the Chairman, writing to the Permanent Secretary, writing to the Ministry of Finance - Investments Division, giving these three bodies a minimum of three months to establish an internal audit function.

I think that we will no longer be going around in circles on this matter. This is unacceptable

and this is indefensible, and I would just—Sen. Deonarine if you give me two seconds of your time, I will just want to demonstrate again the dangers of the absence of an internal function, internal audit function and the risk management associated therein. We have a situation where this company, the NSDSL, employed PricewaterhouseCoopers to develop what is called a strategic plan for the period 2020—2022. This company, accounting firm, charged this company, the National Schools Dietary Services Company Limited some \$107,831 for this development strategic plan for the period 2018—2020. When the plan was completed and this company received its moneys, the National Schools Dietary Services Company Limited discovered that PricewaterhouseCoopers left out what is called some key performance indicators which are critical elements that are required in this plan. So what happened?

The National Schools Dietary Services Company Limited had to reengage PricewaterhouseCoopers to incorporate the key performance indicators which were not included in the initial strategic plan at an additional cost of \$46,726.88. So you have to understand what is taking place here. We paid \$107,000 for a plan. PricewaterhouseCoopers was supposed to establish in that plan key performance indicators. That was left out. And then we now have to pay \$46,000 to rehire PricewaterhouseCoopers to incorporate key performance indicators which were supposed to be incorporated in the original strategic plan.

Now, what is going on here Ms. Barran, Ms. Corbett, and the Acting Permanent Secretary? Could you explain this conundrum that has visited this company please? We need clarification. Ms. Barran firstly, Ms. Corbett secondly, and the Acting Permanent Secretary thirdly, please. It is taxpayers dollars involved here.

Ms. Barran: The strategic plan we had outlined broad key performance indicators which were delivered. What we had to do coming out of reviewing that, we had to draw down to do actually the key performance indicators with regard to the different departments and that is what the drawdown is. So they would have done the strat plan with the general key performance indicators, but to get to the different departments and the different functions that is what it would have been in terms of the key performance indicators, that additional fee.

Mr. Chairman: I really do not understand your submission. I do not agree with what you have told is, but we will have to deal with this at the report level.

11.45 a.m.

This is unacceptable, what has happened here but I will return the proceedings back to Ms. Amrita Deonarine because I borrowed some of her time. I would like to ask her to resume her

investigation and enquiry. Sen. Deonarine and then after, the honourable Rushton Paray.

Ms. Deonarine: Thank you, Chair. I just want to ask one more question on this internal audit and then I will hand over to the other member, member Paray, and that one question is with respect to Investments Division in the Ministry of Finance. I did not hear their take on this. How has the lack of or the non-existence of internal audit reports been affecting their ability to perform their functions of monitoring this state enterprise according to the State Enterprises Performance Monitoring Manual?

Mr. Chairman: The Ministry of Finance Investments Division, may I have your input?

Ms. Sookoo: Yes, through you, Chair, the Ministry of Finance is in support of an internal audit function and we have conveyed this to the company on other occasions and we encourage them, we will continue to encourage them to establish this internal audit function and we will like them to do that.

Mr. Chairman: Could you outline, Madam, on how many previous occasions and why you would like to submit it was not done and what was done by your Investments Division to ensure that that was done by collaborating with the Ministry of Education as well as the company, please? On how many occasions you would have written to them? And could you supply us with those pieces of correspondences?

Ms. Sookoo: Okay. Sure. So we would have sent out a circular in April 2020 and that was sent out to the National Schools Dietary Services together with all state entities. This was also circulated to all the Ministries. So that is one start. And we also sent another letter to the company later on. I will send copies of those correspondences. Again, asking them that they establish this internal audit function.

Mr. Chairman: Yes, but Ma'am, you would know that this company was established since 2002, so it is 20 years now without an internal audit function. Can you tell me if there are records at the Ministry of Finance that would have at least advised this company that they should in fact have established in their operations this vital unit in terms of carrying out internal audit functions? Can you advise us what happened between 2002 to your letter of 2020? Were there many letters and could you give us the dates of them and could you supply us with copies of those correspondences please?

Ms. Sookoo: We will look into our records, Chair, and we will provide that to you in writing.

Mr. Chairman: Thank you so very much. Amrita, continue and then after we will go to Rushton.

Ms. Deonarine: Chair, I want to go into looking at the accounts receivables and the fact that we do not have much debt recovery policy but however, I would like to pause at this point and allow member Paray to come in because I believe he has some interesting interventions to make with regard to the

recommendations of the previous report. Is that okay?

Mr. Chairman: Yes. Mr. Rushton Paray, please.

Mr. Paray: Thank you very much, Chair, and good morning again to everyone. I just want to start with two comments. Now, I have been sitting on these JSCs for over six years and, you know, it is very concerning when I hear issues surrounding that there is no money, there is an issue of funding and yet it seems that we can spend money to taste all kinds of things in this country but put some money to assist the caterers in getting one dollar extra to improve the quality of the meals or to put some money for an internal auditor, I am extremely concerned about that.

The other thing that I am concerned about is that I have heard the Investments Division on several of these JSC investigations and clearly that unit, it seems to me, Mr. Chairman, that it is a toothless bulldog because I keep hearing that they can only advise and encourage and but no instructive powers at the end of the day. Because you have all these issues happening in these state enterprises and yet the Investments Division cannot seem to give an instruction to do something. So that is the two comments that I have that I want to register on the record. I think these things must be addressed in the report, Mr. Chairman.

