

FIRST

REPORT
FROM

THE PUBLIC ACCOUNTS
(ENTERPRISES) COMMITTEE

EXAMINATION
OF

the Audited Financial Statements of the Urban Development Corporation of Trinidad and Tobago Limited (UDECOTT) for the financial years 2014 and 2015, First Session, Twelfth Parliament.

Office of the Parliament
Parliamentary Complex
Cabildo Building
St. Vincent Street Port of Spain
Republic of Trinidad and Tobago



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
Mr. Liu Metivier	Parliamentary Intern
Ms. Anesha James	Administrative Assistant
Ms. Natoya O’Neil	Clerk Typist I

Publication

An electronic copy of this report can be found on the Parliament website: www.ttparliament.org

Contacts

All correspondence should be addressed to:

The Secretary
Public Accounts (Enterprises) Committee
Office of the Parliament
Parliamentary Complex
Cabildo Building
St Vincent Street, Port of Spain, Trinidad and Tobago
Tel: (868) 624-7275; Fax: (868) 625-4672
Email: paec@ttparliament.org

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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 inquiry into the Audited Financial Statements of the Urban Development Corporation of Trinidad and Tobago Limited (UDECOTT) for the financial years 2014 and 2015** and produced this report to highlight its findings and recommendations. This report details the issues, endorsements and recommendations made by the Committee to improve UDECOTT's performance.

The Report focuses on the following issues:

1. Status of Outstanding Financial Statements
2. Status of a new Strategic Plan
3. Profitability of Project Management Services
4. Facilities Management Fees Collection
5. Lack of Overarching Procurement Framework and Standardized Documents
6. Reducing the Company's Accounts Receivable
7. Project Management Challenges

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

- The MoF should write to the Committee by September 6, 2021 on the date of the approval of the authorization letter sent to UDeCOTT to appoint a new auditor and a status of the expected timeframe for the submission of the outstanding financial statements for the years 2016 to 2020;
- UDeCOTT should submit a status update by September 6, 2021 on the company's appointment of a new external auditor and the timeframes it expects its financial statements for the periods ending 31st December, 2017, 2018, 2019 and 2020 to be completed;
- UDeCOTT should submit a status update on the approval and expected operationalization of its new strategic plan by September 6, 2021, including the following:
 - listing which strategic goals and objectives were carried over from the 2016 to 2020 strategic plan;

- for those strategic goals and objectives carried over from the previous strategic plan, provide the timeframe for its implementation under the new strategic plan;
- for each objective and goal, what are the outcomes expected, how does UDECOTT plan to deliver it, with what resources (financial and human); and
- how success in the achievement of the objective and goal will be measured i.e., planned outputs;
- UDECOTT must submit by September 6, 2021 the status of its current and non-current liabilities (both aggregated and disaggregated) inclusive of its debt management strategy;
- UDeCOTT should submit a status update by September 6, 2021 on its review of its project management fee structure and the measures the company intends to effect to realize its targeted profitability objective;
- The MoF-Investments Division should write to the Committee by September 6, 2021 to explain the justification for the 4.5% cap on project management fees and how it intends to assist UDeCOTT in improving its profitability and management of its finances;
- UDeCOTT should submit a status update by September 6, 2021 on its action plan to treat with its delinquent facility management agreements and undertake a review of its revenue stream to identify critical gaps and set out how it will address the gaps it has identified in the area of facilities management;
- UDeCOTT should write to the Committee by September 6, 2021 setting out:
 - its overall plan for improving oversight and transparency;
 - its progress in adopting an overarching procurement framework for projects to ensure that public funds were spent to the best advantage. This would be a more cost-efficient mechanism than having to engage an Independent Quantity Surveyors and FIDIC Engineers for each project;
 - alignment of procurement processes with the recently passed procurement legislation;
 - consider standardizing its general bidding and tendering documents by category of projects where the method of procurement for projects categorized as health, sports and recreation, accommodation, national security, land development, industry, and restoration are similar up until the client's needs deviate;
 - UDECOTT should consult with the Office of the Procurement Regulator on general standardization of documents beyond dollar value thresholds to clearly defined

- categories of procurement processes such as procurement for (i) goods, works and non-consulting services, (ii) consulting firm, (iii) individual consultants;
- UDECOTT should develop a manual to guide the procurement of consulting services according to international best practices based on (i) quality-based selection (ii) quality and cost-based selection (iii) selection under fixed budget (iv) least cost selection (v) selection based on consultant qualifications and (vi) single source selection;
 - Based on existing procurement practices, the procurement of consulting services tends to deviate towards sole source selection, UDECOTT should develop and must submit what are the clearly defined rules that are followed when sole selective tendering is done, inclusive of the required documentation from the consultant/contractor and the persons involved in the chain of command to authorize sole select procurements;
- UDeCOTT should submit a status update by September 6, 2021 on the following:
 - its review of the implementation of a debt recovery policy to better aid the company in retrieving funds owed by state agencies;
 - setting standards for the collection of all debts;
 - strengthening its internal processes to facilitate accurate reporting;
 - UDeCOTT should set out a clear time table for ultimately reducing its backlog of unrecoverable accounts receivable and report on its progress by September 6, 2021;
 - Creation of a Lessons Learnt Report on various categories of project management services, scope creep, cost overruns, risk identification and mitigation, procurement and other critical areas of operations. The report should document all critical issues encountered on projects, how they were handled; the outcomes of actions taken (or not taken); and how similar issues could be managed on other projects. This report should be submitted by September 6, 2021;
 - The Office of the Prime Minister should take direction from the State Enterprises Performance Monitoring Manual where it states that “The Line Ministries’ role includes technical supervision of planning, monitoring and evaluating project, plan and programme implementation and ensuring that State Enterprises adhere to the Sectoral policy guidelines of GORTT”. The Ministry is therefore mandated by these guidelines to play a more important role in offering proper technical supervision of projects and programme implementation to the UDeCOTT;

- UDeCOTT should ensure that the Project Management Team adopts Earned Value Management techniques to assess project progress and completion to be able to carefully assess impact of changes in cost, scope and time due to the multiple reasons identified; and
- UDeCOTT should go beyond the use of a findings log to develop comprehensive risk identification/mitigation plan and change management plan (by project) to allow for swift responses to changes in project scope and avoid incidences of scope creep. Such plans must be continuously reviewed and updated to reflect dynamic changes in the project environment.

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 Trinidad and Tobago monitors the performance of State Enterprises to ensure that these enterprises

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

successfully execute their mandates and 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 Orders to have a quorum so that decisions can be made by Members during the meeting can be considered valid. 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.

Determination of Date and Time of Regular meetings

The Committee is required by the Standing Orders 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 <http://www.finance.gov.tt/wp-content/uploads/2013/11/State-Enterprise-Performance-Monitoring-Manual-2011.pdf>

Methodology

First Session Work Programme

At the Committee's Second meeting held virtually on Wednesday November 25, 2020, the Committee identified the following entities for examination during the First Session of the 12th Parliament:

- Urban Development Corporation of Trinidad & Tobago Limited
- Vehicle Management Corporation of Trinidad & Tobago
- National Gas Company of Trinidad & Tobago Limited
- Export-Import Bank of Trinidad and Tobago Limited
- National Information and Communication Technology Company Limited
- Education Facilities Company Limited
- East Port of Spain Development Company Limited
- National Schools Dietary Services Limited
- Estate Management & Business Development Company Limited
- Community Environmental & Protection Enhancement Programme Company Limited
- Point Lisas Industrial Port Development Corporation Limited
- Sports Company of Trinidad & Tobago Limited
- National Infrastructure Development Company Limited
- Tourism Trinidad Limited
- National Export Facilitation Organisation of Trinidad and Tobago

The Inquiry Process

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

- I. Identification of issues in the UDECOTT's Audited Financial Statements for the financial years 2014 and 2015;
- II. Preparation of Inquiry Proposal for UDECOTT. The Inquiry Proposal outlines:
 - a. Background;
 - b. Objective of Inquiry; and
 - c. Proposed Questions.
- III. Questions were forwarded to UDECOTT, and Office of the Prime Minister (OPM) and Ministry of Finance – Investment Division (MOF-ID) on December 15, 2020. All responses were subsequently received by January 18, 2021.
- IV. Determination of the need for a Public Hearing based on the analysis of written submissions. In this instance, a public hearing was held on January 20, 2021;
- V. After the public hearing a written request for additional information was sent to UDECOTT, on February 3, 2021.
- VI. Report the Committee's findings and recommendations to Parliament upon conclusion of the inquiry.
- VII. Carrying out follow-up to monitor progress in the implementation of recommendations.

Urban Development Corporation of Trinidad and Tobago Limited ³

History / Company Overview:

The Urban Development Corporation of Trinidad and Tobago Limited (UDeCOTT) was created in 1994 as a special purpose company with responsibility for managing projects and facilities in the urban spaces of Trinidad and Tobago. It is a company that is wholly owned by the Government of the Republic of Trinidad and Tobago. UDeCOTT's primary objective is to deliver projects that meet our clients' objectives using the highest quality project management and development services. Its critical focus over the last three years has been on development of social infrastructure projects in Trinidad and Tobago, which fall within the following portfolios:

- Health
- National Security
- Industrial
- Community Development, Culture and Arts
- Accommodation
- Ports and Infrastructure; and
- Sports and Recreation

Within the broader context, however, UDeCOTT is responsible for developing the urban renewal of the capital city, Port of Spain and the city of San Fernando. Finally, UDeCOTT has been tasked with developing 13 major urban centres as identified in the National Development Strategy 2016-2030.

The urban centre of the 21st century is a community in which the critical needs of the people including interests and culture. History and education, entertainment and government are met and balanced with commercial activity. The realization of this vision will contribute to the creation of a rich urban environment comprising well-designed and managed public spaces, the preservation of historic sites, medium and large-scale commercial and residential needs and the development of small business.

³ UDeCOTT Website <http://udecott.com/> accessed on May 10, 2021

Vision Statement

To be the zenith of innovative, service driven, self-sustaining urban development and management, igniting and inspiring our national, regional and global communities.

Mission Statement

To stimulate national development by transforming our urban landscapes in a sustainable manner through value driven conceptualization, planning, construction and facilities management.

Core Values

The Corporation's Core Values form the foundation on which work is performed and how people conduct themselves. The Core Values underlie work, how people interact with each other, and which strategies will be employed to fulfil the Mission.

- ***Good Governance***

Strictly adhering to the principles of transparency and accountability in all operations, decision making and policy setting. Following the rule of law for the benefit and protection of all its stakeholders.

- ***Integrity***

The Board of Directors, Management and Staff are guided by sound moral judgement, honesty, trustworthiness and the highest ethical standards in all facets of operations.

- ***Transformative***

Committed to using innovation and creativity to transform our landscape for the optimal benefit of our communities.

- ***Service Driven***

People are purposely geared to use gold standards in its core competencies with a view to continuously providing service excellence to our clients.

- ***Cost Efficient (value driven)***

The Corporation performs its activities in the most economical manner to produce the optimum result in all its operations.

- ***Results Oriented***

A purpose driven organization focused on the timely delivery and cost-effective execution of its mandate to satisfy all of its stakeholders.

Board of Directors

- Mr. Noel Garcia Chairman
- Ms. Janelle Berkley Director
- Ms. Maureen Braveboy Director
- Mr. Jade Brown Director
- Ms. Debra Dipchansingh Director
- Mrs. Jacqueline Ganteaume-Farrell Director
- Ms. Vashti Phekoo Director
- Mrs. Kimberly Carr-Hamilton Corporate Secretary

Management Team

- Ms. Tamica Charles-Phillips Chief Executive Officer
- Mrs. Sarah Darbeau Divisional Manager - Legal
- Mr. Burton Hinkson Divisional Manager - Finance
- Ms. Kashka Andrews Divisional Manager - Facilities
- Ms. Sarah Scoon Divisional Manager - Construction and Engineering
- Mrs. Cavelle Joseph-St. Omer Divisional Manager - Human Resources

Employees

UDeCOTT's success is credited to the hard work of the highly qualified and experienced staff at the corporation. They ensure operations of the highest calibre are effected and maintained at the company.

The company's employees represent a wide range of professional fields, which include but are not limited to, engineering, finance and accounting, HSE, project management, law, information technology, human resource management, procurement, business administration, marketing and communications.

The company's professionals support an organisational culture that is grounded in the company's core values as well as in the principles of team work, collaboration, knowledge sharing and accountability.

The commitment and hard work of its people guarantees that the outlook for continued productivity and delivery on its mandates remains optimistic.

