

**Ministry of Community  
Development, Culture  
and the Arts (MCDCA)**

**Audit of Pan Trinbago  
(Inc.)'s operations -  
Final report**

**13 April 2018**

**Private & Confidential**



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# 1. Introduction

## 1.1 Background

Pan Trinbago (Incorporation), "Pan Trinbago" or the "Association", was incorporated under Parliamentary Act No. 5 of 1986 (the Act). The Ministry of Community Development, Culture and the Arts (MCDCA) is the line Ministry responsible for oversight of the Association, and this oversight is applied, via the National Carnival Commission (NCC) which was established under Parliamentary Act No. 9 of 1991.

The MCDCA has engaged EY to conduct an audit into the operations of Pan Trinbago (Inc.) over the period October 2013 to September 2016.

## 1.2 Scope of work and approach

The MCDCA engaged Ernst & Young Services Limited (EY), by Agreement Letter, and Statement of Work dated 7 June 2017 (SOW #1), to conduct reviews of the following areas for the period October 2013 to September 2016:

- Governance and Executive oversight
- Internal control environment
- Executive recruitment and compensation
- Analysis of revenue and expenditure

As Pan Trinbago's financial year (FY) runs from July to June, our review period was revised to 1 July 2012 to 30 June 2016 (i.e., FY 2013 to FY 2016). We also included analysis of FY 2017 where the information was made available.

Our approach on this engagement was completed in the following phases:

### Phase I - Identify

- Refined planning activities
- Identified a project sponsor and key points of contact
- Agreed on project objectives, scope and schedule
- Agreed on communication and engagement protocols

### Phase II - Diagnose

- Held discussions with the following key personnel to obtain an overall understanding of Pan Trinbago's major operational and administrative processes.

Name	Job title
Keith Diaz	Chief Executive Officer
Anthony Mc Quilkin	Finance Manager
Melville Bryan	Consultant/Assistant Office Manager
Andrew Salvador	Treasurer
Richard Forteau	Manager Administration
Helen Scanterbury-James	Chief Administrative Officer
Diane De Curuew-Ridley	Accounting Assistant

Name	Job title
Tasha Jeremie	Accounts Clerk
Mark Superville and Camille Providence	PKF Chartered Accountants and Business Advisors
Daniel Lambert and Tammie Babb	CEO, FCL Financial Limited

Table 1: Key personnel interviewed

➤ Obtained the following documents pertaining to the areas under review:

Category	Items reviewed
Governance	<ul style="list-style-type: none"> <li>➤ Pan Trinbago Constitution dated 22 June 1997</li> <li>➤ Pan Trinbago Constitution Bye-Laws</li> <li>➤ Cabinet Minute No. 2007-8/7/97</li> <li>➤ Pan Trinbago Act No. 5 of 1986</li> <li>➤ Corporate Governance Guidelines dated 27 April 2017</li> <li>➤ Pan Trinbago management delegation matrix</li> <li>➤ Central Executive Committee Meeting Minutes (Nov 2012 - May 2016)</li> <li>➤ Annual General Meeting Minutes 2013 - 2016</li> <li>➤ Pan Trinbago Strategic Plan</li> <li>➤ Memorandum of Understanding with the University of the West Indies</li> <li>➤ Pre-feasibility and sensitivity analysis statement on the development of 11.13 acres of land owned by Pan Trinbago Inc. dated June 8, 2016</li> </ul>
Internal Policies & Procedures	<ul style="list-style-type: none"> <li>➤ Manual Human Resources policy and employment guidelines for employees</li> <li>➤ The administrative structure of Pan Trinbago</li> <li>➤ International Conference and Panorama Procurement Plan</li> </ul>
Human resources	<ul style="list-style-type: none"> <li>➤ Contracts for Management team</li> <li>➤ Pan Trinbago employee listing</li> </ul>
Finance	<ul style="list-style-type: none"> <li>➤ Chart of Accounts</li> <li>➤ General Ledger information for selected accounts</li> <li>➤ Audited Financial Statements 2013-2017</li> <li>➤ Listing of vehicles</li> <li>➤ Budget proposals 2013 - 2016</li> <li>➤ Bank reconciliations 2013 - 2016</li> <li>➤ Bank statements for 2013 - 2016</li> <li>➤ Revenue and expenditure documents for selected events</li> <li>➤ Petty Cash vouchers and supporting documents - 2013 and 2014</li> <li>➤ Performance commissions for 2013 and 2016</li> <li>➤ Players remittance 2013 - 2016</li> <li>➤ Panorama rules and regulations</li> <li>➤ Payroll and wages information for CEC members</li> <li>➤ Listing of outstanding invoices for payment</li> <li>➤ Contract or agreement between Pan Trinbago and FCL Financial Limited</li> <li>➤ Work products submitted by FCL Financial Limited</li> <li>➤ Invoices submitted by FCL</li> <li>➤ Government grant letters and notifications</li> <li>➤ ICP Prize structure</li> <li>➤ Land re-valuation report</li> <li>➤ Deposit books for FCB main account</li> <li>➤ Receipt books</li> </ul>

Table 2: Pan Trinbago documents reviewed

### **Governance and Executive Oversight**

- ▶ Reviewed Pan Trinbago's key governance guidelines, such as the Act, Constitution and Bye-Laws to understand and evaluate the existing governance framework
- ▶ Reviewed Central Executive Committee minutes that were provided to us to identify significant issues and key decisions

### **Executive recruitment and compensation**

- ▶ Reviewed the available human resource documentation in relation to the Central Executive Committee members and the Management team to:
  - Validate that members were recruited in accordance with the established policies, procedures, guidelines and applicable legislation
  - Validate that payments were issued in accordance with their respective contractual agreements
  - Validate that contracts and job descriptions were aligned to the entity's Constitution and Rules
  - Identify any potential gaps between the resumes and qualifications of members and the requirements of the role
  - Identify any potential conflicts of interest or related party affiliations

### **Analysis of revenue and expenditure**

- ▶ Obtained electronic source data in relation to the revenue and expenditure accounts that were provided to us over the period FY 2013 to FY 2016
- ▶ Performed data analytics on source data obtained for the period under review to identify the following:
  - Sources of revenue
  - Expenditure categories
  - Purpose of expenditure
  - Trends, anomalies and indicators that will inform the areas for further review
- ▶ Based on our data analytics, we selected a sample of revenue and expenditure transactions for further in-depth review and testing
- ▶ Conducted vendor searches and performed other investigative techniques to identify any suppliers that were potentially related or affiliated to Central Executive Committee Members, Regional Committee Members or other key officers
- ▶ Identify and documented any anomalies, irregular transactions or policy breaches observed during our review

### **Internal control environment**

- ▶ Evaluated the key processes under review in order to:
  - Identify and document any weaknesses or gaps within the control design of the processes reviewed
  - Validate that the accounting policies and procedures are aligned to the applicable accounting standards and identify any deviations
  - Validate, on a sample basis that key reconciliations, accruals and prepayments were completed and approved in accordance with established guidelines and conducted in a timely manner

- Reviewed available audit reports and management letters to verify that requisite changes were made based on the issues and concerns identified by the auditors
- Developed high-level recommendations to mitigate the major control risks identified during our review

## 2. Limitations

This report is intended solely for the information and use by the Ministry of Community Development, Culture and the Arts (MCDCA) and is not intended to be and should not be used by anyone other than these specified parties. EY therefore assumes no responsibility to any other user of the report. Any other persons who choose to rely on our report do so entirely at their own risk.