Before I touch a couple of the issues on the recommendations that were made in May of 2018, in my preparation for this investigation, in the constituency that I represent, I reached out to quite a few of the school principals and teachers and some of the PTAs to find out about issues that they would have had with the School Feeding Programme over the years and there are a couple that jumped out at me and I would like the CEO to perhaps comment on these and with a few questions that I would have, issues surrounding the late arrivals of the meals, meals that they felt that were underprepared, undercooked. There were several cases where issues of hair and other impurities were found in the food. Transportation of the food, sometimes, it reached in a collapsed state, containers being thrown left and right. There were concerns about some of the meals where the sugar content was extremely high.

Now, based on these issues, is there a mechanism that is in place where complaints or concerns on the delivery and the quality of meals that are coming into the school system, is there a process where complaints are registered by the principals to your organization, and what is the methodology used to address those concerns? That is the first question.

Mr. Chairman: Yes, Madam CEO.

Ms. Barran: Yes, thank you. What we have is we have our officers going into the schools and we have a report and visit form that they fill out. That form—they also monitor meals. Of course, it is a

challenge because of the pandemic to interact with children now but they have those forms they fill out and they take the—they bring those complaints in. We deal with the caterers.

I am very disheartened because I know that we try our best in terms of standards and, you know, there are procedures. If a hair is found which they wear their hairnets and we try to do as much as possible to avoid any contaminants in the meals, we also do the microbial testing. But anyway, we have the school visit forms being filled out, we take that in and we address the caterer immediately. If the caterer is found to be guilty of doing or practices that are not in compliance with, we have a caterer's manual, we retrain and it could also lead to suspension. So we do in fact take immediate action. Every complaint is dealt with. Also, through the Ministry of Education. Well, I know CEO might want to address that but through the Ministry of Education, the principal will also take that matter up with the school supervisor. So we have two lines of communication to ensure that transparency and to ensure that we deal with the matter on both ends.

Mr. Paray: CEO, do you create or do you prepare like an annual report or an annual summary of all of these issues that come up as a reporting mechanism that is used to measure the performance of your caterers or specific caterers? Do have any system in place for that?

Ms. Barran: Yes, we have—

Mr. Chairman: Yes, Madam CEO, your camera is off. We are not seeing your face. Can you put on your camera? Thank you.

Ms. Barran: Sorry, Chair. So yes, hon. member, we do in fact record. We prepare monthly reports in terms of what transpires at each caterer so the records are there, the report visit forms are there and to the Ministry on a monthly basis, we do in fact provide a report to the Chief Education Officer.

Mr. Paray: By chance, does the Ministry of Health play any role in terms of the auditing of the quality of the meals and so on?

Ms. Barran: Yes, the Ministry of Health—well, of course because it is a food establishment, the Ministry of Health has to pass all food establishments so we start with the certificate of inspection done by the Ministry of Health and they also issue—nobody is allowed to work in a kitchen without a food badge. So they also do that. In addition to which, they visit the kitchens termly. When their lab was up and running, they used to take samples as well but we now take samples through the food lab, both the met lab and CARIRI, we do the microbial testing to ensure. Also, we have Lumitesters that we use to swab surfaces. We keep samples as well of meals for 72 hours refrigerated in the event that we should have an allegation from a school if a child should get sick or anything of that nature.

Mr. Paray: Have there been any cases that you would have had to attend to with regard to any issues

around health over the last two or three years in terms of testing that would have been done by the Ministry? Have you encountered any of those and any actions taken against caterers?

Ms. Barran: No, we would not have had any issues in terms of children getting sick but what we would have is when we do sampling of meals, sometimes you would get like an aerobic count being high. Aerobic count does not mean that the child would get sick but we would flag immediately. Because what that would say is that, you know, we have the establishments being closed, there is some breach so we do the retraining. So we try to use those measures to kind of strengthen the system so we continuously strengthen.

Mr. Paray: I just want to go back to a question that was asked earlier on concerning—and you raised some matters of agriculture and the fact that you had 10,000 acres that can go into productive capacity through some mechanisms. Is there a formal arrangement between your organization and NAMDEVCO to provide supplies to your caterers at fixed prices? Is there any formal arrangement at this time?

Ms. Barran: No, hon. member, but there is a facilitation. What we try to do is to work with the certified farms from NAMDEVCO. Because one of our major problems is sometimes we use—we do not use fresh produce at all in the meal plan as in salads and lettuce and those things because what we find is that when we do the microbial analysis, we tend to get fecal coliform. So fecal coliform, of course, could get the children sick, we need better agricultural practices, good agricultural practices.

So what we try to do is to work with NAMDEVCO for them to identify the certified farms and work through those certified farms where the caterers can get their produce. But what we are trying to aim at, that is why we went out to the 700 farms, is to see if we can get a caterer to farm approach where the communities can be selfsustained and in their community, they can get the farmers to work with them.

What we do as well, hon. member, we try to give projections to farmers. So if the farmer wants to work with us, they can in fact—if we are doing, for example, we do 120,000 pounds of bodi for the year, so if they want to project and say well, okay, I could provide 2 per cent of that for your population. We are in fact working with them or through NAMDEVCO but there is no—

Mr. Paray: But, CEO, do you not think in terms of the fact that NAMDEVCO has—and I think they have done a pretty good job over the last few months in terms of the veggie hamper project that they were doing. But the fact that NAMDEVCO has or to my understanding, they have some set clear guidelines for the processing of these vegetables, the packaging, quality standards and so on and I suppose, I suspect that they hold rigorous to these things with the farmers that are bringing it in.

Would you not think that an arrangement with NAMDEVCO would really enhance, one, the quality and the quantity in the consistency of the product that you can get to your caterers as a single shop operation, take that headache out of your caterers who are already operating at \$8 and \$9. I mean, you could “geh ah doubles” for about \$8 now. But that NAMDEVCO arrangement, is it something that you all have thought about in terms of firming up with the caterers or do you see any benefit if you were to pursue that line rather than have every caterer dealing with a farmer and you have inconsistencies in the quality, in the processing and packaging of the item to get to the caterers’ shop? Any conversation around that?