Line Ministry – Office of the Prime Minister

Ministers in Office of the Prime Minister:

- **The Honourable Ayanna Webster-Roy, MP**
Minister in the Office of the Prime Minister – Gender and Child Affairs
- **The Honourable Stuart Young, MP**
Minister in the Office of the Prime Minister and Minister of Energy and Energy Industries
- **The Honourable Symon de Nobriga, MP**
Minister in the Office of the Prime Minister – Communications

Permanent Secretaries:

Mr. Maurice Suite - Permanent Secretary to the Prime Minister

Mr. Ian Ramdahin - Permanent Secretary (Ag.) [National Aids Coordinating Committee – NACC]

Ms. Jacqueline Johnson - Permanent Secretary (Gender and Child Affairs)

Ms. Ethlyn John - Permanent Secretary (Ag.) [Tobago Affairs]

Issues, Observations and Recommendations

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

1. Status of Outstanding Financial Statements

Accountability to Parliament for the utilization of public funds has been weakened by the failure of UDECOTT to submit its audited financial statements in a timely manner for scrutiny.

As outlined in the State Enterprise Performance Monitoring Manual 2011, State Enterprises are required to submit their Audited Financial Statements (2 originals and 120 copies) to the Minister of Finance within four (4) months of their financial year end. These reports are to be laid in Parliament and subsequently submitted to the Public Accounts (Enterprises) Committee for consideration. At the time of the public hearing, the 2016 through 2019 financial statements were outstanding. The reasons for the non-submission of the company's Audited Financial Statements to the Parliament at the statutory deadline for the years 2016 to 2019 were as follows:

- i. There was a delay in the completion of the audits for the period 2008 to 2013 due to the lack of documentation to support financial transactions associated with the relevant documents being provided to the UFF Commission of Enquiry and Anti-Corruption Investigation Bureau for the years 2008 to 2010.
- ii. This delay caused a ripple effect on the completion of all future audit exercises, which UDeCOTT has made a conscientious effort to rectify. As a result of these efforts, the following occurred:
 - a. 16th June, 2014 – the Consolidated Financial Statements for the period ending 31st December, 2007 were approved and ratified at an Annual General Meeting.
 - b. 13th May, 2016 - the Consolidated Financial Statements for the period ending 31st December, 2008 were approved and ratified at an Annual General Meeting;
 - c. 9th June, 2019 – the Consolidated Financial Statements for the period ending 31st December 2009, 2010, 2011, 2012, 2013, 2014 and 2015 were approved and ratified at an Annual General Meeting.

UDeCOTT, through its Auditors, KPMG was currently completing the Audit of the Financial Statements for the period ending 31st December, 2016. With respect to the Financial Statements for the periods ending 31st December 2017 and 2018, KPMG was retained to undertake the Audits,

however, the parties have since mutually agreed to conclude this agreement due to the staff shortage challenges faced by KPMG in completing the audit in the timeframe required by UDeCOTT. UDeCOTT was therefore currently seeking to engage alternative auditors for the periods ending 31st December, 2017, 2018 and 2019. During the public hearing, The Ministry of Finance (MoF) indicated that UDeCOTT would receive their authorization letter to appoint a new auditor immediately after the conclusion of the meeting.

Recommendations:

- **The MoF should write to the Committee by September 6, 2021 on the date of the approval of the authorization letter sent to UDeCOTT to appoint a new auditor and a status of the expected timeframe for the submission of the outstanding financial statements for the years 2016 to 2020; and**
- **UDeCOTT should submit a status update by September 6, 2021 on the company's appointment of a new external auditor and the timeframes it expects its financial statements for the periods ending 31st December, 2017, 2018, 2019 and 2020 to be completed.**

2. Status of a new Strategic Plan

The strategic plan of the company should be a three to five-year plan that encompasses the strategic direction and themes that the Company intends to execute in the continuous building of the organization. It is the one document that sets the overall direction, vision and mission of the enterprise and recognizes the requirement to set performance goals and identify measures to gauge progress towards these goals.⁴

At the time of the public hearing held on January 20,2021 UDeCOTT was still using its strategic plan which covered the period 2016 -2020. This strategic plan which was developed in 2016 and cost TT\$134,400 plus VAT was now 5 years old. The company's new strategic plan which was expected to commence from 2021 was currently in draft and under review by the UDeCOTT's Board of Directors. The draft plan was expected to be approved, finalized and operationalized by the end of February 2021.

⁴The Basics of Strategic Planning, Strategic Management and Strategy
<https://www.balancedscorecard.org/Resources/Strategic-Planning-Basics>

In the interim, the goal and objectives that were not met during the period 2016 to 2020 were rolled over and would be continued in the next strategic plan. The company was currently using those strategic goals and objectives to guide the short-term decision of the company.

The new strategic plan was developed in house due to the fact that the Board and Management were effectively in their positions for 5 years and had gained experience in their roles which they did not possess in 2016. The performance of the Strategic Plan would be assessed through the submission of monthly reports by the various Heads of Departments into the company's Strategic Planning Portal. This portal was developed internally in 2019 where all updates were expected to be reported.

Recommendation:

- **UDeCOTT should submit a status update on the approval and expected operationalization of its new strategic plan by September 6, 2021, including the following:**
 - **listing which strategic goals and objectives were carried over from the 2016 to 2020 strategic plan;**
 - **for those strategic goals and objectives carried over from the previous strategic plan, provide the timeframe for its implementation under the new strategic plan;**
 - **for each objective and goal, what are the outcomes expected, how does UDECOTT plan to deliver it, with what resources (financial and human); and**
 - **how success in the achievement of the objective and goal will be measured i.e., planned outputs; and**
- **UDeCOTT must submit by September 6, 2021 the status of its current and non-current liabilities (both aggregated and disaggregated) inclusive of its debt management strategy.**

3. Profitability of Project Management Services

In UDeCOTT's 2016 to 2020 strategic plan, the company had set a target of increasing its revenue and the profitability of its project management services by 5%. Officials from UDeCOTT indicated that whilst they were able to increase their projects, their project management fees were capped at about 4.5% by the Cabinet of the Republic of Trinidad and Tobago (Cabinet). It was further stated that the company tried its best to improve its profitability and viability as an enterprise but given the nature and complexity of their projects, changing project scopes meant that the company could not

meet its set revenue targets on each project. It was also mentioned that because of changing project scopes, there was a need to review and make the necessary amendments to the company's project management fees' structure to suit the complexity of each task. This review and proposed alterations would be considered during the continuous discussions and dialogues UDeCOTT holds with its clients.

Recommendations:

- **UDeCOTT should submit a status update by September 6, 2021 on its review of its project management fee structure and the measures the company intends to effect to realize its targeted profitability objective.**
- **The MoF-Investments Division should write to the Committee by September 6, 2021 to explain the justification for the 4.5% cap on project management fees and how it intends to assist UDeCOTT in improving its profitability and management of its finances.**

4. Facilities Management Fees Collection

UDeCOTT identified facilities management as a new area in its strategic plan for 2016 to 2020. The company placed a target of 5% annual increase in profitability of facility management. UDeCOTT currently managed fifteen (15) facilities. The company was able to increase revenue with this business venture but was unable to identify whether the target placed was being met. However, officials from UDeCOTT indicated that the company's facilities management fees were capped at 7% by the Cabinet. UDeCOTT was experiencing difficulties with respect to its older project management's agreements as some facilities were being delinquent in their payment of facilities management fees to the company. As such, this hampered the company's ability to gather those fees and gauge whether its targets were being met. These issues only persist in the older facility management agreement because mechanisms were put in place to prevent late payments in the more recent agreements.

Officials from UDeCOTT stated that while they were not able to meet all its targets, they would be closing off some of the outstanding delinquent agreements so that the company would be able to meet the targets as intended.

Recommendation:

- **UDeCOTT should submit a status update by September 6, 2021 on its action plan to treat with its delinquent facility management agreements and undertake a review of**

its revenue stream to identify critical gaps and set out how it will address the gaps it has identified in the area of facilities management.

5. Lack of Overarching Procurement Framework and Standardized Documents

The company lack proper oversight, reliable information and transparency over its engagement on governance issues. Since the company was created as a special purpose company with responsibility for managing projects and facilities in the urban spaces of Trinidad and Tobago, the Committee questioned whether UDeCOTT had a specific framework implemented to deliver best value for money in acquisition of plants, machinery, equipment to ensure efficiency, accountability and transparency, it was indicated that an overarching framework did not exist. Officials from UDeCOTT stated that it had an internal Quantity Surveying Unit that, in collaboration with its Project Managers, review the projects executed to ensure that the works are within the budgeted allocation. Officials from UDeCOTT also engages in the services of Independent Quantity Surveyors and the International Federation of Consulting Engineers (FIDIC) Engineers to provide effective oversight and implementation of the budgetary allocation for projects to ensure that public funds were spent to the best advantage.

It was further indicated by Officials from UDeCOTT that with the updating of the procurement law, internal reviews by the company's senior management with the Office of the Procurement Regulator (OPR) were held following which, an internal procurement liaison officer was appointed. The extent of the discussions with the OPR however did not go to the point of UDeCOTT standardizing its documents with the OPR. This was because of the complexity and the scope of different projects executed. The committee was informed that the standardization of bidding documents would be difficult when trying to properly procure for projects that range from constructing community centres to restoring historical sites like the Red House. UDeCOTT stated that the conversations it maintained with the OPR were solely to the extent of supplying information the OPR requested.

Recommendation:

- **UDeCOTT should write to the Committee by September 6, 2021 setting out:**
 - **its overall plan for improving oversight and transparency;**
 - **its progress in adopting an overarching procurement framework for projects to ensure that public funds were spent to the best advantage. This would be a more cost-efficient mechanism than having to engage an Independent Quantity Surveyors and FIDIC Engineers for each project;**

- alignment of procurement processes with the recently passed procurement legislation;
- consider standardizing its general bidding and tendering documents by category of projects where the method of procurement for projects categorized as health, sports and recreation, accommodation, national security, land development, industry, and restoration are similar up until the client's needs deviate;
- UDECOTT should consult with the Office of the Procurement Regulator on general standardization of documents beyond dollar value thresholds to clearly defined categories of procurement processes such as procurement for (i) goods, works and non-consulting services, (ii) consulting firm, (iii) individual consultants;
- UDECOTT should develop a manual to guide the procurement of consulting services according to international best practices based on (i) quality-based selection (ii) quality and cost-based selection (iii) selection under fixed budget (iv) least cost selection (v) selection based on consultant qualifications and (vi) single source selection; and
- Based on existing procurement practices, the procurement of consulting services tends to deviate towards sole source selection, UDECOTT should develop and must submit what are the clearly defined rules that are followed when sole selective tendering is done, inclusive of the required documentation from the consultant/contractor and the persons involved in the chain of command to authorize sole select procurements.

6. Reducing the Company's Accounts Receivable

The accounts receivable for UDeCOTT as at December 2015, had an amount due from the Government of the Republic of Trinidad and Tobago for contract works done totalling \$515,715,573.00. With UDeCOTT's client listing having over 100 state agencies, to ensure the company's operations were not affected, officials from UDeCOTT stated that it had established close and constant lines of communication with the relevant ministries specifically their Finance Units, regular follow-up meetings and sharing of information, which includes written correspondence to mitigates any unnecessary delays in the processing of queries and payments.

Working in accordance with projected cash flows allows all parties to schedule the need and use of funding. It was further disclosed that the MoF was also provided with all correspondence relating to these transactions. On its own, UDeCOTT does not have a debt recovery policy. The company however, was currently undergoing the updating and review of policies and procedures needed to govern the activities of the corporation to which, having a debt recovery policy was listed.

Recommendation:

- **UDeCOTT should submit a status update by September 6, 2021 on the following:**
 - **its review of the implementation of a debt recovery policy to better aid the company in retrieving funds owed by state agencies;**
 - **setting standards for the collection of all debts;**
 - **strengthening its internal processes to facilitate accurate reporting; and**
- **UDeCOTT should set out a clear time table for ultimately reducing its backlog of unrecoverable accounts receivable and report on its progress by September 6, 2021.**

7. Project Management Challenges

Project evaluation is an ongoing process during the life of any project. Additionally, each project was evaluated monthly specifically with respect to the schedule and costs. These monthly analyses were issued in Monthly Reports to all Clients. The lessons learnt for each project were project specific, and based on a general assessment, they can be categorized into Scope, Change and Cost Management. The following are the management challenges UDeCOTT experiences and how they were treated.

i. Scope Management

When a Project is initiated by a Client, UDeCOTT issued a scope document by the Client. UDeCOTT reviews the documents and makes respective recommendations to the Client to facilitate any scope gaps or exceptions which may not have been considered. During the execution of the works, an occasion may arise in which there may be the requirement for a change in scope. This scope change may arise from new requirements requested by the Client or an unforeseen circumstance observed on the site. To rectify the above issues, UDeCOTT utilises its in-house design team to review the scope document with the Client to ensure that all aspects of the works are captured. In addition, UDeCOTT continues to recommend to its clients the use of non-destructive testing and analysis of renovation and restoration projects to ensure that all unforeseen elements were noted in the scope document.

ii. Cost Management

UDeCOTT has experienced several challenges to ensure that disbursement of funding made to all the projects within its remit. Delayed release of funding can cripple the execution of a project. To rectify this matter, UDeCOTT works closely with its clients to ensure that they are well appraised of current payments, outstanding payments due and upcoming payments which will become due.

iii. Change Management

During the life of the Project, there may be the occasion that a change is required in the scope, at this time it requires the swift action of the project team, inclusive of the Client, to receive the requisite approvals to facilitate the cost and time implications of this change. To assist in this challenge, UDeCOTT works closely with its clients to flag any possible changes so that the requisite approvals can be sought expeditiously.

