



MINISTER OF FINANCE

The Honourable Colm Imbert
Government of the Republic of Trinidad and Tobago

F: (I): 1/13/1

September 9, 2021

Ms. Bridgid Mary Annisette-George
Speaker of the House
Public Accounts (Enterprises) Committee
Office of the Parliament
Parliamentary Complex
Cabildo Building
St Vincent Street
PORT OF SPAIN



Dear Ms. Annisette-George

Re: First Report of the Public Accounts (Enterprises) Committee on the Examination of Audited Financial Statements of the Urban Development Corporation of Trinidad and Tobago Limited (UDeCOTT) for the financial years 2014 and 2015

Reference is made to your letter dated August 16, 2021 regarding the matter at caption.

Further to your request, for written responses to the questions raised on the recommendations/comments contained in the First Report of the Public Accounts (Enterprises) Committee with respect to UDeCOTT for the financial years 2014 and 2015 the enclosed responses are attached as an **Appendix**.

Yours sincerely

Minister of Finance

Encl. 1

Public Accounts (Enterprises) Committee
Questions for written submission in respect of
Urban Development Corporation of Trinidad and Tobago Limited (UDeCOTT)-An
Enquiry into the Audited Financial Statements of UDeCOTT for the financial years 2014
and 2015

Additional Information Requested

Question 1. *The Ministry of Finance 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.*

Response

- i) Ministry of Finance in its role as Corporation Sole does not issue an authorization letter to a Company for the approval of the appointment of an Auditor but as one hundred percent (100%) shareholder would issue a Resolution to approve the appointment of the Auditor.
- ii) The Ministry of Finance by letter dated January 29, 2021 was advised by UDeCOTT that in light of the Covid-19 Pandemic, the Board of Directors of UDeCOTT requested an Ordinary Resolution of the Shareholder to effect the appointment of the Company's External Auditors.

An Ordinary Resolution of the Shareholder dated February 15, 2021 granted approval *inter alia*:

- (a) That PKF Chartered Accountants and Business Advisors, be and are hereby appointed as Auditors of the Company for the audit of the Company's Group Financial Statements for the year ended December 31, 2017.

Question 1 (b) *-A status of the expected timeframe for the submission of the outstanding financial statements for the years 2016 to 2020;*

Response

- i) The Company was not in a position to furnish the Ministry of Finance with the expected timeframe for the submission of the outstanding financial statements for the years 2016 to 2020
- ii) The Ministry of Finance is however aware that the date of 24th January 2020 scheduled for the completion of the Audits for 2016 and 2018 was not met by the previous Auditors KPMG. UDeCOTT has indicated that 2016 Audit is ongoing.

Pannell Kerr Forster (PKF) Chartered Accountants and Business Advisors commenced work on the 2017 Audit on August 16, 2021. The Audits for 2018 and 2019 would commence thereafter.

Question 2. *The Ministry of Finance 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.*

Response

- i) The Ministry of Finance is not aware that a cap was established by UDeCOTT for project management fees.
- ii) The project management fees form part of the negotiated **agreement** between the Client and UDeCOTT as part of the cost to cover their operations for each project. Ministry of Finance was advised by UDeCOTT that generally, the management fees are 4.5% but small community centre projects can have a cap of 5% to 7.5% while hospitals have a cap of 3.5%.

Ministry of Finance does not conduct or participate in the negotiation process.

Question 2 (b) - *How does the Ministry of Finance intends to assist UDeCOTT in improving its profitability and management of its finances?*

Response

- i) Improvement of UDeCOTT's profitability and management of its finances falls within the oversight of the Board of Directors of UDeCOTT.