Ms. Barran: We did in fact a few years ago have a formal relationship with NAMDEVCO and then because of profitability, I do not want to speak for NAMDEVCO but their board had made the decision not to continue. Because one aspect of the procuring of these goods and services is the credit line and of course, with NAMDEVCO, you will not have caterers getting that kind of provision. So I know that was one of the issues there. If we pay on time, that will not become an issue of course but you know, we cannot assure that all the time we would be on top of our payment to the caterers. But that would be best—

Mr. Paray: Yeah, thank you, CEO. Yeah, I think so and I really feel that you could revisit back NAMDEVCO again because the organization is catered for that and if they have issues on their side in delivering, I think it is something that is worth exploring.

I want to jump straight in, Chairman and Madam CEO, in 2018, when last you were before us, there were six critical recommendations that were made and I want to just probably go back through them very, very quickly in terms of to see what has been done. I know it is a new board. I think I heard Chairman said that since coming in, you are still in the mode of trying to grapple to find out a lot of these areas what is missing and what can be done.

But if I were to turn your attention to item number one, in terms of our recommendation, there was a requirement that we asked that the programme should be addressed by the Ministry of Education to deal with the inconsistent criteria used across schools in determining the participation list for students in the School Feeding Programme. Has any progression been made in terms of firming up a specialized criteria for students to get on to the school feedings? Has any work been done on that?

Ms. Barran: Yes, actually, through the NSDSEC committee and that is the National Schools Dietary Services Evaluation Committee chaired by the Chief Education Officer, we would have worked on a criteria. It is a form that we would have developed in that committee and it was actually taken in by

Cabinet Minute and a steering committee set up to have that. So now the principals use that form. I do not know if CEO wants to elaborate a little further, I will allow.

Mr. Chairman: Mr. Paray, are you through?

Mr. Paray: No, we are waiting for a response from the Acting Permanent Secretary, I think, Ministry of Education.

Mr. Chairman: Okay. Acting Permanent Secretary.

Mr. Meyer: No, I think that is the CEO, if she could please respond.

Mr. Paray: Sorry.

Mr. Chairman: Okay, all right. We will call the CEO. Can you respond to the question?

Ms. Henry-David: Good day, Chairman, members, colleagues. With respect to the criteria for selection of the children, a form has been developed and has been in existence since that committee would have been enforced in 2018, and the form looks at information such as the child's religion because of course, depending on the religion, it would influence your dietary choices. Whether the children have any lifestyle diseases or diseases such as diabetes or high blood pressure which would also influence the content of the meal served and whether there are any allergies, whether they are vegetarian and so. And we look at the occupation of the parent or guardian of the child, the number of persons within the household, whether they are in receive of any social welfare benefits and that information is taken into consideration in selecting persons for the service.

As well, between the time that committee was established and now, one of the things that would have been done is we would have regularized across the school types the way in which meals were provided. So, for example, previous to that committee, at the early childhood level, all students were provided with meals and we would have changed that to mirror what happens at the primary and secondary schools, so that only persons who require the service would be provided with meals. And so that the form that I spoke to previously would be in use and this is how we seek to select the children, trying to ensure that all those persons who are most in need are in receipt of meals.

Mr. Paray: Thank you very much, CEO. Following up on that, the second recommendation from that 2018 committee, it had suggested that perhaps the NSDSEC look at for students whose parents may be able to afford a bit or have a partial payment for the meal, was that given any consideration or is that enforced at this time?

Ms. Henry-David: That is not enforced at this time and in time to come, maybe we would have to meet and see what is possible in terms of instituting a programme such as that. It has been one of the things for many years that the Ministry and the NSDSL would have liked to do but we have not at

this time been able to institute that.

Mr. Paray: Okay, thank you. In Item 4 on the recommendation list, there was a proposal that the school-based nutrition education programme in collaboration with the Ministry of Education to provide information in terms of dietary requirements and an increased acceptance of the meals prepared using local agricultural content. But I saw from the 2019 report, over 1.8 million pounds of vegetables, locally procured vegetables have been in use and since 2019. And I spoke on the issue of NAMDEVCO being in a partnership in terms of getting the best quality of product at the end of the day.

What I just want to ask of this is that I know there is a focus for the NSDSL to look specifically at the required daily nutrients for the meals and so on, but yet, in cafeterias in a lot of these schools, there is no control in terms of issues around the sugar content and so on of items and I mean, you can see today, the issue of obesity amongst our youngsters at the primary school level. Is there any consideration to have some sort of synergy in terms of planning, you know, getting the nutritional and the dietary requirement policies into the cafeterias of the schools? Has it been considered? Has it been done so far? I mean, we are in 2022, this was in 2018. Anything has been done in that area so far, CEO?

Ms. Henry-David: What has been done that I am aware of, a circular had been sent out some time ago with respect to the reduction in the use of sugary drinks and so that soft drinks, for example, are not supposed to be sold in cafeterias, they were supposed to be using fruit sweetened beverages as opposed to sugar sweetened beverages and reduction in terms of the full milk drinks and this has been in force for quite some time.

Mr. Paray: So there has been some improvement in terms of what is available?

Ms. Henry-David: There has been some improvement, yes.

Mr. Paray: Item 5 on the recommendation list, there was a recommendation to put some sort of online monitoring system where the quality and quantity of meals that are provided by the NSDSL can be monitored, recording of critical incidents, any sort of food borne-illness and so on. Anything was done in terms of having some sort of online system where the data can be retrieved and acted on immediately?