Observation and Recommendations:

The Committee commends the initiative of the UDeCOTT in response to the various challenges to its project management services and recommends the following:

- **Creation of a Lessons Learnt Report on various categories of project management services, scope creep, cost overruns, risk identification and mitigation, procurement and other critical areas of operations. The report should document all critical issues encountered on projects, how they were handled; the outcomes of actions taken (or not taken); and how similar issues could be managed on other projects. This report should be submitted by September 6, 2021;**
- **The Office of the Prime Minister should take direction from the State Enterprises Performance Monitoring Manual where it states that “The Line Ministries’ role includes technical supervision of planning, monitoring and evaluating project, plan and programme implementation and ensuring that State Enterprises adhere to the Sectoral policy guidelines of GORTT”. The Ministry is therefore mandated by these guidelines to play a more important role in offering proper technical supervision of projects and programme implementation to the UDeCOTT;**
- **UDeCOTT should ensure that the Project Management Team adopts Earned Value Management techniques to assess project progress and completion to be able to**

carefully assess impact of changes in cost, scope and time due to the multiple reasons identified; and

- UDeCOTT should go beyond the use of a findings log to develop comprehensive risk identification/mitigation plan and change management plan (by project) to allow for swift responses to changes in project scope and avoid incidences of scope creep. Such plans must be continuously reviewed and updated to reflect dynamic changes in the project environment.

Conclusion

UDeCOTT continues to be a significant state agency and a major contributor to the development and the advancement of many of the country's national assets that citizens can benefit from. The company has various avenues of income and is involved in many of the major projects throughout Trinidad and Tobago. However, its targets of increasing profitability of these sources of revenue such as from project management and facilities management were capped by the Cabinet of the Republic of Trinidad and Tobago.

The Company has faced a myriad of challenges in the past and continues to do so, such as the untimely settlement of funds by client Ministries/Departments from the provision of its services. This delinquency and a lack of debt recovery policy have since 2015, created outstanding accounts receivables upwards of more than half a billion dollars. Even with the constant challenges that come from project management services such as changes to scopes, timelines and cost, the company has demonstrated its commitment to being the government's primer manager of choice for national projects. It is hoped that with the operationalization of the company's new strategic plan, the company could overcome its current challenges and grow as an organization.

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

Sgd.
Mr. Wade Mark
Chairman

Sgd.
Mr. Rushton Paray, MP
Vice-Chairman

Sgd.
Ms. Amrita Deonarine
Member

Sgd.
Ms. Renuka Sagrarsingh-Sooklal
Member

Sgd.
Mr. Fitzgerald Hinds, MP
Member

Sgd.
Mrs. Laurel Lezama- Lee Sing
Member

Sgd.
Mr. Keith Scotland, MP
Member

Sgd.
Dr. Nyan Gadsby-Dolly, MP
Member

Appendix 1: Minutes of Meeting

**THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE –
FIRST SESSION, TWELFTH PARLIAMENT**

**MINUTES OF THE THIRD MEETING HELD VIRTUALLY ON
WEDNESDAY, JANUARY 20, 2021 AT 9:33 A.M.**

Present were:

Mr. Wade Mark	-	Chairman
Mr. Rushton Paray	-	Vice-Chairman
Ms. Renuka Sagramsingh-Sooklal	-	Member
Mrs. Laurel Lezama-Lee Sing	-	Member
Ms. Amrita Deonarine	-	Member
Mr. Keith Scotland	-	Member
Mr. Fitzgerald Hinds	-	Member
Ms. Keiba Jacob	-	Secretary
Mr. Darien Buckmire	-	Graduate Research Assistant

Excused was:

Dr. Nyan Gadsby- Dolly	-	Member
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CALL TO ORDER

- 1.1 At 9:33 a.m., the Chairman called the meeting to order and welcomed those present. Dr. Nyan Gadsby-Dolly was excused from the meeting.

THE EXAMINATION OF THE MINUTES OF THE SECOND MEETING

- 2.1 The Committee examined the Minutes of the Second (2nd) Meeting held on Wednesday November 25, 2020.
- 2.2 There being no omissions or corrections, the Minutes were confirmed on a motion moved by Ms. Amrita Deonarine and seconded by Mr. Keith Scotland.

MATTERS ARISING FROM THE MINUTES OF THE SECOND MEETING

- 3.1 With reference to item 3.5, the Chairman informed Members that the Financial Scrutiny Workshop has been scheduled for today at 12:00 noon and as such, proposed that the Public Hearing end at 11:45 a.m.

OTHER BUSINESS

- 4.1 Member Deonarine proposed that the Export-Import Bank of Trinidad and Tobago Limited moved to be the fourth entity on the Committee's Work Programme to be examined. There were no objections.

PRE-HEARING DISCUSSION RE: THE URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO

- 5.1 The Chairman reminded Members that at this virtual meeting, the Committee would examine the Audited Financial Statements of the Urban Development Corporation of Trinidad and Tobago (UDeCOTT) for the financial years 2014 and 2015.
- 5.2 The Chairman invited Members to review the Issues Paper on the Urban Development Corporation of Trinidad and Tobago based on the written submission received from the company.
- 5.3 The Chairman invited Members to raise any issues or questions on the examination into the Urban Development Corporation of Trinidad and Tobago. Members discussed the issues of concern and the general approach for the public hearing.

SUSPENSION

- 6.1 There being no further business for discussion in camera, the Chairman suspended the meeting at 10:03 a.m., to be reconvened in public.

EXAMINATION OF THE AUDITED FINANCIAL STATEMENTS OF THE URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO FOR THE YEARS 2014 AND 2015

- 7.1 The Chairman called the public meeting to order at 10:06 a.m.
- 7.2 The following officials joined the meeting:

Urban Development Corporation of Trinidad and Tobago Limited

- Mr. Jade Brown - Director
- Mrs. Tamica Charles-Phillips - Chief Executive Officer (Ag.)
- Mr. Burton Andre Hinkson - Divisional Manager, Finance
- Ms. Brenda John - Senior Manager, Human Resources
- Ms. Shivaughn Murray - Senior Monitoring Officer

Office of the Prime Minister

- Mr. Maurice Suite - Permanent Secretary to the Prime Minister
- Mr. Stephen Gardiner - Project Management Advisor

Ministry of Finance – Investments Division

- Mrs. Michelle Durham-Kissoon - Permanent Secretary in the Ministry of Finance
- Mrs. Muriel Alfred-James - Deputy Director, Budgets
- Ms. Sharon Mohammed - Director, Agro-based Manufacturing Services Sector (Ag.)
- Ms. Malini Ganga Persad - Business Analyst (Ag.)

7.3 The Chairman welcomed the officials.

7.4 The Chairman outlined the mandate of the Committee and the purpose of the hearing. Introductions were then exchanged.

7.5 Key Issues Discussed:

- UDeCOTT’s oversight arrangement and how it differs from other State Enterprises;
- The measures to be implemented to ensure UDeCOTT comply with the statutory requirements with regard to the submission of its financial statements and reports;
- The status of the authorization letter from the MoF-ID with regard to the appointment of a new auditor for its 2017, 2018 and 2019 accounts;
- The reason for the increase in its revenue and profitability of its Project Management Services by 5% between the period 2016 to 2020;
- The revenue generation activities developed and implemented since 2016;
- The status of the achievement of the targets of 5% annual increase in profitability of facilities management or 5% increase in profitability of land development between the period 2016 to 2020;
- The number of facilities managed by UDeCOTT;
- The status of conducting an assessment of UDeCOTT’s procurement policy to identify any gaps to bring it in align with the impending proclamation of the Public Procurement and Disposal of Public Property Act;
- The specific framework in place to ensure the efficiency, accountability and transparency in the acquisition of property, plant and equipment;
- The transparency of UDeCOTT’s procurement process and absence of standardized bidding for projects;
- The steps taken to address its tendering process challenges;
- The status of the 2021 Strategic plan;
- The key performance indicators used to measure the progress of the implementation of the 2016 - 2020 Strategic Plan;
- The reasons for the use of consultants to develop the 2016-2020 Strategic Plan but not for the 2021 Strategic Plan;
- The internal portal utilized to track, monitor and execute the company’s plans and initiatives;

- The guidelines in place to govern the operations of UDeCOTT in the absence of a formal Strategic plan for 2021;
- The use of the reports generated by UDeCOTT's Strategic Planning Portal;
- The reasons for a two-year gap between the completion of the 2007 and 2008 financial statements;
- The accounting software used by UDeCOTT to ensure the timely preparation of financial statements;
- The challenges faced by KPMG that hindered the completion of the 2017 - 2019 audits in a timely manner;
- The status of the supporting documents taken by the UFF Commission of Enquiry and Anti-Corruption Investigation Bureau;
- The status of the frequency of conducting internal and external consultations;
- The impact of UDeCOTT's high turnover rate with regards to its operations or delivery of services;
- Any common issues discovered during project evaluations that are a cause for concern;
- The impact of the absence of a Senior Internal Auditor on the completion of the audited financial statements;
- The status of the payment taxes to the State;
- The status of the urgent remedial works taken to rectify the internal stakeholder comments raised in the 2016-2019 SWOT Analysis;
- The steps taken to reduce the number of agencies that owed monies to UDeCOTT;
- The use of the profits from construction projects;
- The reasons for staff retention;
- The status of the scope of works and cost management challenges;
- The role of the Permanent Secretary in the monitoring of UDeCOTT's projects;
- The status of the implementation of projects monitors by the OPM's Project Management Advisor;
- The reporting relationship with the Permanent Secretary and the Project Management Advisor; and
- The assessment of the performance of the Project Management Advisor.

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

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

SUSPENSION

8.1 At 11:46 a.m., the Chairman suspended the public meeting to resume in camera for a post-mortem discussion with Members only.

8.2 The Committee agreed that additional questions for written submission should be sent to UDeCOTT for further written submission.

[Please see Appendix 1]

ADJOURNMENT

- 9.1 There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned to **Wednesday February 3, 2021 at 9:30 a.m.** where the Committee will conduct an inquiry into the Audited Financial Statements of the Vehicle Management Corporation of Trinidad and Tobago Limited (VMCOTI) for the financial years 2013 and 2014.
- 9.2 The adjournment was taken at 11:58 a.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

January 20, 2021

ADDITIONAL INFORMATION REQUESTED

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

Questions

1. Provide a copy of the Comptroller of Accounts Circular No.12 dated November 9th 2005.
2. What measures will be taken to increase the revenue and the profitability of the company's Project Management Services by 5%?
3. What were the facilities management and land development arrangements that UDeCOTT entered into that achieved the company's target of 5% increase in annual profitability?
 - a. What were the facilities management and land development arrangements that UDeCOTT entered into that did not achieved the company's target of 5% increase in annual profitability?
4. In light of the objective to 'Improve delivery of projects to meet standards (budget, timeliness, quality)' and the targets placed for the period 2016-2020:
 - a. What percentage of projects were completed on schedule?
 - b. How many non-client-initiated change orders were experienced?
 - c. How many serious accidents or fatalities occurred and what was the impact?
 - d. Was there a 25% reduction in the number of defects identified?
 - e. Was there a 10% reduction in the use of project contingency?
5. What is the status of KPMG's recommendation that:
 - a. a thorough analysis of UDeCOTT's accounting balances be performed on a monthly basis to allow for follow - up action, and
 - b. financial accounting be done in accordance with international financial reporting standards.
6. What is the current maturity value of borrowing that is more than one year?
7. What is the status of the repayment of each loan located under Note 18 of the Notes to Consolidated Financial Statements on page 44 of the 2015 financial statements?
8. What is UDeCOTT's current Accounts Receivable figure?

Procurement :

1. Who was responsible for drafting the procurement policy and procedure in appendix E? Was expert advice sought in identifying the procurement methods in this policy? Who was consulted?
2. “Local content is defined as goods, works or services wholly produced in Trinidad and Tobago or produced by residents of Trinidad and Tobago. Where goods, works and services are only partially produced in Trinidad and Tobago or by nationals or residents of Trinidad and Tobago, only that portion is considered to be local content. Local content can be measured by evaluating the value added in Trinidad and Tobago or by residents of Trinidad and Tobago.” P.9 Appendix E
 - a. How does UDECOTT measured the value added of local content?
 - b. Since a monitoring system to record and report to BOD on the % of local vendors utilized, could UDECOTT provide details on the % of local vendors versus international vendors?
3. Provide a detailed breakdown on the procurement processes used for the following:
 - a. Goods, works and non-consulting services;
 - b. Consulting firm; and
 - c. Individual consultants.
4. Provide UDeCOTT policy -POL-PRO-001# advertising Policy for the Publication of Tender Notices for the requirements for the publication of tender notices.
5. Provide a copy of Appendices 1-5 referred to in the procurement policy.
6. What procurement process was used to select experts with regard to tender committee?
7. What are the criteria for the approved pre-defined bid evaluation standards?
8. Have consideration been given to categorize procurement selection processes according to:
 - (i) procurement of works (ii) procurement of goods (iii) non-consulting services (iv) procurement for consulting services?