In conducting this engagement, we have relied on both the documented evidence provided and the verbal statements made by the MCDCA and Pan Trinbago (Inc.) Management and staff. We wish to point out, that while we have relied on representations made by the Management and staff, the persons interviewed are solely responsible for the integrity of their responses to our enquiries.

During this review, we relied on the system information extracted from Pan Trinbago's Peach Tree accounting system, which we confirmed against the audited financial statements.

As at the date of reporting, a number of key documents requested during the course of our review are still outstanding. This has limited our ability to conclude on our observation/findings in some areas (these are further discussed in the 'Detailed findings' section of our report). Specifically, the following documentation was not provided for our review:

- PKF Management Letters in relation to their audits for FY 2013 - 2016
- Minutes of Central Executive Committee (CEC):

CEC meeting minutes not obtained			
FY 2013	FY 2014	FY 2015	FY 2016
Jul-12	Sep-13	Aug-14	Jul-15
Aug-12	Nov-13	Dec-14	Aug-15
Sep-12	Dec-13	Jan-15	Sep-15
Oct-12	Feb-14	Feb-15	Oct-15
Dec-12	Apr-14	Mar-15	Feb-16
Apr-13	May-14	Apr-15	Apr-16
May-13		May-15	Jun-16
		Jun-15	

Table 3: Outstanding CEC meeting minutes

- Subcommittee meeting minutes
- Updated contracts for members of the Management team
- Pan Trinbago bank signatory documentation
- Revenue and expenditure documents for events selected for review
- Lease for land held in Trincity for the proposed headquarters
- General Ledger details for all bank accounts for the period 2013 - 2016
- Supporting documents for expenses deducted from the 2013 Panorama ticket sales
- PKF audit reports for ticket sales 2013 - 2016
- Supporting documents for payments made to FCL Financial Limited (2013 - 2016)



- Documents to support the honoraria made to members of the Central Executive Committee over the period 2013 - 2016
- Correspondence to FCL agreeing to contractors selected for the Greens in 2016
- International Conference and Panorama (ICP) signed Charter

Within this specific engagement scope, we have no obligation to update the final report or to revise the information contained therein because of events and transactions occurring that may come to light subsequent to the date of the final report.

### 3. Executive summary

Ernst and Young Services Limited ("EY") was engaged by the Ministry of Community Development, Culture and the Arts ("MCDCA") to review the operations of Pan Trinbago (Inc.) as follows:

- Governance and Executive oversight
- Internal control environment
- Executive recruitment and compensation
- Analysis of revenue and expenditure

During the kick-off meeting with the President/CEO of Pan Trinbago, Mr. Keith Diaz, on 1 November 2017, he indicated that the Association was willing to cooperate with the audit; however, the Association's position was that the scope of the audit only related to the funding received from the NCC/MCDCA. As such, Pan Trinbago was only required to provide EY with information and supporting documents directly related to the funding received from the NCC/MCDCA, but any other requested information will be provided based upon Pan Trinbago's discretion.

Consequently, some requested information was not provided, as listed above in Section 2 - Limitations. While our review of activities for FY 2017 was outside our scope, we included some analysis for FY 2017 where the information was provided.

Where applicable, we have also included responses/explanations from the Management/Executive of Pan Trinbago in relation to our audit findings. The Management/Executive of Pan Trinbago are solely responsible for the authenticity of their responses, we have not attempted to validate the accuracy these representations.

#### **Financial summary**

A summary of Pan Trinbago's financial position, including a breakdown of its main forms of revenue and expenditure for the period 1 July 2012 to 30 June 2017 (i.e. FY 2013 to FY 2017) is summarized below and discussed in detail in sections 4 and 5. The values discussed were extracted from the audited unconsolidated financial statements prepared and signed off by PKF Chartered Accountants & Business Advisors.

In PKF's Independent Auditor's Report for both FY 2016 and FY 2017, with respect to the 'Material uncertainty related to going concern' the following was stated,

*"As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast a significant doubt on the Organisation's ability to continue as a going concern. Our opinion was not qualified in respect of this matter."*

The table below shows the movement of current assets (plus investments) in comparison to liabilities over the period FY 2013 to FY 2017. The Association's net current assets were negative for our entire period of review, with net current assets falling to negative TT\$18.8m by the end of FY 2017. These figures do not include additional liabilities of TT\$9.1m owed by the International Conference and Panorama (ICP), a wholly owned subsidiary of Pan Trinbago. If these were included, the net current assets position for FY 2017 could potentially deteriorate to negative TT\$27.9m.

	FY 2013 (TT\$)	FY 2014 (TT\$)	FY 2015 (TT\$)	FY 2016 (TT\$)	FY 2017 (TT\$)
Total Current Assets	5,647,360	4,360,916	5,847,594	13,315,456	6,608,348
Long term investment	-	-	-	3,000,000	3,000,000
Total Liabilities	8,165,634	11,028,275	11,038,293	31,270,416	28,393,638
<b>Net current asset value</b>	<b>(2,518,274)</b>	<b>(6,667,359)</b>	<b>(5,190,699)</b>	<b>(14,954,960)</b>	<b>(18,785,290)</b>

Table 4 - Net current asset value of Pan Trinbago

Additionally we noted that, due to a combination of increased expenditure (in relation to events such as the Panorama "greens" and the ICP) combined with a decline in grants and ticket sales, Pan Trinbago closed off in a deficit position for FY 2016 and FY 2017 (see Table 5 below).

	FY 2013 (TT\$)	FY 2014 (TT\$)	FY 2015 (TT\$)	FY 2016 (TT\$)	FY 2017 (TT\$)
<b>Revenue:</b>					
Donations and sponsorship	3,241,565	1,596,000	382,968	500,000	381,500
Government grant	32,901,312	35,255,500	37,020,942	31,613,000	24,329,313
Ticket Sales	7,810,048	9,303,926	7,617,398	4,856,066	3,300,550
Pan in schools	-	1,421,141	1,632,418	2,199,017	882,891
Performance commissions	1,753,300	1,955,900	1,808,800	1,643,800	1,801,400
Other Income	997,462	823,374	1,321,802	1,566,105	923,049
<b>Total revenue</b>	<b>46,703,687</b>	<b>50,355,841</b>	<b>49,784,328</b>	<b>42,377,988</b>	<b>31,618,703</b>
<b>Expenditure:</b>					
Accommodation/hospitality/entertainment	1,634,008	1,935,902	1,994,884	2,045,553	1,252,401
Advertising and promotions	1,230,262	342,023	254,508	400,350	167,050
Appearance fees and prizes	17,310,117	21,130,958	18,145,544	17,120,964	15,797,816
Honoraria and bonus	1,124,303	1,218,609	1,296,633	1,113,750	34,950
Legal and professional fees	387,184	305,271	654,446	464,078	1,360,488
Motor vehicle expenses	630,686	654,397	553,005	500,474	169,316
Pan players remittances	8,626,000	8,923,000	9,178,000	7,815,000	3,296,000
Professional fees	846,431	1,796,474	1,340,552	1,560,434	396,285
Rentals	397,077	1,067,457	871,669	4,371,246	109,368
Salaries and allowances	2,853,771	3,520,471	4,031,311	4,702,535	4,366,479
Security	252,885	1,522,978	1,134,940	2,475,909	-
Stage management production	1,478,339	422,691	331,555	297,400	-
Stipends, subsistence and travelling	485,756	573,477	932,101	1,042,920	751,086
Transportation	998,949	1,421,489	1,199,636	1,670,295	766,002
Other expenditure	7,123,220	9,579,357	6,426,758	6,192,909	7,126,308
<b>Total expenditure</b>	<b>45,378,988</b>	<b>54,414,554</b>	<b>48,345,542</b>	<b>51,773,817</b>	<b>35,593,549</b>
<b>Surplus/deficit for the year</b>	<b>1,324,699</b>	<b>(4,058,713)</b>	<b>1,438,786</b>	<b>(9,395,829)</b>	<b>(3,974,846)</b>