Ms. Henry-David: Okay, so what we have currently is a system whereby it is more or less a manual system. We record it, so for example, I can tell you the number of meals that were provided on a daily basis over the past month, but that is collected from the schools manually. The Ministry is in the process of establishing its school management system, that is a management information system that

records a lot of different categories of school data, one of which will be the school feeding incidents if any. But as it stands currently, any such incidents are reported immediately through the line of communication from the principal to the supervisor and to the head office of the Ministry. So that there is a very short lag time if anything were to occur between the occurrence and the information being sent to the central Ministry.

Mr. Paray: Thank you, CEO. Mr. Chairman, I have one more question I would like to direct to the dietary agency, the CEO there. CEO, I notice in your submission on table 4, page 10, you have a table from October 2019 to August 2020 in terms of the total spend for local commodity usage which is accounting for \$7.4 million. But I notice that less than 5 per cent of it goes into fruits and taking note of the dietary requirements for children and so on and the importance of fruits, I was wondering why such a low quantity of fruits is part of the meal system, because you are looking out of \$7.4 million, less than \$300,000 was spent on the acquisition of fruits for 2019/2020. What would account for that? Is it the availability of the fruits or it just did not form part of the meal plans?

Ms. Barran: Hon. member, there were two reasons. One, availability; and the two, the cost. Because oranges—some of the fruits that we served, we would normal serve are portugals, oranges. We used to serve watermelon. Now, watermelon is available but we had to come up with a system where we could not break the cold chain and what we found happening is when we put it—we used to use these plastic bags and do a wedge to the child. If the child consumed immediately—we chill, they consume immediately, we have no problems but they used to keep it and we found spoilage there. So we had to remove watermelon as part of it and what we were using are bananas and of course, the bananas are not produced in the country, they are imported. So we have a challenge in terms of fruits, availability and cost.

Mr. Paray: Again, any consideration of putting something in place through NAMDEVCO and their list of farmers in terms of the provision of these fruits and so on? I mean, I am sorry I am harping on the issue of NAMDEVCO because as a state agency themselves, they have a mandate to be the collection and supplier and to test quality and so on and your agency which is doing such a fantastic job, an important job, you need their support. I mean, I would even go so far to even ask, you know, you already have 60, 70 caterers in place doing meals. In order to assist your caterers to remain viable, why have the Ministries not considered using your caterers to provide meals for Ministries, for state agencies, for functions and so on so? It can keep your caterers going even in this controlled return back to school as well.

So, I really feel that your unit ought to reach out to line Ministers in those various Ministries,

state agencies, and see how they can assist you, keep your caterers on board because if your caterers start dropping on the side, it is going to put more pressure to get meals into the schools and I suspect as, you know, the COVID-19, hopefully, we pray that it gets under some sort of control later in this year, towards the end of the year, we need to get kids back out to school. That is so critical now, and your organization really needs to cross the T's, dot the I's now, while we are just in a ramping-up phase to see if we can get those things addressed going forward into 2023 as hopefully schools can resume and kids can go back out into a proper learning environment. Chairman, that is it for me.

12.15 p.m.

Mr. Chairman: Thank you. May I invite Sen. Amrita Deonarine. I think she wanted to raise a few points.

Ms. Deonarine: Thank you, Chair. Thank you again, members. So I am looking at your written submission on page 19 and I am seeing that we have accounts receivable, a total of 1.8 million in 2019, averaging 2 million in 2016, and 1.8 million between 2017 to 2019. And these accounts receivables, I understand, come from debts owed from the Ministry of Education, the ODPM, the Sports Company of Trinidad and Tobago and the Office of the Prime Minister. Where are we with these?

Ms. Barran: So we would have tried to recover—and as the last hon. member would have indicated, we would have tried to get some revenue for the caterers from other Ministries and, of course, to provide local—this was all the local initiative. The Office of the Prime Minister, we would have done two functions, a big local function to promote the use of local and this is where you know—so we would have had the ODPM—we were partnering with the ODPM. We were part of the whole national emergency plan and when the floods happened in 2012, we were asked to provide meals. So we provided the meals and well, we were not paid for those meals because it was understood that, you know, we were a part of it and we would have—thing.

So there is a risk when we actually do service and work for Ministries because when they do not pay the issue is you are left with the liability. And, of course, who do we take—we cannot take any action. We try to recover, we write letters, we go and we make representation. The Ministry of Education works very closely with us. We work with them in terms of provision of meals for functions you know, in terms of—they prefer to deal with somebody who is providing low-cost meal, a safe meal and, you know—so we try to do that service. Sometimes the money is in, you know—and that is where we are with that issue.

Ms. Deonarine: Okay. So, tell me something. What exactly—other than calling, following up, and what not, what were some of the reasons for not meeting the liability from these Minister? So like,

from the Office of the Prime Minister—well, I understand the ODPM, they thought it was a donation on your part so their understanding was that, you know, you all were not supposed to be paid for it. But with respect to the Sports Company of Trinidad and Tobago, the OPM and even the Ministry of Education is here, what is the reason for non-payment or meeting of these liabilities on their part?

Ms. Barran: Well, when we wrote letters everybody promised to look at it and take action. But remember, staff changes, so basically, you know, the current staff, they are unaware in terms of where—so it starts over again in terms of going back to find where—who would have been there, what—and that is where we are in terms of going forward with those debts. But we continue to in fact pursue.

Ms. Deonarine: So then, therefore, no solid reasons were given in terms of—it is just a matter of the document trail getting lost and nobody is keeping track of it and monitoring the obligations. Is that what it is?

Ms. Barran: Yeah. And staff changing. Yeah.

Ms. Deonarine: Okay. All right. So, with respect to—did you provide a breakdown of each one of these Ministries, how much they are owing?

Ms. Barran: Yes. We did provide.

Ms. Deonarine: Could you just remind me of it? I cannot pinpoint it right now.