State, whether selection based on dollar value has been considered sufficient?
9. “Where specific expertise may be required by the Town and Country Planning Division (TCPD) to effectively carry out its functions, the TCPD may invite an appropriate independent consultant to attend meetings as required. An invited independent consultant shall not be from the same organization as any subject matter specialists invited to advise the TCPD on the same matter.”
 - a. How regularly advice from independent consultants is necessary?

- b. State the procurement method used to select an independent consultant:
 - I. Quality based selection;
 - II. Quality and cost-based selection;
 - III. Selection under a fixed budget
 - IV. Least cost selection,
 - V. Selection based of consultant qualifications; and
 - VI. Single source selection?
 - c. What was the total cost for an independent consultants selected to attend meetings of the TCPD?
10. State the type of consulting services used for the following:
- I. Quality based selection;
 - II. Quality and cost-based selection;
 - III. Selection under a fixed budget;
 - IV. Least cost selection;
 - V. Selection based of consultant qualifications; and
 - VI. Single source selection
11. According to the December 2015 consolidated financial statement (note 4) it was recommended that “UDECOIT must avoid any breach or abuse of procurement rules through excessive and unfair use of sole selective tendering, in breach of obligations as to free and fair competition and transparency”
- a. What is the status of the implementation of the recommendation?
 - b. What rules were in place to guide instances where sole selective tendering for services was conducted?
 - c. What documentation was required from the consultant/contractor in instances where sole selective tendering for services was conducted?
 - d. How many persons were involved in the chain of command to authorize sole select procurements?
 - e. What was the dollar value limit on sole select tendering?
12. With regard to all procurement of goods and services, what verification process was in place to ensure that contracts awarded to firms were tax compliant?
13. When does the RFQ evaluation criteria extend beyond the minimum requirements of cost, payment terms and delivery terms?

14. What were some instances that justify the need to exempt the following from procurement process:
 - a. Equipment or asset registration
 - b. Postage
 - c. Special assessment bills
 - d. Charitable donations
 - e. Any other category of procurement as may be recommended by the CEO, to be approved by the TCPD?
15. What were the reasons for the removal of vendors from the Vendor prequalification database?
16. Is there a document management system for archived procurement documents and all other documents?

Human Resource

1. Based on response on prioritizing training, “Training is prioritized based on the strategic and operational goals of the Corporation; examining the knowledge, skills and abilities demanded by the plans with what is in place and establishing learning priorities to ensure any capability gaps are addressed. The performance assessment process is also utilized to prioritize training needs and gaps identified.”
 - I. How are capability gaps identified?
 - II. What are some key areas of capability gaps identified;
 - III. What type of training was provided to fill these gaps? Give an example on how this has benefited UDECOTT operations.

Project Management

1. How does UDeCOTT ensure that all works are 100% completed prior to handing over projects to Client Ministries? If no, state the reason for such.
2. State whether projects were handed over with works not completed prior to handing over?
3. Given that UDeCOTT’s defects liability period is one (1) year from issuance of the taking over certificate, does UDeCOTT do a final assessment to ensure that all works done were to the Client’s total satisfaction prior to the expiration of the defects liability period?
4. In the instance that a project is handed over but not 100% completed, when does the defects liability period begin and end?

5. Outline the procedures in place for contract management using an example of a completed project; explain how contract management was conducted throughout the life of the project?
6. Given that UDECOTT adhere to the KPIs outlined in the SEPMM, provide status of all loans/borrowings listed under note 18 of the Dec 31, 2015 consolidated financial statements.
7. Debt according to consolidated financial statements as at Dec 2015 is recorded at:
 - (i) non-current liabilities \$8.013 billion; and
 - (ii) (ii) current liabilities \$650,000.

What measures are in place to manage and monitor debt? How does the company plan to reduce its debt?

8. What is the status of the re-financing of loans stated in the 2015 financial statements? What were the terms and conditions of the refinancing arrangement? What savings were realised from these refinancing arrangements? Are refinancing arrangements being used for new borrowing beyond 2015 i.e., 2016-2019?
9. For the year 2015, what was the total value of foreign currency debt secured by lease agreements by the government? Has there been an increase/decrease in this value?
10. According to the consolidated financial statement for the year 2015, 'a sensitivity analysis which takes into consideration appreciation and depreciation risks of 1%. The analysis showed that the depreciation risk of 1% could result in borrowings increasing by a total of \$23M. In late 2015 TTD underwent a 7% devaluation', how has this impacted the foreign currency risk outlined under the sensitivity analysis?
11. How does change in construction sector raw materials affect original cost of project? What is the range (in percentage) of variance for any particular year?
12. What is the average maturity for all bonds issued by UDECOTT to date?
13. What accounted for the high interest rate with a floor of 11% and ceiling of 13% for the Floating rate bonds by Scotia bank (page 45) to finance invaders bay? What was the final total interest payment on this loan?
14. Since December 2015, what restructuring of the Project Management Unit was conducted?
15. What was the impact of the change in scope of works on the cost of a project and time taken to complete a project?
16. What additional costs have arisen in the form of (i) legal fees and (ii) cost overruns for works not completed in a timely manner?

17. Does UDECOTT' adopt Earned Value Management techniques to assess completion of projects?
18. What is the process in place to close off projects? Are there documented guidelines to follow-up on the closed off for projects?

Risk Management

1. Given that UDeCOTT has either limited or no formal policies and procedures to guide the internal operations of the company, has consideration been taken to fully develop and formalize the policies and procedures needed to guide the company in the pursuit of its mandate?
2. How does UDeCOTT circumvent the challenges faced as a result of untimely release of funding knowing that litigation matters and claims will arise from contractors due to delayed payments?
3. What prevents UDeCOTT's risk management initiatives from achieving:
 - a. Excellent;
 - b. very good; or
 - c. good rating?
4. What are the solutions to increase the effectiveness of UDeCOTT's risk management initiatives?
5. What were the instances for conducting risk assessments?
6. Reference was made to a findings log created to identify corrective action taken and that which remain outstanding, how frequent was the 'findings log' updated?
7. "Non-execution Memorandum of Understanding or Project Management Agreement between UDeCOTT and Client Ministries has led to delays in contractual billings." What measures are in place to address this issue?

Internal Audit

1. What was the challenge to retain a Senior Internal Auditor?
2. Who was the recruitment agency that UDeCOTT utilized to source its Senior Internal Auditor?
3. What was the cost of the engagement?
4. Were there any instances of financial impropriety at UDeCOTT between the period 2014 to 2018 given that the years 2019 and 2020 were identified as having no issues detected? State the financial impropriety and the impact on the company?

5. How often internal audit investigations were conducted?
6. What were the circumstances that the Board/Senior Management required an audit investigation be conducted?
7. From the Internal Audit Reports produced by the company's Internal Auditors, what were the recommendations for corrective actions to improve the internal controls?

Construction in Progress

1. Given that the San Fernando General Hospital Car Park Extension has appeared on UDeCOTT's financial statements since 2015 as a construction in progress, and the written submission stated that the project is 12% completed state the factors that have stymied the completion of the project?

Accounts Receivables

1. Approximately \$583.7 million was indicated as UDeCOTT's Accounts Receivable as at 31 December 2015 (Appendix R).

State as of January 2021, the sum of monies;

- a. collected to date;
- b. outstanding; and
- c. written off?

Project receivables

1. How many individual apartments were refurbished at the NHA Apartment Projects located at Beverly Hills/Plaisance Quarry Road, Laventille and Roy Joseph Street, San Fernando respectively?
2. What was the refurbishment cost per unit at the Beverly Hills/Plaisance Quarry Road, Laventille and Roy Joseph Street, San Fernando respectively?
3. Which State Enterprise was the Interchange at the Intersection of the Churchill Roosevelt Highway and the Uriah Butler Highway project transferred to upon its discontinuation?

Subsidiary Companies

1. How did Rincon Development Limited and Port of Spain Waterfront Development Limited which had no staff members in 2015 achieved losses and profits respectively across 2014 and 2015?
2. What activities are currently being undertaken by each subsidiary?
3. How long were the properties available for sale at the open market prices advertised in the Express Newspaper and Newsday Newspaper respectively?

Administrative Expenses

1. What foreign travel occurred during 2014 and 2015 that incurred \$2.4 million and \$1.3 million respectively (Appendix U)?
 - a. What was the nature of each trip?
 - b. Who attended each trip and what was the reason for their attendance?
 - c. How did these trips benefit the company?

Litigation Claims – Subsequent Events

1. What was the nature of the costs attached to the dismissal of each employee during the period 2014 to 2019?
2. What accounts for the almost \$1.5 million increase in legal fees in 2020?
3. What measures are in place to reduce the number of litigation and therefore requirement for legal services?

Internal Fraud Policy

1. Has UDeCOTT given any consideration towards the drafting of a formal enterprise-wide Internal Fraud Policy?

Appendix 2: Verbatim Notes

VERBATIM NOTES OF THE THIRD VIRTUAL MEETING OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE HELD (IN PUBLIC) ON WEDNESDAY, JANUARY 20, 2021, AT 9.30 A.M.

PRESENT

Mr. Wade Mark	Chairman
Mr. Rushton Paray	Vice-Chairman
Mrs. Renuka Sagrarsingh-Sooklal	Member
Mrs. Laurel Lezama-Lee Sing	Member
Mr. Fitzgerald Hinds	Member
Ms. Amrita Deonarine	Member
Mr. Fitzgerald Hinds	Member
Mr. Keith Scotland	Member
Mrs. Keiba Jacob-Motley	Secretary
Mr. Darien Buckmire	Graduate Research Assistant

ABSENT

Mrs. Nyan Gadsby- Dolly	Member
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URBAN DEVELOPMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED

Jade Brown	Director
Tamica Charles-Phillips	Chief Executive Officer (Ag.)
Burton Andre Hinkson	Divisional Manager, Finance
Brenda John Senior	Manager, Human Resources
Shivaughn Murray	Senior Monitoring Officer

MINISTRY OF FINANCE- INVESTMENTS DIVISION

Michelle Durham-Kissoon	Permanent Secretary in the Ministry of Finance
Muriel Alfred-James	Deputy Director, Budgets
Sharon Mohammed	Director, Agro-based Manufacturing Services Sector (Ag.)
Malini Ganga Persad	Business Analyst (Ag.)

OFFICE OF THE PRIME MINISTER

Maurice Suite

Permanent Secretary to the
Prime Minister

Stephen Gardiner

Project Management Advisor

Mr. Chairman: Good morning and welcome and let us on behalf of the Public Accounts (Enterprises) Committee warmly welcome the officials from the Ministry of Finance Investments Division the Office of the Prime Minister and the Urban Development Corporation of Trinidad and Tobago UDeCOTT. My name is Sen. Wade Mark and I am of the Chairman of the Public Accounts (Enterprises) Committee.

The Committee on Public Accounts (Enterprises) has a mandated to consider and report to the House the following: the audited accounts, balance sheet and 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 finally whether policy 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 financial statements of the Urban Development Corporation of Trinidad and Tobago for the financial years 2014 and 2015.

The Committee is desirous of hearing the challenges be faced by the key stakeholders UDeCOTT determine to possible solutions to these challenges. The role of the Committee is to help the Urban Development Corporation of Trinidad and Tobago 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 Chairman. Let me take this opportunity to invite members of our Committee to introduce themselves.

[Introductions made]

Mr. Chairman: Okay. May I at this time invite representatives from the Investments Division of the Ministry of Finance, the Office of the Prime Minister and the Urban Development Corporation of Trinidad and Tobago to introduce themselves?

[Introductions made]

Mr. Chairman: Yes. Thank you all for being here. And maybe I can begin by asking a few preliminary questions and I will ask Minister Hinds who may have to leave in a short while to follow with any

areas he would like to raise with UDeCOTT before he has to attend to another engagement. I would like to ask the Permanent Secretary in the Ministry of Finance the following question just for clarification. Permanent Secretary, could you share with this Committee what is the oversight arrangement in place for UDeCOTT? And how does this differ from the oversight in place for other Ministries and government agencies? And why?

Mrs. Durham-Kissoon: Chairman, thank you for the question. Thank you for giving me the opportunity to explain the difference. The Urban Development Corporation was incorporated in the Republic of Trinidad and Tobago on December 28, 1994 and commenced operations on January 13, 1995. The principal activity of the company is to oversee rural and urban development throughout Trinidad and Tobago on behalf of the Government.