Table 5 - Pan Trinbago - revenue and expenditure summary

**Key findings:**

Based on our review, the key issues identified were as follows:

**1. Regular financial monitoring and reporting is not undertaken**

- The grants received from the MCDCA were significantly less than what was requested by Pan Trinbago each year; however, there was no evidence to suggest that a revised budget was prepared to address the shortfalls received.
- Cash flow forecasts and other cash flow reports are not done to inform Management's decision-making and to track and monitor the usage and availability of funds. This is critical given the persistent and severe solvency/going concern issues raised by the Auditors.
- Periodic financial reports to compare actual costs to budgeted costs to allow for strategic decisions to be made during the planning and execution phases of the events are not produced or reviewed.
- Events were held without confirmation of adequate funding from the Government and/or sponsorship from the private sector. As a result, Pan Trinbago incurred liabilities which may have contributed to their current financial position. The three major loss making events during our period of review are shown in the table below:

Events	FY 2013 TT\$	FY 2014 TT\$	FY 2015 TT\$	FY 2016 TT\$
<b>Champs in Steel</b>				
<b>Revenue</b>				
Ticket Sales	50,365	71,280	52,000	112,200
Donations and sponsorship	50,000	-	-	-
<b>Total revenue</b>	100,365	71,280	52,000	112,200
<b>Expenditure</b>	476,026	439,274	357,246	368,149
<b>Surplus/(Deficit)</b>	(375,661)	(367,994)	(305,246)	(255,949)
<b>Pan Trinbago Steel festival</b>				
<b>Revenue</b>				
Donations and sponsorship	2,834,565	10,000		
Government grant	-	320,000		
Ticket Sales	-	128,700		
<b>Total revenue</b>	2,834,565	458,700	-	-
<b>Expenditure</b>	3,820,325	675,816		
<b>Surplus/(Deficit)</b>	(985,760)	(217,116)	-	-
<b>Pan is Beautiful</b>				
<b>Revenue</b>				
Donations and sponsorship	-	5,000	-	-
Ticket Sales	-	183,617	-	-
<b>Total revenue</b>	-	188,617	-	-
<b>Expenditure</b>	-	3,406,109	35,927	309,338
<b>Surplus/(Deficit)</b>	-	(3,217,492)	(35,927)	(309,338)
<b>International Conference and Panorama</b>				
<b>Revenue</b>			18,292,638	

Events	FY 2013 TT\$	FY 2014 TT\$	FY 2015 TT\$	FY 2016 TT\$
Expenditure			18,297,600	
Outstanding liabilities			9,081,622	
Surplus/(Deficit)			(9,086,584)	

Table 6- Pan Trinbago's revenue and expenditure for three selected events

Management represented that expenditure budgets were submitted for these events to the Government/NCC, and verbal confirmation was received to proceed with these events. However, subsequently grant funding was either partially received or not received at all.

In terms of event budgeting and fiscal monitoring, management further represented that the former Events Manager/Vice President was responsible for generating revised events budgets, however, these were not ever provided to the CEC for review.

**2. There are limited guidelines on the recruitment and compensation for members of the Central Executive Committee, leading to a lack of transparency in payments to these members.**

According to Pan Trinbago's Constitution:

*"No elected position to the Central Executive Committee shall be compensated by way of a salary. However, the Central Executive Committee shall have power to determine the sum of a stipend and/or allowances to be paid to its members for the reimbursement of reasonable authorized financial expenditure incurred on behalf of the Association."*

Based on our review of the provided Central Executive Committee meeting minutes, there was no mention of the value of the stipend/allowance. As such, we cannot confirm if the amounts paid to the members during the period of review were formally approved by the CEC.

Members of the Central Executive also hold management positions in Pan Trinbago. Job descriptions have not been created for these positions, as such, there is no requirement for persons acting in these roles to possess the requisite qualifications and experience to perform these roles effectively. Additionally, this practice limits the establishment of an effective segregation of duties between those responsible for governance and independent oversight from those responsible for the day-to-day management of the Association.

The members of the Central Executive Committee were given an annual honoraria for their contribution during the Carnival season, totaling TT\$2,271,000 over the period FY 2013 to FY 2017:

FY 2013 - TT\$441,000  
 FY 2014 - TT\$623,333  
 FY 2015 - TT\$706,667  
 FY 2016 - TT\$500,000

**3. Statutory payments were not made to the relevant statutory body**

As at the end of FY 2017, TT\$1,199,391 remains outstanding to the relevant financial institutions for statutory payments as follows:

PAYE - TT\$1,055,689  
 Health Surcharge - TT\$75,310  
 NIS - TT\$68,392

The Accounting Assistant stated that the statutory deductions are made on all earnings. However, these amounts are not remitted to the relevant statutory body by Pan Trinbago. EY did

not confirm the accuracy of these calculations as it was outside of our scope; however, we relied on the documented information provided by the Association/PKF.

**4. Policies and procedures are not formally approved, are inadequate and/or do not align with current practices**

- There are no documented policies and procedures to guide the processes within the Finance Department. We were provided with Pan Trinbago's Corporate Governance Guidelines, however, to date, this document has not been approved by the CEC. Furthermore, this document does not include finance policies and procedures or indicate the need for key policies and procedures to be in place.

According to the Constitution Bye-Laws, the Finance Committee "*shall draw up and submit ratification to the Central Executive Committee, Finance Regulations by which all finance matters of the Association shall be operated*". There was no evidence of these documented regulations. Management represented that the Finance Regulations will be drafted and implemented by mid-2018.

**5. Inadequate controls within the payment process**

- Invoices were not consistently stamped or signed to confirm receipt and approval to pay. Based on our review of invoices received for major events selected for review over the period 2013 to 2016, we noted the following percentages of non-compliance with this control:

- Panorama 2013 - 48%
- Panorama 2016 - 52%
- Pan is Beautiful XII - 7%
- ICP - 14%

- Cheque payment vouchers (CPV) were not consistently signed by the authorized personnel, hence payments were made without the required approval. This can result in the misappropriation of funds and increased costs to Pan Trinbago.
- Petty cash is not adequately monitored to prevent the disbursement of funds for unauthorized purchases. Based on our sample testing, we noted that the petty cash was reimbursed four times in January 2015, totalling approximately TT\$9,970. In addition, we could not locate the petty cash vouchers for March, April and May 2016 for review.