Ms. Barran: Page 20.

Ms. Deonarine: No. It is not on page 20 of the written submission. I mean, how much does the Ministry of Education owe? How much does the Sports Company of Trinidad and Tobago owe? Okay. I found it. It is on page 18. All right. Okay. So the intention is to write-off these—make provisions for these and write them off in the books? Is that the intention?

Ms. Barran: Yes.

Ms. Deonarine: Okay. All right. Now, I want to go back to an earlier issue that was raised very early on by the Chair with respect to the grants that were received by the caterers. Right? Now, I know that you all worked with the Ministry of Finance and the caterers to ensure that a lot of the workers or the employees of the caterers received these grants. However, I understand from your submission that not everyone was able to access these grants. What were some of the reasons why these persons were not able to access these grants from the first lockdown in 2020?

Ms. Barran: Hon. member, let me just clarify. It is not for the caterers, eh. It is for their staff.

Ms. Deonarine: Their staff, yes.

Ms. Barran: That would have been the grants—yes, for their staff. Yes.

Ms. Deonarine: For the staff that they hire. Yes.

Ms. Barran: Yeah, yeah. Now, I know some people were actually, you know—some businesses did—our catering facilities did not get that assistance but they got it through their staff. Some of the records, when we got the breakdown from the Ministry of Finance—and I said they worked very closely with us in following up with those lists. We submitted the list for the caterers as well and what we realized is that they had wrong information being submitted. They had wrong phone numbers submitted as well. So when they tried to communicate, they were not able to communicate. So through communication with the Ministry of Finance, we were able to access—so at first we had about 50-something per cent and then when we made those calls and we accessed the people, some people had to resubmit and some people did in fact get the grant. So we were up to over 80 per cent. So it did in fact work out quite well and we must thank Ministry of Finance for working with us.

Ms. Deonarine: Okay. I am glad that worked out. Now, with respect to—I see that for the period 2015—2019, on page 24 of your submissions, you all indicated that you all had some suppliers that you all were still owing. I know earlier on you said that those debts were taken care of. What is the current debt of NSDSL?

Ms. Barran: We have no debt at this point in time.

Ms. Deonarine: No debt at this point. Okay. Excellent. Mr. Chair, I will pause here.

Mr. Chairman: Thank you so very much. May I continue? And I would like to ask the CEO, you mentioned earlier on an external auditor that you had engaged. CEO? Are you hearing me? Madam CEO?

Ms. Barran: Yes, Chairman.

Mr. Chairman: Can you identify the name of this external auditor?

Ms. Barran: This external auditor is PKF and they have been approved by the Ministry of Finance for our external audits. So each AGM we have, we submit the name and they approve the auditor.

Mr. Chairman: All right. Thank you. Now, can you also justify why it is the company, your company that is, would want to write-off these outstanding moneys that are owed by the Sports Company, UWI, Ministry of Health, the Ministry of National Security, PAHO, the Ministry of Education for the period 2016/2017, 2017/2018, 2018/2019? What is the reason you all are thinking of writing off these sums that are outstanding? And they are not huge amounts, so I am trying to understand why you all would want to write-off these sums?

Ms. Barran: But Chair, that was the recommendation by the auditor. We continue to seek—of course, we will try to recover every dollar that is outside the company. So we continue to make representation

in terms of having these sums paid and the Sports Company of Trinidad and Tobago has paid their bill. So you would see the 1.8 going down to 1.6 in 2016/'17. And 2017/2018, you would have a going up from the Ministry of Education. And then 2018/'19, you would have it falling again because you would have some payments coming in.

So, the only outstanding payment there now would be the ODPM and Office of the Prime Minister and very little from the Ministry of Education. But they have also been attempting—they have been making their payments. So it is a recommendation from the auditor—the external auditor—but we can continue to make those representations and get the moneys.

Mr. Chairman: Yeah. Okay. Thank you. On page 26 of your submission, under the “procurement and accounting manual” section, it was noted that your company is responsible—was responsible for the creation and updating of several manuals and that they were typically—and these are, rather, manuals were outsourced to an external consulting firm. Would you be kind enough to share with us the name of this consulting firm utilized for this project and the cost of contracting said firm?

Ms. Barran: Well, the procurement and accounting manual was formed in 2007, when the company was set up basically for the set-up documents of the company. After that, in 2011, what we really used is the State Enterprise Performance Monitoring Manual, those guidelines. We have not been updating this procurement and accounting manual. When this was set up in 2007, I am not sure what the cost would have been but the accounting and procurement manual was in fact done by PWC.

Mr. Chairman: PWC. Okay. You have any idea what would have been the cost?

Ms. Barran: I am not sure but I could look back and I could send that through to you. But in 2007, they would have done the work for the set-up of the company.

Mr. Chairman: Do you have the internal capacity to continue on your own this work or in terms of updating these manuals?

Ms. Barran: Well, Chair, we are working closely with the Office of Procurement Regulation and I think once we continue working closely with them—they have samples of handbooks and they have been training our staff—I think we can in fact do that work on our own. So I do not see the update being, you know, that we have to outsource that.

Mr. Chairman: Could you share with us what has been the relationship between the Procurement Regulation Office and this company called the National Schools Dietary Services Company Limited? Have you been complying with the request made by the procurement regulation?

Ms. Barran: Well, Chair, we have been going to all their training programmes and they are actually a very good group of people. They work with us continuously. They have been giving us guidelines. I

actually, you know—it is quite a good relationship that we have and they lend the support that we need. Actually, when we went out recently for the caterer's contracts, the Office of Procurement Regulation, they were the ones who did in fact review the protocol for award of contracts for the caterers. So we work hand in hand: Chairman, Mr. Lalchan, and myself, and our board. So that relationship, you know, we hope that that continues because it is quite rewarding for the company.