UDeCOTT is designated a special purpose state enterprises in the Comptroller of Accounts Circular No. 12 dated November 09, 2005. This was in keeping with the 2006 Minister of Finance budget presentation that announced that a number of state enterprises have been established under the Companies Act as limited liabilities companies for the purpose of executing certain projects which fall under the portfolios of certain Ministries and Departments with a view of fast tracking the implementation process. These projects are funded the Infrastructure Development Fund which was established under section 43(2) of the Exchequer and Audit Act, Chap. 69:01. Under this circular referred to above the Minister of Finance stated his intention which was subsequently carried out to appoint relevant Permanent Secretaries, Heads of Departments, or in the case of the Tobago House of Assembly, the Chief Administrator as administering officers for the projects under their control which are funded by the Infrastructure Development Fund.

The officers so appointed become personally and pecuniary responsible for the funds under their portfolio. So, it is the Permanent Secretaries and the Heads of Departments under whose purview the projects fall are the officers who are accountable for the funds utilized for these projects. Chairman, that is the essential difference between the monitoring of UDeCOTT and other state enterprises.

Mr. Chairman: Yeah. Permanent Secretary, could you share a copy of that circular with our Committee?

Mrs. Durham-Kissoon: Yes, Chairman. I am happy to share that circular with members of the Committee.

Mr. Chairman: All right. Thank you. Thank you very much. Could you—all right. Thank you very much for your clarification. I would like to ask UDeCOTT and maybe the CEO can address this question. Now, we know that UDeCOTT cited improving financial reporting as an objective between

2016 to 2020. Given that the company expects to submit its outstanding statements for 2017, '18 and '19 by the end of fiscal 2021, what measures would be put in place to ensure that the company abides by its target of 100 per cent submission of financial statements and reports in compliance with the company's statutory and regulatory requirement? May I ask UDeCOTT to provide us with some clarification? Is UDeCOTT there?

Ms. Charles-Phillips: Yes. Thank you very much, Chairman. Well, with respect to the statements for 2017, '18 and '19 which we expect to have submitted by the end of fiscal 2021, the steps we have put in place is currently trying to appoint a new auditor to review those financial statements. We have one auditor coming in 2016, and due to particular challenges, that was experienced in meeting the targets, we have undertaken a process to identify a new auditor and that is currently under review of the Ministry of Finance Corporation Sole. By implementing that measure, we would then be in a position to have our financial statements brought fully up to date so that from there on we would be meeting our targets.

Mr. Chairman: When do you anticipate that a decision will be taken to address the issue of a new auditor?

Mrs. Durham-Kissoon: Chairman, through you?

Mr. Chairman: Yeah. Can I ask the PS to proceed?

Ms. Charles-Phillips: Yes.

Mrs. Durham-Kissoon: UDeCOTT should receive that authorization shortly.

Mr. Chairman: Okay. Madam PS—

Mrs. Durham-Kissoon: Yes, Chairman.

Mr. Chairman: Can you provide us, that is the Committee, with any possible directions to how soon or within what time frame you anticipate that decision to be taken so that UDeCOTT could have their auditor on board to complete their financials for '17, '18 and '19. Any specific time frame you would like to share with us?

Mrs. Durham-Kissoon: Yes, Chairman. The decision has already been made and they should receive their letter as soon as this meeting is concluded.

Mr. Chairman: Okay. Thank you. Thank you very much, PS.

Mr. Hinds: Mr. Chairman.

Mr. Chairman: Yes, Mr. Hinds.

Mr. Hinds: It really troubles me to intervene at this point but I must as I indicated to you previously, depart this meeting for our Cabinet session which is just on the cusp of getting going, of starting.

Mr. Chairman: Would you like to raise any questions before you leave?

Mr. Hinds: Well, I have a series of them but time would not permit, so I would though prematurely want to record my own observations and my own appreciation. Notwithstanding some quirks, some imperfections but I want to record, however prematurely because I am in departure my observation that this entity has indeed made a major contribution to the development and the advancement of some of the national assets including the heritage sites and so on that we can all now boast of and enjoy. I would have rather come to that at the end of this but I must, for the reasons I leave stated, leave you now. I am so regretful.

Mr. Chairman: Yes. Well thank you very much for joining and do enjoy the rest your day and have a productive meeting.

Mr. Hinds: I thank you very warmly. Goodbye.

Mr. Chairman: Thank you. Thank you. May I continue and I would like to ask UDeCOTT, maybe the CEO, in your 2016 to 2020 strategic plan, has the been able to increase—you identified a target, I should say, and within that target the company did indicate that they intend to increase their revenue and the profitability of its project management services by 5 per cent. Can you indicate whether this level of profitability was achieved? UDeCOTT?

9.50 a.m.

Mrs. Charles-Phillips: Could you just give us two minutes to consult. Hold on. Thanks.

Mr. Chairman: Thank you.

Mrs. Charles-Phillips: Okay, thank you, Chair. The response to that question, I would ask my Divisional Manager Finance to support in providing a response to that question.

Mr. Chairman: Thank you.

Mr. Hinkson: Pleasant morning, Chairman. The response to that question, as you know we have been trying our best to improve our profitability and viability as an enterprise. So, what we have identified is based on the project scope we are looking at amending our project management fees to suit the complexity of each task. And that would be brought forward through our continual discussions and dialogue with our clients/Ministries.

Mr. Chairman: Thank you, but could you be a little clearer? The company had set a target of 5 per cent in terms of project management services, and that was to increase their level of profitability. What percentage has the company been able to achieve within its strategic plan for the period 2020, 2016 rather to 2020? Did you achieve 3 per cent? 3.5 per cent? 4 per cent? Did you fall under the target that you set? I just want to get some clarification on that.

Mrs. Charles-Phillips: Thank you, Chair. I think what we could say is that we did not quite meet the target of the 5 per cent. We have increased our projects; however, our project management fees are capped at about 4.5 per cent. And given the nature and complexity of our projects, which is why the Divisional Manager of Finance would have been indicating that we may need to review such structures. If we review the project fees, we may be in a better place to meet the revenue targets. But we at the cap right now, although we are expanding those projects, we are still having a little challenge in meeting that increasing revenue to project management fees.

Mr. Chairman: Well, would you be so kind to put in writing what you have just indicated, and also share with this Committee what measures or other measures you intend to effect in order to realize this objective?

Mrs. Charles-Phillips: Yes, I am able and willing to do so.

Mr. Chairman: Now UDeCOTT also identified facilities management and land development as new areas of focus in your plan, that is your strategic plan, for 2016 to 2020. Is it possible for you to provide us, UDeCOTT, disclose to us, whether it achieved—whether you were able to achieve that target of 5 per cent annual increase in profitability of facility management, or even 5 per cent increase in land development? Can you share with us?

Mrs. Charles-Phillips: Sure, just give us 30 seconds to consult? Thank you.

Mr. Chairman: Whilst UDeCOTT is consulting—

Mrs. Charles-Phillips: We are here. Yes. So, with respect to the facilities management, currently we manage 15 facilities. So, we are increasing revenue, but whether or not we have quite met that target, I would say no. Because, as you would have seen in our reports, we would have had some difficulty with the project management's agreement. So, there are some facilities for which there are still outstanding which is hampering our ability to gather those fees. However, for the more recent ones, we were able to put agreements in place. So, we are meeting some targets, but we are still at the point of closing off some of the outstanding agreements so that we would be able to meet the targets as intended. So, we are a little behind, but it is a work in progress, so we are getting it.

Mr. Chairman: Could you, once again, put it in writing, those projects in terms of facility management and land development where you were able to achieve, let us say, your targeted figure of 5 per cent, as well as those that you have not been able to realize that 5 per cent. If you can detail for us the areas of facility management that you have been experiencing some challenges in, as well as in the area of land development? Can you put that in writing and submit to the Secretariat?

Mrs. Charles-Phillips: Sure, we will accommodate.

Mr. Chairman: Now, the final area I would like to raise before I ask my colleague, Sagramsingh, Renuka to get in, or to join us, I would like to ask UDeCOTT again the following: Another objective that you identified, UDeCOTT that is, in your strategic plan for the period 2016 to 2020, was to improve delivery of projects to meet standards, but, for example, timeliness as well as quality. In light of these targets, could you tell us, firstly, what percentage of projects were completed on schedule? UDeCOTT?

Mrs. Charles-Phillips: Can we have one minute just to identify the information? Yes, we are here, Chairman, I am seeing you. Given the range of the question, we are asking whether we could submit that in writing. That way we would be able to identify the specific projects and particular details. Because to answer that question without the projects identified is a little—

Mr. Chairman: Okay. Well, could you put the following in writing for us: Firstly, what percentage of projects were completed on schedule? Secondly, what was the number of non-client-initiated change orders experienced? How many serious accidents or fatalities occurred? Did the number of defects identified reduce by 25 per cent? And was there a 10 per cent reduction in the use of project contingency? You can put those in writing for us.

Mrs. Charles-Phillips: Sure. Could I just ask whether there is a time period that you wish that information to be presented for? As much as we are looking at 2014/2015, do you want it for that period or do you want it brought up to current?

Mr. Chairman: No, well we are looking at 2014/2015, but for us to understand your objectives for the period 2016 to 2020 you will probably have to deal with it on a broader basis.

Mrs. Charles-Phillips: Thank you.

Mr. Chairman: I will now invite the member Renuka Sagramsingh who has some questions for UDeCOTT. Mrs. Sagramsingh.

Mrs. Sagramsingh-Sooklal: Thank you, Chair. Once again, good morning all, good morning Trinidad and Tobago. For the benefit of my colleagues in this Committee, I would like to take us to page 4 of UDeCOTT's submission as it relates to the issue of procurement. And for the benefit of Trinidad and Tobago, as we are all aware public procurement is one of the most vital components of a country's public administration as it links the financial system with the economic and social outcomes. Now, that being said, my question posed to UDeCOTT this morning is, has an assessment of the procurement policy been conducted by senior management to determine whether the policy needs to be amended or updated? That is UDeCOTT's procurement policy.

Mrs. Charles-Phillips: Yes, we have conducted a review of our policy to ensure that we are consistent and will be in compliance with the upcoming procurement regulation.

Mrs. Sagrarsingh-Sooklal: Okay. So, if I take you now to Part 1.3 of Appendix E, right, that is related to your submission, it lists value for money as one of the procurement objectives in that particular submission. Based on that averment, my question is, the public—so based on the procurement policy, was a specific framework implemented to deliver best value for money in acquisition of property, plant and equipment to ensure efficiency, accountability and transparency, and maybe you could shed some light on that particular policy? This is Part 1.3 of Appendix E. That is based on your submission.

Mrs. Charles-Phillips: And could you just repeat the question while we are identifying the section for that particular question.

Mrs. Sagrarsingh-Sooklal: Yes. So, based on your procurement policy, was a specific framework implemented to deliver best value for money in acquisition of plants, machinery, equipment to ensure efficiency, accountability and transparency?

Mrs. Charles-Phillips: Sure. We will respond shortly and we will take you to the point where we address that issue.

Mrs. Sagrarsingh-Sooklal: Okay, no problem. Thank you.

Mrs. Charles-Phillips: Are you hearing clearly?

Mrs. Sagrarsingh-Sooklal: Yes. Yes, I am hearing.

Mrs. Charles-Phillips: For guidance in responding to that question. In our responses submitted, if you go to page 13—

Mrs. Sagrarsingh-Sooklal: Right.

Mrs. Charles-Phillips: —where we indicated that we do have a Quantity Surveying Unit and we sometimes use independent quantity surveyors. So, what we do we set budgetary allocations for each of the projects, so there is an assessment done. There is not an overarching framework, but we have our internal controls where we are able to assess what the market value is through our departments and sometimes independent consultants to ensure.

Mrs. Sagrarsingh-Sooklal: Okay. And, for the record, and you may correct me if I am wrong, I recall hearing you say that you have already started to put measures in place to operationalize the public procurement legislation in anticipation of its proclamation? Correct?

Mrs. Charles-Phillips: Yes.

Mrs. Sagrarsingh-Sooklal: Okay, excellent. For the benefit of my Committee members if we could now go to page 5 of UDeCOTT's submission as it relates to strategic planning and strategic plans. Appendix F, if I believe it is, deals with your strategic plan. Now, based on this particular submission, if you could kindly relay to this Committee what is the status of your strategic plan for the period 2021?

Mrs. Charles-Phillips: We currently have a draft strategic plan which is under review by the board of directors.

Mrs. Sagrarsingh-Sooklal: Right. And how long would your board usually need to assess said plan, and is there a timeframe relative to the rolling out of that plan?

Mrs. Charles-Phillips: Well, we certainly hope to have it if not by the end of the month, certainly by the end of next month so that it starts early in the new year.

Mrs. Sagrarsingh-Sooklal: Okay, so for the record there is a plan in place, we are just awaiting that approval. Fantastic. Now, relative to your said strategic plan, can you identify to this Committee what key performance indicators were used by UDeCOTT to measure the progress of its strategic plan implementation for the period 2016 to 2020?