**Summary of recommendations**

Based on our review, our overarching recommendations are as follows:

- A regular financial reporting cycle must be established, inclusive of information requirements for discussion and approval at CEC meetings, and immediate action must be taken to control expenditure, in particular, by executing the following:
  - Develop monthly cash flow reports and other financial reports to record, track and monitor the usage of funds and provide updated information for Management's decision-making.
  - Streamline or consolidate bank accounts, in order to effectively control and monitor the movement of funds.
  - Develop and implement robust policies and procedures in relation to the receipt of funds and expenses, to maintain accuracy, accountability and effective segregation of duties.
  - Secure funding before committing significant expenditure to events. Develop continuous budgeting and forecasting tools/reports to realistically determine the cost of events.

- All outstanding PAYE and NIS amounts owed in relation to stipends and allowances should be paid as soon as possible, as these amounts are continuing to accrue interest and penalty charges.
- Pan Trinbago should allocate resources to develop (or recruit) professional expertise to support its management of key risk areas, especially in the areas of financial management and accounting and/or approach NCC directly for accounting and auditing support.
- The stipend/allowance paid to members of the Central Executive Committee should be discussed, formally approved and documented in Central Executive Committee meeting minutes every three years. Salary, contract fees, honoraria, other allowances and entitlements paid to the management team should be clearly outlined in their contracts. Honoraria amounts should be discussed and approved by the Central Executive.
- The policy and procedures must be updated to include step by step financial and procurement processes that align with leading practices, and must be formally approved and communicated. Conformance to the approved policies should be regularly monitored and appropriately enforced.

## 4. Detailed findings - Revenue and expenditure analysis

### 4.1 Going concern status

Our review of the audited financial statements for the period FY 2013 to FY 2017 indicated that the net current asset value of Pan Trinbago has been negative throughout this period. The figure 1 and table 7 below provide a summary of Pan Trinbago's net asset and overall financial position:

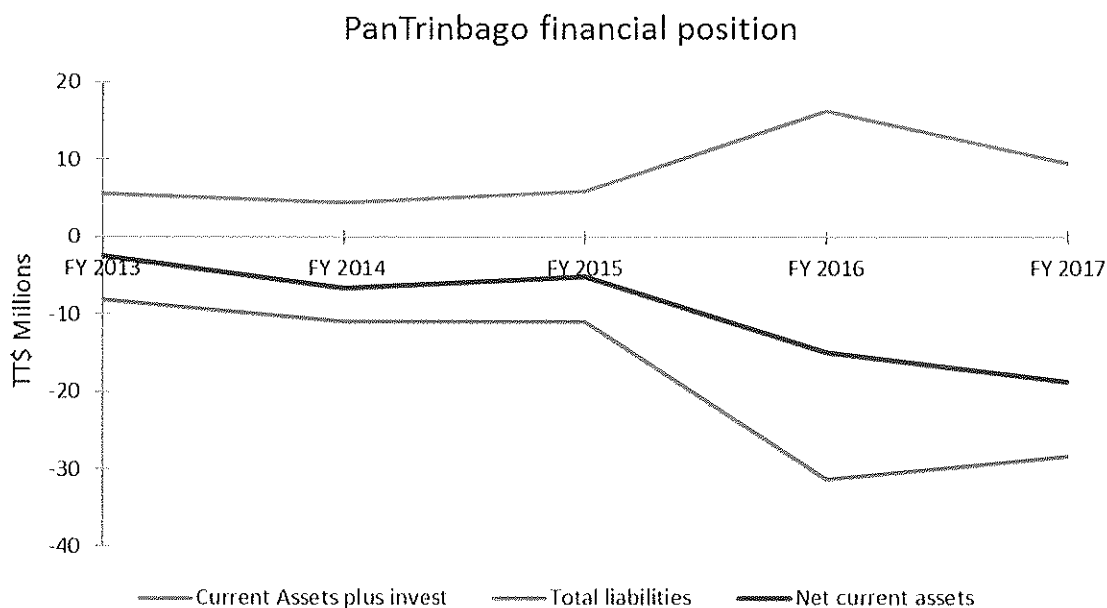


Figure 1 - Total current assets vs. liabilities

The Association's overall unconsolidated financial position is summarized below:

	FY 2013 TT\$	FY 2014 TT\$	FY 2015 TT\$	FY 2016 TT\$	FY 2017 TT\$
<b>Total Current Assets</b>	5,647,360	4,360,916	5,847,594	13,315,456	6,608,348
Long term investment	-	-	-	3,000,000	3,000,000
Investment in subsidiaries	10,001	10,001	10,002	10,002	10,002
Fixed assets	6,583,670	6,674,042	6,698,769	7,067,201	20,719,061**
<b>TOTAL ASSETS</b>	<b>12,241,031</b>	<b>11,044,959</b>	<b>12,556,365</b>	<b>23,392,659</b>	<b>30,337,411</b>
<b>TOTAL LIABILITIES</b>	<b>8,165,634</b>	<b>11,028,275</b>	<b>11,038,293</b>	<b>31,270,416*</b>	<b>28,393,638</b>
Capital grants	2,420,200	2,420,200	2,420,200	2,420,200	2,420,200
Sydney Gallop Benefit Fund	140,409	169,138	187,728	187,728	187,728
Revaluation surplus	-	-	-	-	13,796,377**
Accumulated surplus/(deficit)	1,514,788	(2,572,654)	(1,089,856)	(10,485,685)	(14,460,531)
<b>TOTAL MEMBERS' EQUITY</b>	<b>4,075,397</b>	<b>16,684</b>	<b>1,518,072</b>	<b>(7,877,757)*</b>	<b>1,943,774**</b>
<b>TOTAL LIABILITIES &amp; MEMBERS' EQUITY</b>	<b>12,241,031</b>	<b>11,044,959</b>	<b>12,556,365</b>	<b>23,392,659</b>	<b>30,337,412</b>

Table 7 - Unconsolidated statement of financial position as at 30 June 2017



## Key issues

\* Due to increases in bank overdrafts, loans and amounts payable in relation to events held, liabilities increased by TT\$20,232,123 between FY 2015 and FY 2016, resulting in an overall negative members' equity position of TT\$7,877,757.

\* As the Association does not produce consolidated financial statements, the above liabilities do not include amounts payable of TT\$9,081,622 in relation to the ICP, which the Association is ultimately responsible for and may be liable to pay in the future.

\*\*The increase in fixed assets between FY2016 and FY2017 of TT\$13,651,860 is largely as a result of a land re-valuation surplus of TT\$13,796,000, which has resulted in the Association's members' equity figure returning to a positive balance of TT\$1,943,774, thereby allowing the Association to appear in a favorable position.

This surplus was driven by a revaluation of the Association's 11.13 acres of leasehold land in Trincity. The revaluation was performed by Charles B. Lawrence & Associates Ltd and is summarized below,

Cost	Leasehold Land	Construction in progress	Total
Bal. as at 1 July 2016	2,400,000.00	3,803,623.00	6,203,623.00
Revaluation	14,600,000.00	(803,623.00)	13,796,377.00
Bal. as at 30 June 2017	17,000,000.00	3,000,000.00	20,000,000.00

Table 8 - Unconsolidated statement of financial position as at 30 June 2017

Whilst we were not provided with the actual land lease for review, it is our understanding that the lease agreement is for 99 years from the Government, and the lease now has approximately 84 years remaining.