Mr. Chairman: Thank you. Now, the risk assessment is a critical part of the health and safety culture, and therefore technical advice is also received from external consultants according to your submission on page 9. Could you provide this Committee with a full list of all consultants utilized by the NSDSL? And could you include a cost for enlisting their services as well as the purpose for recruitment?

Ms. Barran: Yes, Chair, I can submit. I will do the submission.

Mr. Chairman: Yeah. So you will be able to submit that in writing right?

Ms. Barran: Yes, Chair.

Mr. Chairman: Thank you. Now, I saw something about some vehicle on page 30 of your submission, I think. Do you have an instrument guiding the purchase and disposal of vehicles acquired by the company? Do you have a policy document or instrument that would be guiding both the purchasing and disposal of vehicles of your company?

Ms. Barran: Yes, Chair. We use the State Enterprise Performance Monitoring Manual and our finance and accounting manual.

Mr. Chairman: Now, you also stated on page 31 that there was one vehicle which is currently owned by the company and this vehicle number has been given as being a BMW 361 Sedan. It was purchased in 2013. Could you indicate the rationale for the purchase of this vehicle then?

Ms. Barran: That is the vehicle that is allocated to the CEO. The office of the CEO.

Mr. Chairman: Okay. And on page 31, could you share with us what mechanisms were used to determine the selection of the NSDSLs security service provider? What mechanisms were employed as far as you are aware in terms of do you tender for these things? And what was the process involved in tendering? Was it sole select? Was it competitive? And could you also provide us with the name of the security service provider? Is it MTS or is it a private security organization?

Ms. Barran: This was a provider that came in many years ago and we had Amalgamated first, three quote system. And then, because of the problems that was encountered, I think the CEO then would have gone back out for quotes and would have changed to KiGel's Services Company Limited.

Mr. Chairman: Okay. All right. I think that there are some other areas that we will have to write to you on because we have another meeting starting in a short while. So, we would not want to breach

or at least in any way hamper the upcoming meeting because of a time constraint. So I think it is a good time for us to pause and to get from the various leaders who are here, just a brief closing comment because we are about to draw the curtains on our enquiry today.

As I said, there are some questions, because of time, we may not be able to pursue but we will put in writing those questions that we are unable to put forward to you at this time. But unless my colleagues, both Rushton Paray as well as Sen. Amrita Deonarine, if they have any further questions they would like to raise at this time, you may do so.

Mr. Paray: Chair.

Mr. Chairman: Yes.

Mr. Paray: I just have one question that I would like to ask the Ministry of Education. Is there any consideration of revisiting the unit cost for meals any time soon? Because at \$8 and \$9, I cannot see it working for the caterers to maintain the safety protocols that are going to be required going forward. I suspect perhaps a bit of the lapses that happens because of the minimal cost that they have to operate on may be causing some of the issues that I raised before. Does the Ministry have any intention to revisit that cost per unit any time in the near future?

Mr. Meyer: As the CEO said, there is an intention to look at the unit cost of the meals.

Mr. Paray: Any time frame?

Mr. Meyer: I think the CEO said the new contracts would take into account that cost.

Mr. Paray: Okay.

Mr. Meyer: We also have to note that the Ministry of Education—well, the National Schools Dietary Services Limited is a small consumer of our total agricultural products that were manufactured locally. If that market increases, the unit cost would go down.

Mr. Paray: Okay. Thank you.

Mr. Chairman: Mr. Rushton Paray?

Mr. Paray: That is it, Chair.

Mr. Chairman: All right. Thank you. All right. Well, may I, in bringing these proceedings to a close, just remind the Ministry of Education; the National Schools Dietary Services Limited; and the Ministry of Finance, Investments Division of the urgency of having establish—taking steps, I should say, to establish within a three-month period an internal audit unit for this particular company that is 20 years in existence. So I would like the three entities to collaborate and to move with haste to have this unit established? And there are a number of policies that remain outstanding, including the risk management policy. We would like the company to work post haste in establishing and in submitting

to this Committee.

I have also indicated that there are several questions that, because of the time, we were not able to pursue. So we shall submit to the company, through its CEO, to have written responses too in the coming hours and maybe a couple days thereafter.

So I would like to say on behalf of the Public Accounts (Enterprises) Committee and our members, we would like to expressly record our appreciation and thanks to the officials and representatives coming before this Committee this morning. And I refer specifically to the officials/representatives of the National Schools Dietary Services Limited; the Ministry of Education; and the Ministry of Finance, Investments Division for being with us today.

We would like to also thank the viewing and listening public for tuning in to this enquiry. And again, we would like to thank the officials and representatives for being with us this morning. At this time, we would like to excuse you all from this meeting and thank you once again for being with us. So officials from the three entities, you are now excused and thank you for coming.

Ms. Barran: Thank you, Chair. Thank you for having us.

Ms. Martina: Thank you.

Ms. Mohammed: Thank you.

Mr. Chairman: Thank you.