Mrs. Charles-Phillips: We would have had monthly reports submitted through the board of directors. I would say about 2018/2019, early 2019 we would have developed what is called the Strategic Planning Portal, which is an internal monitoring system. So, the objectives were uploaded, and our Executive could have indicated where we were with rolling it out. So, there is an internal process so we can—

Mrs. Sagrarsingh-Sooklal: Okay. Because I had a question relative to if any sort of software, if UDeCOTT utilizes any sort of software to track, monitor and execute its plans and initiatives? Is that what you are referring to, that portal specifically?

Mrs. Charles-Phillips: Yes, but it is a UDeCOTT developed portal. It was done in-house by our team, and that is what we use.

Mrs. Sagrarsingh-Sooklal: Okay. Could you just shed a little more information relative to how that portal operates and the information that is fed, and that is what the board will then use to guide and to determine whether they are going to sign off on a strategic plan? Is that how it works?

Mrs. Charles-Phillips: No. Well, coming out of the last strategic plan, the objectives and the deliverables of each division would have been uploaded. So, executives responsible for the areas would be able to go in and update on where they were or are with rolling out those particular initiatives. Coming out of that, the reports would then go to the board. So, it is not the system itself that is being

reviewed by the board, but the reports that are coming out would then go to the board in the respective reports of the divisional managers. So, we would have a sense—the board would have a sense of where we are. And, of course that information would then feed into what we have in the draft. So, there may be some that would be rolling over, some that would change based on where our mandate takes us.

Mrs. Sagrarsingh-Sooklal: Okay. So, if I may piggyback on what you said previously. So, we are awaiting on that approval from the board relative to this strategic plan for 2021. In the absence of this confirmed plan, can you identify to this Committee what is being utilized currently to govern the operations of UDeCOTT in light of the absence of that final 2021 strategic plan? It is a roll over from—if you could shed some light on that?

Mrs. Charles-Phillips: Well, some of the items would be rolled over, but also recall that UDeCOTT is guided by the mandates given by the clients. So, what our activities are directly tied to what is required from us by the Government of Trinidad and Tobago.

Mrs. Sagrarsingh-Sooklal: Okay, understood. Thank you. For the benefit of my Committee members, if we could now go to page 6 of UDeCOTT's submission as it relates to the status of outstanding financial statements. I know Chairman would have touched some of those issues, but there are certain things that I want some clarity on. Now, I recall at page 6, it was indicated that the delay in submitting the audited financial statements were as a result of the requisite documentation being handed over to the Uff Commission of Enquiry and the Anti-Corruption Investigation Bureau for the years 2008 to 2020. Now, UDeCOTT in its submission, as I said on page 6, went on to further say that it made a conscientious effort, and I would highlight that, a conscientious effort to rectify the completion of the audited exercises.

Now, in this particular part of your submission, it stated that in June 2014 the financials for 2007 were approved and ratified. It goes on to say, two years later, May 2016, the financials for the period ending December 31st to 2008 was also approved and ratified. There is also a submission that states that three years later, June 2019, the financials for the year 2009/2015 were also ratified and approved. Now, this comes out directly from your submissions. Right? My question is, what are the reasons, in particular, for the two-year gap from 2014 to 2016, in having the financials for 2007 and 2008 being completed? Being done?

Mrs. Charles-Phillips: I will ask my Divisional Manager of Finance to provide some support in providing that response.

Mrs. Sagrarsingh-Sooklal: Okay.

Mr. Hinkson: Good morning member, in your question, as you rightly stated, one of our major challenges was collating the information that we needed to complete an audit. Because of the time passed, a lot of time was spent gathering and verifying and reconstructing the financial statements so that they were in a position to lobby or what it is. That unfortunately took some time, but we have been able to rectify that as you see in the subsequent years, the alacrity in which we have been addressing our financials.

Mrs. Sagrarsingh-Sooklal: Okay, and I would imagine that there has been since then strengthening of internal processes so that there is not a reoccurrence of this?

Mr. Hinkson: Yes, Ma'am, that has been put into our overall work.

Mrs. Sagrarsingh-Sooklal: Excellent. Now, coming out of your submission on your financial statements, I want to know when did UDeCOTT receive the documentation supporting financial transactions from the Uff Commission of Enquiry and the Anti-Corruption Bureau to conduct its audit following the completion of its investigation. When exactly did you all receive the documentation supporting financial transactions from that enquiry? You have any information relative to that?

Mrs. Charles-Phillips: We will answer the question in a minute. Are you hearing?

Mrs. Sagrarsingh-Sooklal: Yes, yes, I am hearing.

Mrs. Charles-Phillips: In order to gather the information for us to do the financial statements, we were allowed to go to the station and make copies of certain documents, but we never received the documents that were taken as part of the Uff Commission, we never received those documents back into our possession.

Mrs. Sagrarsingh-Sooklal: Okay. So, I am still on the issue as it relates to your accounting and financial processes. Right? What accounting software, if any, is used by UDeCOTT to ensure timely preparation of financial statements? Now, reference is made to page 7 of your submissions, and that was in your response to answer six, question six, sorry?

Mrs. Charles-Phillips: Yes, so I will again ask the Divisional Manager of Finance for support in answering that question.

Mrs. Sagrarsingh-Sooklal: Thank you.

Mr. Hinkson: Good morning again, member. As at that point for the 2014 to 2015 we were still in the early stages of our newly appointed software. It is called Microsoft Dynamics. That came into effect in 2010.

Mrs. Sagrarsingh-Sooklal: Actually, repeat that, Microsoft what?

Mr. Hinkson: It is called Microsoft Dynamics.

Mrs. Sagrarsingh-Sooklal: Okay, thank you.

Mr. Hinkson: It was implemented in 2010, so at that period we were in the period of uploading our balances and rolling it forward. So, and that currently is still the system we are using, it is we are using the updated form or version as of 2018.

Mrs. Sagrarsingh-Sooklal: And this particular software, is it licensed or do you all purchase the software? It is under licensed or was it purchased, that software?

Mr. Hinkson: It is a Microsoft product.

Mrs. Sagrarsingh-Sooklal: Okay. All right. Now, still on the issue of your financials, in 2015 I noted there was a management letter at page 10. It is at page 10 of your submissions. Now, it was observed that there is a lack of a probate financial reporting practices. Now, that was actually one of the management observances, I believe, right. It was therefore recommended that a thorough analysis of UDeCOTT's accounting balances be performed on a monthly basis to allow for follow up action, and that financial accounting be done in accordance with international financial reporting standards. Right? So, as I said, you could refer to page 10 of your submissions, and there was a 2015 management letter which I referred to, which made these particular statements. Based on that particular statement my question is, what is the status of this recommendation as at January 2021, or even prior? Let us say even for the year 2020?

Mrs. Charles-Phillips: We are trying to locate the exact spot. Our page 10 seems to have something different from your page 10. If you could just read the heading? Under which heading and we would just go to the relevant item.

Mr. Chairman: Yes. Renuka?

Mrs. Sagrarsingh-Sooklal: Yes, Chair?

Mr. Chairman: May I?

Mrs. Sagrarsingh-Sooklal: Yes.

Mr. Chairman: May I suggest—

Mrs. Sagrarsingh-Sooklal: Of course, Chair.

Mr. Chairman: —that upon the conclusion of the financial statements that we probably pause and then ask Amrita to intervene?

Mrs. Sagrarsingh-Sooklal: Certainly, Chair. Certainly.

Mr. Chairman: And then we will come back to you as we make a second rounds. Okay?

Mrs. Sagrarsingh-Sooklal: Certainly, Chair. Certainly.

Mr. Chairman: Okay. Right.

Ms. Deonarine: Thank you, Chair. Good morning again everyone. I just have some follow up questions with respect to the questions that Mrs. Sagramsingh-Sooklal would have already asked you all. In terms of the strategic plan, I saw in your submission on page 5 you all indicated that the strategic plan cost UDeCOTT \$134,000 plus VAT, and that was the strategic plan as at 2016. Now, I know you indicated that the strategic plan is being updated. Is it that you all are hiring consultant services to update the plan?

Mrs. Charles-Phillips: No, that plan it was drafted in-house.

Ms. Deonarine: Okay. So, the cost of \$134,000 is what exactly?

Mrs. Charles-Phillips: One hundred and thirty-four thousand, four hundred dollars, that would have applied to the strategic plan for the period 2016-2020. But the draft plan for 2021 was prepared in-house.

Ms. Deonarine: So, the initial plan was contracted out?

Mrs. Charles-Phillips: The development of the plan? Yes, we received support for that and the tune of that was \$134,400.

Ms. Deonarine: But what was the reason for engaging a consultant to conduct the internal strategic plan for UDeCOTT when we have a board of directors who are very well qualified, and a team who is qualified and very versed in what the strategic direction of UDeCOTT is. Just for my clarification, what was the need to hire a consultant when based on CVs that I have looked at, there very well seems to be ample qualification within the team?

Mr. Brown: Chairman, I am Jade Brown, Director, UDeCOTT. The reason when that was—the board would have recently been given its instruments, and basically, we needed a team to—are you hearing me?

Ms. Deonarine: Yes, just repeat the first part of your response please, you kind of broke up a lil bit.

Mr. Brown: Okay. I am saying that the board would have, at that time the board would have recently been given their instruments. So, we went the way of getting professionals, people who do this on a daily, to help guide the process so that we would not have been able to hit the ground running, so to speak, with regard to the strategic plan. So, what we did is we brought in these consultants and they assisted us, kind of guided the process towards getting it done as quickly as possible so that we had it ready to implement over the time period.

Ms. Deonarine: Right, so hence the reason you all are in position right now to update the strategic plan internally? Yeah?

Mr. Brown: That is right. Yes, Ma'am.

Ms. Deonarine: Okay. Now, another follow up question with respect to the audited financial statements that Mrs. Sagramsingh-Sooklal would have addressed. Now, I see in your statement on page 6 you indicated that the parties have since mutually agreed to conclude this agreement due to the challenges faced by KPMG in completing the audit in the timeframe required by UDeCOTT. Could you explain to us—forgive me if you already mentioned it—what were these challenges faced by KPMG that they were not able to complete this audit in the time period desired by UDeCOTT?

Mrs. Charles-Phillips: There appeared to be several staff shortages within UDeCOTT, not UDeCOTT, KPMG, and therefore to meet our mandate would have been a little difficult for them.

10.20 a.m.

Mr. Chairman: Ms. Deonarine, could you unmute.

Ms. Deonarine: Apologies, Chair.

Mr. Chairman: Yes, thank you.

Ms. Deonarine: I am looking at procurement. Now, in your submission you would have submitted Appendix G, and Appendix G gave a synopsis of the strengths and weaknesses of UDeCOTT. Now I am looking at the external stakeholders comments on UDeCOTT weaknesses and I saw that when it came to procurement, they mentioned that the procurement process is not transparent; procurement is weak in technical expertise resulting in challenges, delays in procurement. And they also mentioned that there is an absence of standardized bidding for projects, it needs to be reformed. Could you elaborate on why such a comment would be made when we already asked questions about the internal procurement policy and collaboration with OPR and it seems to have been updated and being addressed? However, we see that this comment is being made on the procurement process and transparency with the procurement process and the absence of standardized bidding documents for the projects.

Ms. Charles-Phillips: Are you hearing clearly?

Ms. Deonarine: Yes, I am.

Ms. Charles-Phillips: Could you just take me to which page again and then I will take it from there.

Ms. Deonarine: Okay. So, on page 6 of Appendix G.

Ms. Charles-Phillips: Right. Okay, great. I am with you. Some of the weaknesses that would have been identified would have led to the development of the procurement policy that was approved in 2015. So that was really the stakeholders' view of—the external stakeholders view. But we have the procurement policy which was approved in 2015 and which guides what we currently do.

Ms. Deonarine: So, this stakeholder comment, this stakeholder mapping exercise was done prior to 2015?

Ms. Charles-Phillips: —consultant would have been compiling—was really based on discussions with the wider team so they would have been expressing some of the comments that would have come into the company. So it was, what is represented here is what the consultant would have obtained as the environment or the landscape that would have shaped what we now have in 2016—2020. So, we cannot necessarily be reflective of the current, it just represented the environment that was understood today in place at the point in time.

Ms. Deonarine: Okay. So how frequently do you do internal stakeholder consultations and external stakeholder consultations?

Ms. Charles-Phillips: Internal stakeholder consultations, every quarter we have the general staff meeting and we really were not able to have it as planned in 2020 given the constraints of the COVID-19 pandemic. And in terms of external we do not have a formal process for stakeholder consultations and procurement. However, feedback we get during each procurement process may guide whether we need to strengthen an internal control or whether we are standing up to public scrutiny.

Ms. Deonarine: Okay. So then, are there any plans to do any external stakeholder consultations anytime soon?

Ms. Charles-Phillips: Hearing clearly? Just making sure. Yes?

Ms. Deonarine: Yeah.

Ms. Charles-Phillips: Right. So, in terms of the external stakeholder consultations, that is not formal in the sense that we will be convening stakeholder sessions. However, we have moved to the e-tender system which allows even an increase in the transparency and when we train the contractors that is part of us informing them what our process is and if they have any questions or queries, they raise it with us and we are able to deal with it. So, it is not a wide scale but based on our tenders that we are rolling out we do consult with our external personnel.