We further noted within the "FCL Management Consultancy Report - National Panorama 2016" dated 18 February 2016, on page 105, FCL made the following recommendation, to utilize any potential valuation surplus to leverage further debt into the Association,

*"5. Value the existing land, which is stated in the financial statements at \$2.4 million; with a view to transferring the benefit of capital appreciation to the balance sheet - to improve its ability to borrow."*

## External Auditors qualification

Based on our review of the audited financial statement for FY 2016 and 2017, the Independent Auditor's Report indicated that, there is significant doubt on the Association's ability to continue as a going concern, with PKF including the following statement in the audited financial report for FY 2017,

### ***"Material uncertainty related to going concern***

*We draw attention to Note 2 in the financial statements which discloses that the Organisation's total liabilities exceed its current assets and investments by \$18,785,290 as at the year end. Additionally, International Conference and Panorama, a subsidiary of Pan Trinbago has outstanding liabilities totaling \$9,081,621 which the Organisation may be liable to pay in the near future.*

*Note 2 also discloses that during Carnival 2017, the National Carnival Commission (NCC) withheld funding from Pan Trinbago for Panorama and they implemented a recommendation*

*by the Ministry of Community Development, Culture and the Arts to manage the gate receipts for all Carnival 2017 pan events.*

*The Organisation sought legal redress in the local courts for the decision by NCC to collect ticket sales from 2017 Panorama and a compromise was arrived where Pan Trinbago would maintain responsibility for the managing of all pan events during Carnival 2017, however, all financial transactions (payment for goods and services, ticket sales, etc.) were undertaken by NCC.*

*The situation has created financial challenges for the Organisation, which seriously limited Management's ability to manage the day to day operations of Pan Trinbago.....*

*....As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast a significant doubt on the Organisation's ability to continue as a going concern. Our opinion was not qualified in respect of this matter."*

Management represented that the Association is currently pursuing several short term, medium term and long term initiatives to assist in reducing their current liabilities and improving their ability to continue as a 'going concern'. Some of these initiatives include:

- Developing the 'Greens' at Panorama to generate additional income from ticket sales, advertising, promotions etc.
- Developing facilities on the leased lands in Trincity or sub-leasing parts of this land to generate additional revenue
- Establishing three year contracts with key vendors and suppliers to generate cost savings

#### **Recommendation:**

Due to Pan Trinbago's current financial position, it is critical to implement proper fiscal policies and practices in order to make certain that the Association does not become technically insolvent by committing to expenditure that it is unable to settle in a reasonable timeframe. Reports such as fortnightly cash flow reports and other financial management reports must be prepared and reviewed by the management and executive prior to committing to any discretionary expenditure.

In addition, due to the uncertain nature of the real estate market and the potential impact to the Association of adverse valuations, land and buildings assets should be revalued on an annual basis and updated in the financial statements accordingly.

## **4.2 Revenue highlights: 2013 - 2017**

Our revenue and expenditure analysis of Pan Trinbago was based on the audited unconsolidated financial statements prepared by PKF Chartered Accountants & Business Advisors. We were not provided with the full general ledger (GL) information for review, only selected GL accounts were provided, which has constrained our ability to perform an in-depth analysis into all areas of Pan Trinbago's revenue.

The table below provides the revenue details for the financial years 2013 to 2017:

	FY 2013 (TT\$)	FY 2014 (TT\$)	FY 2015 (TT\$)	FY 2016 (TT\$)	FY 2017 (TT\$)
Government grant	32,901,312	35,255,500	37,020,942	31,613,000	24,329,313
Ticket Sales	7,810,048	9,303,926	7,617,398	4,856,066	3,300,550

	FY 2013 (TT\$)	FY 2014 (TT\$)	FY 2015 (TT\$)	FY 2016 (TT\$)	FY 2017 (TT\$)
Donations and sponsorship	3,241,565	1,596,000	382,968	500,000	381,500
Performance commissions	1,753,300	1,955,900	1,808,800	1,643,800	1,801,400
Pan in schools	-	1,421,141	1,632,418	2,199,017	882,891
Other Income	997,462	823,374	1,321,802	1,566,105	923,049
<b>Total revenue</b>	<b>46,703,687</b>	<b>50,355,841</b>	<b>49,784,328</b>	<b>42,377,988</b>	<b>31,618,703</b>

Table 9 - Pan Trinbago's revenue FY 2013 to FY 2017

Based on the above information, total revenue steadily decreased from FY 2014 to FY 2017, with an overall decrease of approximately 37% over this period. This is depicted in the figure below:

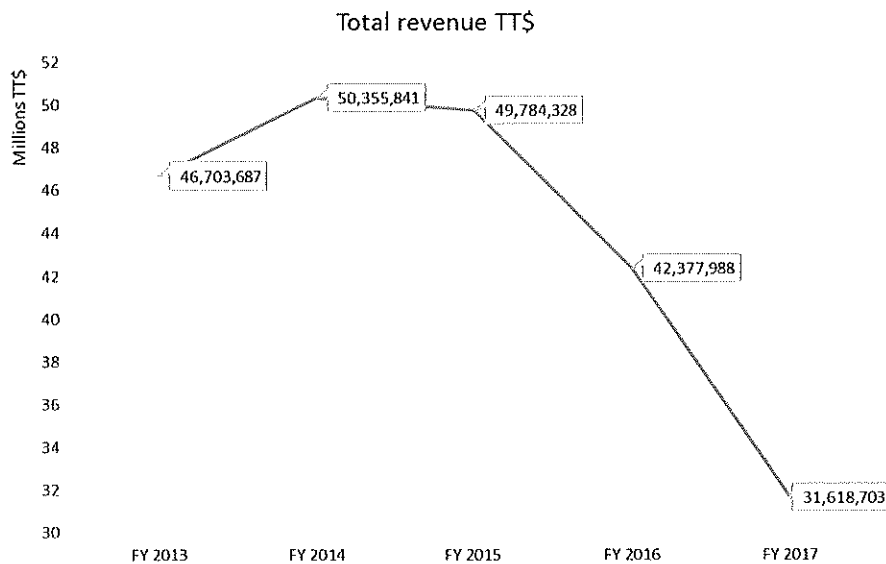


Figure 2 - Total revenue decline

The decrease in revenue in FY 2017 was due to the reduction in Government grants (which fell by TT\$7,283,687 between 2016 and 2017) and ticket sales received by Pan Trinbago. In 2017, the NCC took control of the ticket sales for Panorama, which added to the decline of revenue for Pan Trinbago by TT\$1,555,516.

#### 4.2.1 Government grant/budgeting

Pan Trinbago prepares an annual budget proposal which is presented to the NCC/MCDCA to indicate the Association's funding requirements based on the difference between their budgeted income and budgeted expenditure. Government grants were allocated mainly for Panorama to pay assistance fees, appearance fees, transportation, prize money and player's remittances with 10% of appearance fees and prize money being deducted by Pan Trinbago for administration and other operational expenses.

Due to the lack of documentation, we were unable to confirm if all Government grant funding was actually used for its intended purpose, as we noted that at the end of FY 2016, \$7,813,000 was accrued for (outstanding) Panorama Players Remittance 2016 and TT\$354,905 was accrued for Panorama 2016 Appearance Fees.