12.40 p.m.: *Meeting adjourned.*

NATIONAL SCHOOLS DIETARY SERVICES LIMITED

School Nutrition Programme



**STUDENTS' MOBILE MEAL
DELIVERY PROGRAMME PROPOSAL**

Background

The present COVID-19 pandemic has contributed to several changes in standard food service systems in countries throughout the world. Many government programmes were plunged into uncharted waters due to new precautionary measures that had to be implemented to prevent the spread of the virus. Conventional systems of meal delivery therefore had to be revamped and adjusted. In Trinidad and Tobago's food service industry, the situation has generated the need to assess hazards and implement appropriate control measures. The School Nutrition Programme (SNP) is by no means isolated from these adjustments. In response to the COVID-19 pandemic, The Programme must therefore adapt via the implementation of new public health measures, while continuing to comply with general best practice for food safety and quality at all levels of the food chain,. These new and updated systems will ensure the nutritional needs of the nation's children are supported and that the objectives of the company for the Programme are fulfilled. One such updated system is a mobile meal delivery model. This mode of delivery exist in many developed and developing countries. The following are a few examples of such services offered throughout the world:

United Kingdom

- **Meals on Wheels** - The government delivers daily, warm meals to recipients in urban and suburban areas. A typical lunch option is prepared and packaged under strict food safety guidelines and distributed daily to patrons at their homes.
- **Food Truck Distribution:** Meal distribution trucks are parked at strategically centralised locations. Meals are then distributed by volunteers and government workers. Recipients are identified by government issued cards.

United States

- **“Foodmobile Meal Delivery Service”:** is a home delivery meal service supported by *Meals on Wheels America*. Meals are cooked daily, packaged and delivered hot (time/temperature controls above 140 degrees F) to recipients. Through this service, recipients can also access speciality diet options.
- **Meals on Wheels America:** A nationwide service available in many states through effective partnerships with community-based organisations and health care facilities.
- **“Mom’s Meals”:** A private meal service programme. Menus are offered and marketed based on

the specific meal of the day. The company receives orders via its online platform or telephone contact. Thereafter, meal options are delivered on a timely basis by a 3rd party provider or the said company, packaged as entrées held in cooler bags. The recipient is required to refrigerate the meal immediately, where they would last for up to 14-days.

- **Meals for Kids Programme:** is also operational in many states and cities in the US. The basis of this programme is to provide disadvantaged children, who experience food insecurity, with a nutritionally sound meal. Meals, milk, bread and fruit are delivered to children daily.
- **Meals on Wheels (Texas State):** “Country Wheels” – Nutritionally sound meals are planned and prepared under the supervision of a registered Dietitian or Nutritionist. This programme is unique in its delivery as it provides meals to individuals in rural areas. The meals on wheels service provided seven (7) frozen meals once per week to clients. Though not a typical SNP type meal service model, it provides an option for a long-term meal service option for clients who reside in rural areas.

SNP Mobile Meal Delivery Service

Justification

During this time of crisis, the high price of food poses a greater problem for many low-income consumers, since a lack of purchasing power deprives a person from access to food, even though food is available. Low-income households generally spend proportionately more of their income on food when compared to their total expenditure. Research has therefore shown that low-income households purchase less food or fewer nutritious foods than higher income households. This can lead to nutritional problems for family members, especially children who need to be well-nourished for growth and development. Data from the region has found that children under five from families at the lowest income levels are much more likely to be underweight compared with children from high-income families.

- The operationalisation of a mobile meal delivery service programme for underprivileged school-aged children will assist with the reinforcement of the objectives of the SNP, which are:
- To provide as a weekly average approximately one-quarter (1/4) and one-third (1/3) of the Recommended Dietary Allowance (RDAs) of nutrients for the child through breakfast and lunch respectively.
- To contribute to the improvement of the nutritional status of the child and to enhance

learning ability.

- To further stimulate the agricultural sector by utilizing local produce wherever possible in the meal plan

When the Programme provides safe and nutritious meals to the school population, it ensures that the above nutrition goals are met. Notably, the NSDSL is able to provide these meals at a lower production cost than if prepared by an individual household due to economies of scales. Currently the Programme produces approximately 54,000 breakfast meals and 79,000 lunches daily.

The implementation of this initiative will also create direct employment for over 800 persons in the lower income earning brackets at kitchens located in communities throughout Trinidad; more than 50% of which are women. Suppliers and farmers will also benefit as their goods and produce are used in the Programme. The School Nutrition Programme is the single largest consumer of foods in the country. For the fiscal year 2018/2019 data collected from caterers indicates that approximately 2.7M lbs and units of local produce were used in the Programme, at an approximate cost of TT\$9.5M. (see Appendix 1) Nationally this would have impacted significantly on reducing the food import bill for the country.

Readiness of SNP Catering Facilities and Suppliers

After the lifting of COVID-19 lockdown measures, the Ministry of Education requested that the NSDSL provide meal service for the standard 5 students who were at schools preparing for the SEA examination. For the period 20th July to 5th August, 2020 the SNP caterers produced 9,181 breakfast meals and 8,126 lunches daily for their schools; approximately 19,344 refreshments were also provided and safely delivered on the day of the examination. The service of meals for the period was therefore successfully executed. Actions that were taken to ensure a favourable outcome to the re-opening of SNP operations were:

- The Quality Assurance Officers and Zonal Managers of the NSDSL monitored the daily operations of the kitchens.
- The training of kitchen staff in June and July 2020 to ensure they were educated on the 'new normal' of expected operations following the lifting of COVID-19 lockdown measures. Key areas covered were:

- The public health guidelines and standards that are to be enforced at facilities during the ‘new normal’ of the reopening of business, after the lifting of COVID-19 lock- down measures;
- The reinforcement of internationally-recognised food safety standards for meal preparation.
- The development and distribution of NSDSL Safety Tip Series COVID-19 Posters for use in the kitchens on the following topics:
 - General information on COVID-19;
 - Cleaning vs Sanitizing;
 - Personal Hygiene;
 - Proper Face Mask Use;
 - Proper Handwashing;
 - What to Look for in a Hand Sanitizer; and
 - The Ins and Outs of Glove Use
- The implementation of new protocols for screening of staff and visitors to facilities, including the maintaining of temperature logs and declaration forms on visitors, should contact tracing become necessary.
- Training of suppliers and their staff on the public health guidelines and standards that the NSDSL required to be implemented at production plants during the ‘new normal’ of the reopening of business, after the lifting of COVID-19 lockdown measures.