Ms. Deonarine: Right. And I ask that because there are several—just making sure I am not on mute—so there are several weaknesses, several comments that the external stakeholders highlighted with respect to payment challenges, communication, processes and procedures, knowledge and development of staff. So, is it that you are saying that on an ongoing basis based on your current tendering process you one on one address these challenges or these issues that are raised with persons who are engaging in procurement process?

Ms. Charles-Phillips: Yes, yes.

Ms. Deonarine: Okay. Tell me something. This updated procurement policy, and forgive me, I did not get a chance to look at the Appendix that you all submitted because it was only submitted yesterday—the Appendices—and I did not get to looking at that. But could you tell me that if now your procurement policies include standardized bidding documents for various types of procurement.

Ms. Charles-Phillips: The nature of the bidding documents or the contents would depend on of course the projects that we are putting out tenders for. What we have however and we did include it as an Appendix—let me just see if I can guide you to which Appendix that is—

Hon. Member: M.

Ms. Charles-Phillips: M? Yes, Appendix M. We would have provided a breakdown of the types of evaluation criteria we use for various projects. So, while the content may differ on various parts—so if there are groups of projects that are similar in nature, we have criteria that would allow some sort of standard from your organizations in terms of the evaluation.

Ms. Deonarine: So, tell me something, with the updating of the procurement law and you all indicated that you all have been engaging with the Office of the Procurement Regulator. Is that correct?

Ms. Charles-Phillips: But the question was, if we have done internal reviews by our senior management and, yes, we have been conducting reviews.

Ms. Deonarine: Okay, so with respect to the Office of the Procurement Regulator, has any consultations been taking place to streamline the procurement policies that exist within UDeCOTT?

Ms. Charles-Phillips: Well, we have appointed an internal officer to be the liaison. So, depending on the questions asked by OPR we provide them with the information on an as need basis.

Ms. Deonarine: Okay. But in terms of creating any form of standardization and stuff, based on OPR's recommendation that is not yet being done?

Mr. Chairman: UDeCOTT.

Ms. Charles-Phillips: Yes, we are here. Could you just repeat the question so we would make sure we are answering—

Ms. Deonarine: So, my question is that you all have been liaising with OPR to some extent. My question is if you all are liaising with OPR, has the consultation between you and OPR been any way related to standardizing any sort of procurement documents that is being used to procure goods and services by UDeCOTT.

Ms. Charles-Phillips: The extent of discussions with the OPR have not gone to the point of standardizing our documents, however UDeCOTT has its own standardized documents which we use and of course as we review it, we make sure that we are in compliance with where the OPR intends

to go. So as the OPR manages their portfolio, as they reach out to us for information, we provide information to them.

Mr. Brown: And may I just add that in terms of the standardizing and what the CEO would have shared, we have a standardized evaluation procedure for certain groups of projects. But in terms of standardized bid documents, it is a bit difficult to do that based on the complexity and the scope of different projects. So, we have large projects that we undertake to very small projects. We go from community centres to the Red House. It will be difficult to standardize those documents. But in terms of contract document that we would follow, I mean, we would follow the FIDIC contracts which are standard documents. But in terms of the scope, well we cannot standardize the scope, but we do try to as much as possible we try to standardize because it makes work easy for us.

Ms. Deonarine: Okay. I would not belabour the procurement issue because there are several other areas that I would like to raise. So, I would like to move to the notes to the Consolidated Financial Statements on page 44 of the financial statement, that note on borrowings. And I see that in 2014 and 2015 you all indicated that the maturity of borrowing that is more than one year was valued at \$8 billion. Could you give us an updated figure for that borrowing?

Ms. Charles-Phillips: The document that you are reading from, is which document currently?

Ms. Deonarine: The financial statement—just now let me—I have multiple documents open here, so just give me a second. The Consolidated Financial Statements of Urban Development Corporation of Trinidad and Tobago Limited, December 31, 2015, presented in Trinidad and Tobago dollars. It is by KPMG and I am looking at note 18, which is on page 44 of the document.

Ms. Charles-Phillips: Can we ask that we be allowed to present a written response to that question?

Ms. Deonarine: Could you repeat, please?

Ms. Charles-Phillips: Yes. We are asking if we will be allowed to submit a written response to that question.

Ms. Deonarine: Yes, you can. Well then in that case I have several questions in this area, so maybe let me ask all the questions and you tell me which ones you need to submit in writing. So, with respect to the \$8 billion I would like to know what the updated figure is as of today. Also, under note 18 you all indicated that there are several areas where US borrowing took place, that is with Citibank, 340; FCB, US facility 65,000; and Barclays, a US 375 million. Could you advise on the status of repayment of those loans?

Ms. Charles-Phillips: Yes. Those are questions if you provide it to us, we would provide responses in writing.

Ms. Deonarine: Okay. All right. Well then, a general question about the borrowing then. In the audited report, in the consolidated financial statements, mention was made about the foreign currency risk, and the foreign currency risk is valued at \$2.6 billion. Could you elaborate on this foreign currency risk for the listening public?

Ms. Charles-Phillips: That is also a question we wish to have presented in writing.

Ms. Deonarine: Okay, all right. Mr. Chair, I would pause here for now. I have other questions but I know there may be other members who would have questions.

Mr. Chairman: Yeah. Thank you very much, Mrs. Deonarine. I will ask Laurel Lezama-Lee Sing, if you have any questions.

Ms. Lezama-Lee Sing: Thanks very much, Chairman. Thank you, very much and good morning, again to all present. Many of the things I had questions about have been raised already or answered in supplemental questions. However, I just have two very, very basic things. Firstly, I want to thank UDeCOTT for its robust programme of work over the past several years in development of the country. I think UDeCOTT plays a substantial role in our overall development here in Trinidad and Tobago.

I am looking at the enquiry proposal in the responses from UDeCOTT on page 8, the staff's turnover rate for the past five years and I looked at the Appendix G which shows that the turnover has vacillated between 30 and 20 per cent, but it is just around 20 per cent right now. And I also note that there has been a significant increase in the number of employees, probably just about 70 per cent increase employees over that period. My question is, is that cause for concern and have there been any negative effects insofar as the staff turnover? And that is my first question to UDeCOTT.

Mr. Chairman: Yes, UDeCOTT.

Ms. Charles-Phillips: Let me make sure I understand the question. You would like to know whether the turnover rate has had any negative impact on our delivery?

Ms. Lezama-Lee Sing: For the most part, yes. And if you are concerned about the turnover, the percentage, the turnover percentage.

Ms. Charles-Phillips: It has had a negative impact. Some of these are natural, the fluctuation of contracts, persons may leave the organization, but through our recruitment process we do replace as need to make sure that our projects are adequately staffed to be able to effectively deliver on our mandates.

Ms. Lezama-Lee Sing: So, you are satisfied therefore and you do not have any real concerns?

Ms. Charles-Phillips: No.

Ms. Lezama-Lee Sing: No. Good. Okay. And then my second question, if you turn to page 14. In your response how frequent were project evaluations conducted by the corporation and what were the lessons. And my question is, I know you said that they are done on an individual basis, project specific basis, but have you found in your assessments after that there were any commonalities that showed any major—I know that you have the weaknesses and everything, but any major thing that is cause for concern for you insofar as your project evaluations at the end of projects and your ongoing evaluations as well.

Ms. Charles-Phillips: Well, as stated in the same question seven on page 14 if we look at the all the projects, yes, it is one on one but the similar area would be the scope, change and cost to management. Those are some of similarities in the issues that we have found. And if you go one page back onto page 13 and page 12, one and two pages backwards, we would have identified some of the steps that we would have taken to rectify some of those areas.

So, for example, where we have the scope management where from time to time there may be an addition by the client or due to some unforeseen circumstance, we had to change the scope, to rectify that we now have increased consultation with our clients to ensure that from the front end, the user brief is adequately developed. So, we were able to reduce some of those issues that we were having. The same would apply for the cost management and the change management. It takes a lot of effort on the front end to make sure that even the BOQs we put out, that is, the scope is wide enough and detailed enough so that we do not have the cost creep and the changes happening and the scope creep happening. So those are really some of the commonalities but steps have been put in place to try to minimize those risks.

Ms. Lezama-Lee Sing: And you are satisfied with the progress that you are making thus far?

Ms. Charles-Phillips: Yeah.

Ms. Lezama-Lee Sing: Chairman, that is for me.

Mr. Chairman: All right. Thank you very much. May I ask Mr. Keith Scotland if he has any questions? If not, may I ask Mr. Rushton Paray to intervene at this time? Mr. Paray.

Mr. Paray: Thank you very much, Chairman. Once again, my apologies for my late arrival at the hearing today. Good morning to the team at UDeCOTT and the other guests who are here with us. I want to commend UDeCOTT as well for the contribution that as a state enterprise that they made to the development of the Republic and I also want to commend UDeCOTT on the responses that were given to this query, because although voluminous in nature I thought that the fact that every question was answered and in my belief to the fullest I want to commend UDeCOTT for that.

The other thing I noticed that in one of the responses where you were asked to provide your SWAT analysis, I also felt that your responses were very honest. Some of them self-inflicting, which I think that it shows the honesty in your responses, and I really feel that UDeCOTT has a wonderful opportunity to strengthen whatever weaknesses that the organization may have. So, with that out of the way there are just two areas that I wanted to comment on because members before have asked quite a bit of questions and I think that we have gotten some very good responses so far.

I just want to ask in terms of the lateness of these financial reporting. I know members would have spoken about the delays in '07, '08, '09 and then the lumping together, '11, '12, '13, '14 and '15 and then we have some work in progress for '16, '17, '18, '19 and so on. My question is, what was the impact of not having that functioning or fully functioning auditing committee with this? From what I understand there were some challenges getting a senior internal auditor, how much did that play in creating the delays in getting these audited ready for submission?

Ms. Charles-Phillips: The position of the senior internal auditor had no impact on the financial statements as our statements are audited externally. So, the role of the internal auditor would not have impacted.

Mr. Paray: So that had absolutely no influence on any of those financial statements?

Ms. Charles-Phillips: Minimal, if any. Minimal.

Mr. Paray: But let me ask you this, as a state enterprise, from what I assume it is a profit-making enterprise I am assuming that you pay taxes to the Board of Inland Revenue and so on. And most if not, all private organizations are mandated, and if I were to say hands are “ringed” to ensure that you have statements submitted to the Board of Inland Revenue on a timely fashion, why would agencies like yours have such a long delay between those statements? Because I am assuming those statements would be used to submit to the Board of Inland Revenue for taxes and so on. How does that play out in terms of submissions to the BIR and so on?

Ms. Charles-Phillips: I will ask the Divisional Manager of Finance to support in answering that question.

Mr. Hinkson: Good morning member. Yes, it has an impact but as, what we also use, we have management account status which we prepare on a monthly basis and present it to our committees for review. So, in that interest we use our internal management accounts to be able to pay all of our statutory requirements as they fall due.

Mr. Paray: So as of today, UDeCOTT is up-to-date with all its fiduciary responsibility to the State in terms of taxes and so on?

Mr. Hinkson: Concerning VAT and those others and there are others that, business levy, yes, so we are up-to-date with that. Concerning the income tax that you mentioned before, on those years that profits were not made you would understand that there was not a need to— being able to pay— [Inaudible] Thank you.

Mr. Paray: Although no profits are made, the submissions to the Board of Inland Revenue would have been made based on the management reports rather than the final audited statements.

Mr. Hinkson: Yes, that is a correct statement.

Mr. Paray: Okay, all right. So, I will just leave that there for a while. The other area that I wanted to make a comment on and perhaps a couple of questions. It comes back down to the role of UDeCOTT and the important role that you play in the State's developmental programme. And I heard a question from one of my colleagues before concerning the software that is used to assist with the accounting and so on, which is Microsoft Dynamics, and the acquisition and implementation from 2010 onwards and then an up-date in 2018 if I heard correct. And I am a bit puzzled that an enterprise like UDeCOTT, which I assumed is on the cutting edge of technology, you are driving some of the newest and most modern development projects on the island, having some background in ICT and understanding of Microsoft Dynamics as well, I find it hard to believe that it is taking us eight to 10 years to fully implement a piece of software that is such a critical tool in terms of getting us to a place where we can present these accounting reports. And not only that, the reports are there for viewing of Parliament, but in terms of your own internal management process and decision-making processes I know Microsoft Dynamics has a lot of that feature.

So, it comes back down here, my questions comes out of the SWAT analysis that you submitted and what jumped out at me, I know Sen. Deonarine spoke on the external views, from the external stakeholders in terms of a few areas. But what was glaring to me in terms of the internal stakeholders which I assume are your employees I was taken aback by the commentary under the areas of weaknesses, right. And I am, I mean it goes on, if you have the document in front of you, page 1 under weaknesses especially from your internal stakeholders you have issues where there is no mission clarity, unclear mandates, you have some of your internal stakeholders complaining about limited autonomy, undue influence. One group is saying we do not have authority, no motivation or impetus to push forward. Under cultural elements, you have the environment is cold, it is not friendly, culture of passing the buck and not taking responsibility, no open forum for staff, staff interaction, no innovation because people's ideas get shut down. Now, page 2 has another list of items from your internal stakeholders as well.