During our review of these budget proposals, we noted that the amounts received from the MCDCA/NCC as per the audited unconsolidated financial statements were significantly less than what was requested by Pan Trinbago (see table 10 below). Rather than reduce expenditure levels, it appears that the Association

opted to undertake various types of short term funding in an attempt to cover this shortfall (further discussed in Section 4.2.2).

	FY 2013 (TT\$)	FY 2014 (TT\$)	FY 2015 (TT\$)	FY 2016 (TT\$)
Budgeted income	6,170,135	6,005,000	20,415,400	8,245,400
Budgeted expenditure	67,987,218	90,015,374	103,231,755	76,031,121
Request from Government	61,817,083	84,010,374	82,816,355	67,785,721
Actual grant & subvention received	32,901,312	35,255,500	37,020,942	31,613,000
<b>Difference between actual and requested grant</b>	<b>(28,915,771)</b>	<b>(48,754,874)</b>	<b>(45,795,413)</b>	<b>(36,172,721)</b>

Table 10 - Actual grant vs. requested grant

The Association represented that their budgets are submitted to the MCDCA/NCC in March each year, however they are not formally consulted about the expenditure plans they have submitted, and are only made aware of the NCC's overall funding when the national budget is read in September.

The MCDCA/NCC will then determine the specific elements of its (NCC's) overall budget allocation that will be apportioned to the respective special interest groups in December. This process leaves a very limited timeframe for the Association to plan and execute their events efficiently.

## 4.2.2 Loan funding received

To cover their expenditure, during FY 16 and FY 17, Pan Trinbago acquired additional funding from the bank, increased their overdraft, borrowed from their subsidiary and accepted advance grants from the NCC. According to their unconsolidated financial statements the liabilities of Pan Trinbago for the period FY 2013 to FY 2017 are as follows:

Liabilities	FY 13 (TT\$)	FY 14 (TT\$)	FY 15 (TT\$)	FY 16 (TT\$)	FY 17 (TT\$)
Bank loans	-	-	-	3,253,699	4,250,000
Bank overdraft	470,094	181,601	-	3,484,716	3,022,645
Overdrawn current account	414,398	210	603,810	15,067	28,989
Accounts payable and accrued liabilities	4,683,491	8,304,237	8,804,347	23,020,098	17,607,194
Due to subsidiary - PANVESCO	2,527,651	2,432,227	1,514,588	1,104,296	1,311,296
Due to subsidiary - ICP	-	-	5,548	282,540	254,305
Due to subsidiary - T&T Pan Instrument Ltd	70,000	110,000	110,000	110,000	110,000
Due to National Carnival Commission	-	-	-	-	1,809,209
<b>Total liabilities</b>	<b>8,165,634</b>	<b>11,028,275</b>	<b>11,038,293</b>	<b>31,270,416</b>	<b>28,393,638</b>

Table 11 - Pan Trinbago's liabilities as per audited financial statements

### Loans from FCB

There was no indication within the Central Executive Committee (CEC) meeting minutes provided, to suggest that the loans taken from First Citizens Bank (FCB) bank were discussed and the requisite CEC approvals granted. We also did not receive any loan documents for review, as such, we cannot confirm when the loan was taken, the interest rate, the repayment period or any other terms and conditions.

The Treasurer and the Finance Manager, represented that the loan in FY 2016 was required to cover expenditure incurred by the Pan is Beautiful XII event held in FY 2015, due to the lack of funding received from the Government for this event.

It was further represented by the Finance Manager that the loan taken in FY 2017 was to cover Panorama expenditure, due to the reduced funding provided by the MCDCA/NCC.

### FCB overdraft facility

Based on the Central Executive Committee meeting minutes dated 11 July 2013:

*"The President informed the meeting that the organization was experiencing some level of financial difficulty; however, he said he met with the officials at FCB who promised to extend the overdraft facility so we can meet salaries for July 2013"*

The limit on the overdraft facility was not documented in these minutes; however, in a subsequent meeting with the CEC, on 6 October 2014, it was stated:

*"The meeting was informed that the organization was able to negotiate an increase in the overdraft facility from the First Citizens Bank from three hundred thousand to three million dollars"*

However, the minutes do not indicate that the CEC formally agreed to this increase in the overdraft facility, or were informed of and considered the potential interest charges associated with this facility.

### Loans from PANVESCO

Based on our review of the PANVESCO documentation provided, we noted that it was common for Pan Trinbago and its affiliate member steel bands to request loans from PANVESCO. These loans were usually short term (six months) and guaranteed against future prize monies and ticket sales from the Panorama competition. In the case of Pan Trinbago, the outstanding amounts were deducted from the ticket sales, while for the steel bands, PANVESCO instructed Pan Trinbago to deduct the amounts owing from the bands appearance fees or prize monies and remit it to them.

Even though loans from PANVESCO were not unusual, there is no evidence to suggest that these financial decisions were discussed with the CEC before entering into the agreements. Furthermore, in the absence of a formal Finance Committee, it is uncertain what financial criteria was applied in relation to the granting of these loans. We were also not provided with details of any formal loan agreements or security, so it is unclear if any of these loans are currently in default.

### Advance payments from NCC

During our review of the letters received for the Government grants from NCC, we noted a letter from the NCC to Pan Trinbago, dated 3 January 2017 for an advance payment of TT\$2,405,000. The letter stated that the purpose of the payment was:

*"Disbursement to Pan Trinbago - Eastern Region pan Players outstanding remittance for 2016"*

The letter further advised:

*"The amount would be deducted from the allocation for 2017 Panorama/Ticket revenue".*

Based on this letter, it appears that the Eastern Region pan players did not receive their player's remittance on time, i.e., in September/October 2016. We were unable to verify why the Association's 2016 disbursements were not utilized to pay the Eastern Region pan players.

We also noted that TT\$1,809,209 was listed as due from the NCC in the FY 2017 financial statements; however, as 2017 is outside of our period of review we did not request any supporting documents in relation to this.

### **Recommendations**

Regular (monthly/quarterly) financial reports should be generated by management and presented to the CEC, to monitor current revenues and expenses in comparison to budgets and re-forecasted projections.

The Association should meet with key stakeholders, including the NCC and MCDCA with a view to developing a short and medium term strategy, inclusive of a comprehensive funding plan. This would improve the overall alignment the budgeting and subvention processes.

## **4.3 Expenditure highlights 2013 - 2017**

As previously stated, we were not provided with the full general ledger (GL) information for review, only selected GL accounts were provided, and this has constrained our ability to perform an in-depth analysis into all areas of Pan Trinbago's expenditure. On average, Panorama/Pan on the Road accounted for 71% of the total expenditure; while Admin and general expenses accounted for 22% of the total expenditure.