Distribution sites

Suggested sites for distribution are schools, community centres or Members of Parliament (MP) offices. The MP offices were included as possible sites for distribution since the needs of communities are met through this structure of governance, which has proven to be successful in identifying the disadvantaged within their constituencies. The NSDSL partnered with 30 MP offices on May 11, 2020 to distribute 7,300 meals donated by SNP caterers to needy families within their communities. The initiative was successfully executed, with all MP offices expressing their deepest appreciation for the donation, and their hope that other such drives will be undertaken in the near future, given the level of need within their constituencies.

Cost and Duration of Service

The proposal is to provide either 50% or 30% of the present daily allocation of 78,998 lunches to underprivileged children who are present recipients of the Programme:

- At 50% of the allocation (i.e. 39,499 meals), the cost of the service for a week (5 working days) is **\$2,159,607.85**. The cost of the service for a period of a month (20 work days) is therefore **\$8,638,431.40**
- At 30% of the allocation (i.e. 23,699 meals), the cost of the service for a week (5 working days) is **\$1,295,742.85**. The cost of the service for a period of a month (20 work days) is therefore **\$5,182,971.40**.

The reduction in the allocation will allow for the smooth distribution of meals, while maintaining the present government regulations to prevent the spread of COVID-19.

The calculations for the cost of the initiative can be found in Appendix 2.

APPENDICES


National Schools Dietary Services Limited
**Actual Local Commodity Usage on the School Nutrition Programme
October 2018 – September 2019**

Food Items	Units	Volumes	Total Cost
Bananas	lbs	44,086.5	TT\$ 44,508.14
Bodi	lbs	34,870.5	TT\$ 200,537.25
Breadfruit	lbs	365.0	TT\$ 2,211.00
Cabbage	lbs	36,048.0	TT\$ 204,525.50
Cassava	lbs	6,594.0	TT\$ 25,182.00
Celery	5lb bundle	7,170.0	TT\$ 248,600.00
Chadon beni	5lb bundle	12,168.7	TT\$ 364,259.60
Chicken	lbs	214,699.0	TT\$ 2,919,423.00
Chicken Breast	lbs	65,336.3	TT\$ 998,994.94
Chives	2.2lb bundle	7,754.3	TT\$ 380,266.25
Christophene	lbs	3,264.5	TT\$ 21,591.00
Coconuts	each	11,463.0	TT\$ 69,460.00
Corn on the cob	1.5oz pieces	14,469.0	TT\$ 9,215.15
Cucumber	lbs	5,403.0	TT\$ 39,051.50
Dasheen	lbs	1,059.0	TT\$ 7,053.00
Dasheen Bush	lbs	19,605.5	TT\$ 112,564.50
Ginger	lbs	8,449.3	TT\$ 130,124.75
Green Pawpaw	lbs	3,749.8	TT\$ 16,585.88
Mangoes	each	277,895.5	TT\$ 505,101.25
Melongene	lbs	16,648.5	TT\$ 97,060.00
Ochroes	each	303,767.0	TT\$ 161,618.60
Oranges	each	4,550.0	TT\$ 4,108.00
Patchoi	lbs	8,490.5	TT\$ 58,191.50
Pimentoes	each	1,006,521.5	TT\$ 522,768.28
Plantain	lbs	32,105.0	TT\$ 162,952.00
Pommecythere	each	35,231.0	TT\$ 33,469.45
Portugals	each	66,399.0	TT\$ 65,969.95
Pumpkin	lbs	306,391.5	TT\$ 909,631.50
Rice	lbs	2,587.0	TT\$ 6,596.85
Spinach	Lbs	13,817.0	TT\$ 95,234.00
Sweet Peppers	Lbs	69,421.8	TT\$ 458,414.00
Sweet Potatoes	Lbs	2,864.0	TT\$ 19,207.00
Tomatoes	Lbs	73,115.0	TT\$ 570,313.00
Watermelon	Lbs	1,075.0	TT\$ 2,597.50

Grand Total Cost
\$9,467,386.33
PLEASE NOTE: the table does not include data for July 2019 and August 2019 when meals were not produced.

Appendix 2

COST OF 50% OF SNP PRESENT LUNCH ALLOCATION

No. of Meals	Daily Cost to be paid to Caterers @ \$9.00 per meal	Daily Cost of 12.5% VAT on meals	Daily Cost of boxes @ \$0.46 per box	Daily Cost of 12.5% VAT on boxes	Daily Cost of spork & napkin packets @ \$0.26 per packet	Daily Cost of 12.5% VAT on sporks & napkins packets	Total Daily Cost
50% of 78,998 = 39,499	\$355,491	\$44,436.38	\$18,169.54	\$2,271.19	\$10,269.74	\$1,283.72	\$431,921.57

Weekly Cost = \$431,921.57 x 5 = \$2,159,607.85

Monthly Cost = \$2,159,607.85 x 4 = 8,638,431.40

COST OF 30% OF SNP PRESENT LUNCH ALLOCATION

No. of Meals	Daily Cost to be paid to Caterers @ \$9.00 per meal	Daily Cost of 12.5% VAT on meals	Daily Cost of boxes @ \$0.46 per box	Daily Cost of 12.5% VAT on boxes	Daily Cost of spork & napkin packets @ \$0.26 per packet	Daily Cost of 12.5% VAT on sporks & napkins packets	Total Daily Cost
30% of 78,998 = 23,699	\$213,291	\$26,661.38	\$10,901.54	\$1,362.69	\$6,161.74	\$770.22	\$259,148.57

Weekly Cost = \$259,148.57 x 5 = \$1,295,742.85

Monthly Cost = \$1,295,742.85 x 4 = \$5,182,971.40