Now I say that with the understanding that if the employees who are the engine of your organization sees the organization in that light, then it is not surprising to me that tasks would be hampered and one of the tasks will be working on these reports, these statements, these financial reports and so on. These things would not have developed overnight, that environment would have been created over some time. As CEO, because I am thinking the Acting CEO is there with us today, and perhaps your team, what urgent remedial work that you think, that is being done at this time or you think that can be done in the short future to remedy some of these concerns that were listed in this SWOT analysis taking note that we are going into a very difficult period in the economy in this country and I think the work of UDeCOTT is going to be more critical, more important in driving our national development. How do we bridge those gaps that have been identified in the SWOT analysis that you have presented to this Committee?

11.00 a.m.

Ms. Charles-Phillips: All right. Well, this SWOT analysis, you will recall, influenced the strategic plan that was established in 2016 to 2020. So, this environment is the stats review of what existed pre that strategic plan that was implemented. Since then, we have the general staff meeting that we have every quarter, we have wellness committees, we had the suggestion box. We now have an employee newsletter where we feature our employees, new news. So, there is a series of initiatives where we have reached out to staff so they feel that their voice is heard and that they are part and parcel. In terms of you would see some areas mentioned with the Vision and Mission, the Vision and Mission is posted on the walls in the organization so at any turn you make, you can see this is what we stand for, these are the values. So there have been several initiatives since these areas that we were missing were identified. And of course, as we make progress with that, we will continue to roll out even further initiatives through our HR and core Comm. Unit to buy staff confidence within the organization.

Mr. Paray: So, if you were to devise a SWOT analysis for 2021, a lot of these areas that were identified in this particular report here may no longer be relevant and it may now be in the strength box in 2021. Is that fair assessment?

Ms. Charles-Phillips: Yes. Yes, it is fair.

Mr. Paray: Okay. Do you have a figure in terms— I noticed in 2016, the accounts receivable for UDeCOTT was a little over \$500 million. Has that figure changed considerably? Do you have the current figure right now in terms of the accounts receivable for UDeCOTT?

Mr. Chairman: Yes, UDeCOTT?

Ms. Charles-Phillips: Would you be so grateful to allow us to submit that in writing to the Committee the current receivables?

Mr. Paray: Sure. Sure. The follow-up question to that is that I am looking at the accounts receivable report from 2015 and I noticed that your client listing is about over 100 strong and taking note of so many agencies of the State that owes you a substantial amount of money and I know that in itself impacts your operation even internally in terms of how you manage your business. Has there been any sort of curtailing or cutting of the amount of agencies that are ending up at an accounts receivable position with you? Have you done anything to reduce that amount of moneys that are owing to you since 2015 in terms of different types of strategies, different types of arrangements? Has anything like that been considered so far?

Ms. Charles-Phillips: Yes, well one, UDeCOTT operates based on the mandates given by the Government of Trinidad and Tobago and therefore we continue to deliver notwithstanding the challenges that we have in terms of moneys owing. What we have done however, we have been strengthening our internal processes so there is more communication with our clients to get the moneys paid to us. We put a lot more in writing, we keep them up-to-date where we are with the projects, we let them know in the absence of payment, the impact some of it may have. So, there is more dialogue which allows us to still get some releases coming to us to maintain our delivery on the projects.

Mr. Paray: And the last question, Mr. Chairman, before we go, UDeCOTT is not a transactional-type operation. I notice that you ventured into some revenue-generation activities a couple of years ago, one being where there was an internal audit done, that Maracas beach facility. So, I want to ask, do you have many of those types of revenue-generation activities and outside of that from the construction side, when you are mandated to build a hospital or build a school, how do you make money to turn a profit in that part? I could understand from the revenue generation component like the car parks and so on, you can make money easily there. But how do you turn a profit when you have to build a hospital or a school? I mean, just briefly if you can just enlighten me on how that happens.

Mrs. Charles-Phillips: Well, what we earned on our construction projects are our project management fees and of course on the facilities side, there are the facilities fees. Those fees are actually capped. That is approved through Cabinet and our fees stand at 4½ per cent for project management and about 7 per cent for facilities management.

Mr. Paray: All right, okay. So basically, that fee really is what pays your staff and the other operational items?

Mrs. Charles-Phillips: Yes, that is correct.

Mr. Paray: Okay, Mr. Chairman.

Mr. Chairman: All right. Thank you very much, Mr. Paray.

Mr. Scotland: Mr. Chairman?

Mr. Chairman: I would like to recognize Mr. Keith Scotland at this time.

Mr. Scotland: Chairman, I am sorry when you called upon me, we lost connectivity.

Mr. Chairman: Right.

Mr. Scotland: Chairman, my question to UDeCOTT and it may be directed to someone in the human resources. Why is it that an entity such as UDeCOTT, why is it that such an entity is finding challenges to be fully staffed? And would they not agree with us, Chair, that it is important for an entity of that significance to have a full complement of staff and why is that a recurring issue, the issue of staffing at UDeCOTT? Can we get an answer to that please, respectfully, through you, Mr. Chairman?

Mr. Chairman: Thank you. UDeCOTT.

Mrs. Charles-Phillips: Just give us a minute to consult and we will respond.

Mr. Chairman: Yes, UDeCOTT?

Mrs. Charles-Phillips: Well, we would not say that we have a difficulty. Yes, you would have seen in our report, we had some difficulty with specific areas so you had the senior internal auditor which we now have on board. But overall, if we look at our Appendix I in terms of UDeCOTT staffing numbers for 2014 to 2019, let us look at 2019. We have 365 positions and 322 that were actually employed. So, the variance is not quite wide and what we had was sufficient for the projects that we had and what we were required to do. So, in any organization, as in UDeCOTT, yes there is a figure that optimally we will work with, however, what we do is employ based on our needs. So, the staff that we have sufficiently covers what is required of the organization to achieve.

Mr. Scotland: Chairman, UDeCOTT, but you will appreciate that based on own projection for plenary, for a full complement, you are more than 10 per cent short. You would agree with me. You are saying that you can operate at that percentage capacity of staffing adequately?

Mr. Chairman: Yes, UDeCOTT?

Mrs. Charles-Phillips: Yes, so I am going to pass to my senior manager in human resources just to close on that question.

Ms. John: Good morning, Mr. Scotland. In terms of the additional staffing, our organizational structure takes into account future manpower forecasting. At the point in time, we would fill positions as the head of department requests. The 10 per cent is normally like contingency in case we get additional projects because we are primarily a project-based company. So as projects are added on, then we would increase our staffing correspondently. Thank you.

Mr. Scotland: Chairman, I am sanguine with the answer.

Mr. Chairman: All right. Thank you, Mr. Scotland. I think Amrita Deonarine wanted to raise a follow up.

Ms. Deonarine: Thank you, Chair. I have some follow-up questions. Now with respect to project management, I saw that you all indicated that you all have major challenges when it comes to scope management, cost management and change management. I know you all provided an explanation in your submissions, but could you all provide an explanation on the type of challenges you all face when with it comes to scope cost and change management fees?

Mr. Brown: Okay, so let me try to offer up an answer as the CEO just stepped out for a little while. As you could appreciate, we have many client Ministries that require services from us. So, in terms of scope management, what you find sometimes is as the project is being conceived, you have one group of parties that may be involved in aiding and producing scope but then as the project now starts working, things start to go down on the ground, foundation and so, you may find that there is a reassessment of what the needs are.

And so sometimes they come to us with scope changes and some of these scope changes may result in scope creep in terms of an increased scope and with an increased scope, you have increased cost. So, they may make demands on us and we would have to negotiate with them in terms of what the original budget was and sometimes we get them to hold, sometimes they are unwilling to hold but we are continuously working with them as it is working any client. So that is really where it is. The scope creep and cost creep are really around what the needs of the client are and how the needs of the client change as the project proceeds towards completion.

Ms. Deonarine: Okay, so then my follow-up question to that then is how frequently does this happen?

Mr. Brown: How frequently does it happen? I would probably let the CEO speak on that but I mean, you would appreciate that any client, once they start realizing that they are getting what they want and if I may so myself, that it is being given at such a high quality, they may want to increase the scope, so it is happens pretty often, right, but again, we always have to negotiate and under the space that we

are operating in with regards to the budget. So, we are always working to keep the scope at bay or keep it within the bounds of the original scope. Right? Yeah.

Mr. Chairman: All right. So, Ms. Deonarine, we only have a few more minutes before we conclude because of another commitment. So could I ask you to submit the other questions—

Ms. Deonarine: In writing?

Mr. Chairman: —in writing.

Ms. Deonarine: Sure.

Mr. Chairman: I just want to ask Mr. Suite from the Office of the Prime Minister the following questions and he can place them in writing or he can give us a summary and then place them in writing.

Mr. Suite, are you there?

Mr. Suite: Yes, Chair, I am listening.

Mr. Chairman: Yeah. I just wanted to ask you how does the Project Management Advisor, well that is Mr. Gardiner I am talking about here and you can probably if you want to wish to answer or you wish to ask him to intervene and that question has to do with how does the Project Management Advisor monitor the implementation of projects. The second one I would like to propose and pose is: What is the role of the Permanent Secretary in the monitoring of the implementation of projects? The third area I would like to have clarified is what is the reporting relationship between the Project Management Advisor and the Permanent Secretary? And the final area I would like to have clarified is: How is the performance of the project manager assessed.

So, Mr. Suite, between your good self and the Project Management Advisor, could you provide us with some clarity?

Mr. Suite: Okay, thank you very much, Chair. If I may, I would probably put some of the questions well my answer may overlap with the questions on how I explain. And I would start first by saying that the role of the Project Management Advisor, in the initial stages and still mainly as it exists now, was to assist the Office of the Prime Minister. So, you would find that the Project Management Advisor is principally advising the role of projects in which the Office of the Prime Minister has a role in terms of the project. For instance, the restoration projects which would have included the heritage sites like Stollmeyer, White Hall, the President's House, Parliament, et cetera.

The Office of the Prime Minister would have been the client for UDeCOTT, so the Project Management Advisor would have been advising the Permanent Secretary on the progress of the reports. He would head up the Unit within the Office of the Prime Minister and as the project proceeds and UDeCOTT submits invoices, they would review the invoices. They visit the site so they

would be able to match the invoices with the actual work taking place on site and be able to say, okay, we are satisfied with this invoice and we are ready to pay. So that is the role and the relationship of the project manager and the Permanent Secretary in the Office of the Prime Minister.

And so, the assessment of his role is really how are we able to manage the projects that the Office of the Prime Minister has responsibility for in terms of keeping the project on time and on cost and those are sort of like the basic or the broad metrics that we use to evaluate the progress.

In terms of the other projects, remember that UDeCOTT, when we are talking about the accounts receivables, you would understand that they have many clients in the various fields of health, national security, community development, the Judiciary, sports. Those Ministries and the Departments would have their own project units and they have to liaise with UDeCOTT in making sure that their projects are being delivered on time.

But because I suppose the tap into Mr. Gardiner's experience that he brought with the portfolio, you would find that some of the projects which are very broad in scope and in fact many stakeholders, like the San Fernando waterfront project, et cetera, or there may be particular projects that Ministries may meet out, he and his staff would actually go to the site, visit the projects, meet with the UDeCOTT staff, sometimes meet with UDeCOTT and the contractors to try and look at where there are bottlenecks or various issues that need resolving. I do not know if I answered your question sufficiently there.

Mr. Chairman: All right. Well, what I would say, Mr. Suite, is whatever follow up we would have as a Committee, we will commit those into writing and we will communicate same to you for the appropriate responses. I think we are running out of time at this time and I would like to put the Committee on notice and all the members, the officials who are present, officials from the Ministry of Finance, Office of the Prime Minister and UDeCOTT, that those areas that we were unable to pursue because of time constraint, we would put in writing and communicate same to the various officials.

At this time, I would like to, on behalf of the Public Accounts (Enterprises) Committee, sincerely thank the officials from the Ministry of Finance, Investments Division; the Office of the Prime Minister; the Urban Development Corporation of Trinidad and Tobago, of course, members of our Committee and the viewing and listening audience for tuning in to this very important exercise.

At this time, I would like to thank again all the officials from the various agencies that are here and to, at this time, excuse all of you. I will suspend temporarily whilst we excuse all of the officials and I ask all members to stay tuned, we will just resume for a few moments and then we will conclude formally.

So, the officials from UDeCOTT, Ministry of Finance as well as the Office of the Prime Minister, you are now excused. Thank you very much.

Mrs. Charles-Phillips: Thank you very much.

11.37 a.m.: *Meeting adjourned.*