The table below provides the expenditure amounts stated in the audited unconsolidated financial statements for FY 2013 to FY 2017:

Expense category	FY 2013 (TT\$)	FY 2014 (TT\$)	FY 2015 (TT\$)	FY 2016 (TT\$)	FY 2017 (TT\$)
Champs in Steel	476,026	439,274	357,246	368,149	-
Panorama/Pan on the Road	30,778,388	37,065,257	35,646,826	38,742,858	25,371,975
Pan Jazz	539,695	-	-	-	-
Pan Trinbago Steel fest	3,820,325	675,816	-	-	-
Pan is Beautiful XII	-	3,406,109	35,927	309,338	-
Other events	161,700	455,777	321,741	498,184	208,058
Pan Production	248,734	152,572	-	-	-
Pan in schools expenses	-	2,540,337	1,515,450	545,798	396,241
Pan tuning program	-	-	106,399	169,352	-
Admin and general expenses	9,354,120	9,679,412	10,361,953	11,140,138	9,617,275
<b>Total expenses</b>	<b>45,378,988</b>	<b>54,414,554</b>	<b>48,345,542</b>	<b>51,773,817</b>	<b>35,593,549</b>

Table 12 - Total expenditure for the period FY 2013 to FY 2017

### **4.3.1 Administrative and general expenses**

For the period under review, the following expenditure categories contributed most to the total administrative and general expenses:

- Salaries and staff benefits
- Honoraria and bonus
- Stipends, subsistence and traveling
- Legal and professional fees

- Assistance to members and staff
- Rent
- Motor vehicle expenses
- Donations and tokens
- Bank interest and charges

We noted that "salaries and staff benefits" had the highest contribution (average 37%) to the administrative and general expenses each year, followed by "honoraria and bonus" (average 9%), "stipends, subsistence and traveling" (average 7%) and finally "legal and professional fees" (average 6%).

For the salaries and staff benefits, we were unable to confirm whether the increases each year were due to an increase in the number of employees or due to an increase in wages, as we were not provided with the relevant employee information over the period. During our meeting with the external auditors, PKF, on 28 November 2017, we were informed that the members of the CEC were awarded bonuses and other payments. These are further discussed below in Section 6.2 Executive Compensation.

The legal and professional fees relate to payment for professional legal services, consultancy fees, auditor fees and other professional services.

#### 4.3.2 FCL Financial Limited

According to our review of contracts and discussions held on 5 December 2017 with the CEO of FCL Financial Limited, Mr. Daniel Lambert, FCL was engaged to look at the platform in which Pan Trinbago operated and to assist the organization in moving from an informal to a formal structure. They were also engaged as a strategy consultant, to provide a variety of management consultancy services with the aim of commercializing Panorama (and steel pan in general) and generating additional revenue.

##### FCL service contracts

Over the period 2012 - 2013, Pan Trinbago entered into six management consultancy contracts with FCL, as discussed below and summarized in Table 13. We were only able to locate formal CEC approval for two of these six contacts:

Count	Contract period	Payment terms	CEC approval
1	1 July 2012 to 31 March 2013	10% of gross income of the Panorama Semi-Final competition	Yes
2	1 July 2012 to 30 June 2015 (3 years)	<ul style="list-style-type: none"> <li>• 24% ordinary shares in the proposed strategic alliance with Gayelle</li> <li>• 30% ordinary shares in the proposed Pan Trinbago Lottery Company</li> </ul>	Yes
3	4 March 2013 to 31 March 2014	<ul style="list-style-type: none"> <li>• 10% of gross income of the Panorama Semi-Final competition for the execution of the services numbered 1-25</li> <li>• 5% of the gross income of the Panorama Finals for the services numbered 26-30</li> </ul>	No
4	23 June 2014 to 31 March 2015	800 hours at \$1,000 per hour VAT exclusive	No
5	1 April 2015 to 29 Feb 2016	650 hours at \$1,000 per hour VAT exclusive	No
6	28 April 2016 to 28 March 2017	695 hours at \$1,000 per hour VAT exclusive	No

Table 13 - FCL contracts with Pan Trinbago and the related payment terms

Based on our review of the Central Executive Committee meeting minutes, we noted that on 1 November 2012, a proposal from FCL Financial to provide services to Pan Trinbago for the period July 2012 to June 2013 was discussed, but a decision was not taken. Thereafter, on 16 November 2012 (four months after the actual contract date), two agreements were presented to the CEC to engage FCL as Pan Trinbago's consultants and "all in the meeting was in agreement".

There was no evidence to suggest that the subsequent four contractual agreements between FCL and Pan Trinbago were discussed and approved by the CEC. We did however note, that the CEC meeting minutes dated 11 July 2013 stated:

*"On the matter of Financial Services offered by FCL Financial Limited the meeting agreed in principle"*

No further information or discussions on this matter were seen in the meeting minutes, hence we cannot confirm what service offerings or contractual periods this statement relates to.

In addition to the above contracts, we noted that FCL was also engaged several times to provide "non-contractual services" to Pan Trinbago. We were not provided with any additional documents/agreements to support these engagements

#### Payments to FCL

Based on the general ledger information provided, FCL was paid approximately TT\$3,767,157 (cheque vouchers were not seen for TT\$280k of this amount) by Pan Trinbago over the period FY 2013 to FY 2016 (see Appendix 1).

Since we were not provided with the full GL information or the bank GL information, we cannot confirm the completeness of this information, as FCL invoices/payments may have been posted into other accounts not provided to EY for review.

The key findings from our testing were:

- There does not appear to be a formal contract management process to verify that all contractual requirements have been satisfied as listed on invoices prior to payments being made.
- The following nine entries were seen in the general ledger, however, no supporting invoices or documents were provided for review:

Account ID	Account Description	Date	Reference	Trans Description	Debit amt.
60015-Panorama	Professional fees-Panorama	22/3/13	18045	FCL FINANCIAL	578,305.00
60015-Panorama	Professional fees-Panorama	23/4/13	18590	FCL FINANCIAL	8,650.00
60015-Panorama	Professional fees-Panorama	20/3/15	4816	FCL FINANCIAL - Professional Services for Panorama 2015	400,000.00
60015-Panorama	Professional fees-Panorama	1/4/15	4939	FCL FINANCIAL - Professional Fees for Panorama 2015	422,537.96
60077	Legal & Professional Fees	12/12/14	3827	FCL FINANCIAL - LEGAL PROF FEES	132,825.00
60077	Legal & Professional Fees	11/2/15	4359	FCL FINANCIAL - CONTRACT FEES	87,221.75
60077	Legal & Professional Fees	30/6/15	Accrued Exp. 2015	FCL - Financial advice for non-carnival activities. Paid via Chq#5946 dd 28/7/2015	34,500.00
60077	Legal & Professional Fees	30/6/16	Payable	FCL Invoice #07/2016 date May 6 2016 Non-Contractual 4th quarter	27,437.50



Account ID	Account Description	Date	Reference	Trans Description	Debit amt.
60077	Legal & Professional Fees	30/6/17	Audit Jnl	To record professional fees for FCL	250,930.70
				<b>Total</b>	<b>1,942,407.91</b>

Table 14 - Supporting documents for entries not provided for review

The following two invoices were seen, however, the related GL entries were not seen:

Invoice Date	Invoice number	Description	Amount TT\$
24-Oct-16	16/2016	Management Consultancy services for non-carnival activities over the period June to August 2016	27,025.00
24-Oct-16	15/2016	Management Consultancy services for Carnival Activities over the period March to August 2016	11,750.00
		<b>Total</b>	<b>38,775.00</b>

Table 15 - Invoices not entered into the GL

The cheque payment voucher for the following invoices were not seen, as such, we cannot confirm if these invoices were paid:

Invoice Date	Invoice number	Description	Amount TT\$
08-Sep-15	12/15	Management consultancy services for ICP activities over the period June 2015 to August 2015	160,200
11-Feb-16	Not seen	Management consultancy services for non-contractual activities over the period Sept 2015 to Nov 2015	23,625
06-May-16	07/2016	Pan Trinbago Management Consultancy Services for 4th Quarter Invoicing of non-contractual activities	27,438
12-Jul-16	11/2016	Management consultancy services for non-carnival activities over the period March 2016 to May 2016	29,963
24-Oct-16	16/2016	Management consultancy services for non-carnival activities over the period June to August 2016	27,025
24-Oct-16	15/2016	Management Consultancy services for Carnival Activities over the period March to August 2016	11,750
		<b>Total</b>	<b>280,000</b>

Table 16 - Cheque payment vouchers not seen

### FCL Joint Ventures with Pan Trinbago

Our review also indicated that FCL has entered into the following partnerships with Pan Trinbago:

- Heritage Lottery Company:
  - Holds shares in the company, as compensation for services executed, however, the Government has not approved the license of the company for operation
- PMC Entertainment Group Limited:
  - Partnership with TUCO, NCBA, Pan Trinbago and FCL Communications Media Group Limited
  - TUCO, NCBA and Pan Trinbago each hold 15% shares, while FCL Communications Media Group Limited holds 55% shares

### 4.3.3 Procurement

In order to review Pan Trinbago's procurement process, EY requested supporting documents for a sample of expense transactions selected for the following events:

- Panorama 2013
- Panorama 2016
- Pan is Beautiful
- International Conference and Panorama (ICP)

In the absence of formally documented procurement and accounting policies and procedures, we focused our testing on conformance to the Association's existing procurement practices. We noted several key issues which are discussed below along with the related high-level recommendations:

#### **Signature for receipt of invoices**

Invoices were not consistently stamped or signed as received, and a number of invoices were missing dates.

EY held discussions with the Finance Manager and the Accounting Assistant to confirm the process related to the receipt of invoices and the following points were noted:

- Invoices are received by the Treasurer on a daily basis
- All invoices are sent to the President for authorization signature, and then forwarded to the Finance Department with instruction as to how the invoice should be paid
- The invoice will then be signed by the Finance Manager and Treasurer

Based on our invoice testing, we noted the following instances of non-compliance for the events selected for review:

Event name	Sample reviewed	No stamp or signature on invoice	% non-compliant
Panorama 2013	40	19	48%
Panorama 2016	48	25	52%
Pan in Beautiful XII	27	2	7%
ICP	58	8	14%

Table 17 - Lack of signature or stamp seen on invoices

As a result, for the above invoices, we could not confirm if approval for payment was obtained for these invoices.

#### **Authorization of cheque payment vouchers (CPV)**

Cheque payment vouchers were not consistently signed by the authorized personnel; however, they were signed by the person receiving the cheque payment.

According to discussions with the Finance Manager and the Accounting Assistant regarding the payment of invoices, the following steps are taken:

- Once invoices are received by the Finance Department, the cheque and cheque payment voucher are completed with the relevant information and signed by the Treasurer

- If the Treasurer is out of office, the President will sign. If both the President and the Treasurer are out of office, the trustee will sign the cheque and the CPV
- The Accounting Assistant will then enter the cheque amounts and details into a spreadsheet which is uploaded to Peach Tree

We were informed that for the ICP, there was a separate accounting team and account set up which EY did not have access to. However, at the end of the ICP, Pan Trinbago recorded ICP related information into their general ledger for the period 2014 to 2017. As ICP is a subsidiary of Pan Trinbago, which includes several members of the Executive of Pan Trinbago, the assumption was made that the same financial procedures would be followed when making payments.

Based on our invoice testing, we noted the following non-compliance:

Event name	Sample reviewed	No authorization signature on CPV	% non-compliant	Value (TT\$)
Panorama 2013	40	8	20%	3,180,800
Pan in Beautiful XII	27	2	7%	9,790
ICP	58	3	5%	67,030

Table 18 - No authorization signature on CPV

### Preparation of cheque and CPV

Cheque payment vouchers were not consistently approved before the actual cheques were prepared.

According to the discussions held with the Finance Manager and Accounting Assistant, the cheque and cheque payment voucher should be prepared at the same time, then the voucher is authorized by the Treasurer before the cheque is sent for approval.

Based on our review, the following issues were noted:

- For Panorama 2013, there were five instances where cheques were completed and signed off prior to the CPV being dated and authorized, resulting in unauthorized cheque payments of prize monies totaling TT\$3.5m. There were also two instances where no date was seen on the voucher, hence we could not confirm whether these payments were authorized prior to the preparation of the cheque.
- For Panorama 2016, there were five instances where the date recorded on the general ledger matched the cheque date, however the voucher was completed a day after the cheque was prepared. There was another instance where a payment was made to an individual before the CPV was prepared.
- For Pan Is Beautiful XII, there was one instance where no date was seen on the CPV and we were unable to confirm whether the cheque was prepared prior to the authorization of the CPV.
- For ICP, there were two instances where cheques were completed prior to the voucher being dated, which resulted in unauthorized payments totaling TT\$168,399.

### Recording of payments

Based on our review of payments made for Panorama 2013, there were two instances where the debit amounts as seen on the General Ledger matched the cheque payment voucher, but did not match the amount seen on the actual cheque.

The sum of all differences resulted in a potential overpayment of TT\$72,175. See the details of these transactions below.

GL information			Cheque payment voucher information			
Cheque no.	Transaction description	Debit amount	Authorized by:	CPV amount TT\$	Cheque amount TT\$	Variance TT\$
6055	ANGOSTURA LTD - HOS PANO 2015	40,940.81	Anthony McQuilkin	40,940.81	41,803.31	(862.50)
6874	RENT A AMP - 2015 SOUND ETC	178,688.00	Andrew Salvador	178,688.00	250,000.00	(71,312.00)

Table 19 - Errors in recording information on cheques

#### 4.3.4 Petty cash

Since Pan Trinbago does not have any policies and procedures for the management of petty cash, our review of the petty cash process included discussions with relevant available staff to obtain an understanding of the process, as well sample testing to conclude whether the controls within the process were implemented.

Discussions were held with the Secretary and the Accounting Assistant (as the Chief Administrative Officer was out of office) and the following key points were noted:

- The petty cash float is usually TT\$2,500, however this amount increases during carnival season to TT\$5,000 after a memo is sent out by the Assistant Office Manager.
- Petty cash is used to pay for food, gas, transportation, postage, subsistence (meals) and other minor expenses. Employees who require petty cash, approach the Chief Administrative Officer (CAO) who will complete the petty cash voucher with the reason for the disbursement, the name of the payee and the date.
- The money is given to the employee who signs for receipt. The employee subsequently returns any change or supporting documentation to be attached to the petty cash voucher. The CAO will update the Petty Cash Disbursement spreadsheet with the voucher details. The CAO will then give the voucher to the Officer Manager (or in his absence, the Assistant Office Manager or the Treasurer) for authorization. This spreadsheet is then printed and sent to the Finance Department with all the vouchers and related supporting documents to obtain reimbursement.

During our review, it was difficult to locate the cheques paid for the current period's reimbursement, as the cheque number for the previous reimbursement was written in error on all the source documents. As a result, it was difficult to determine the reimbursement when tracing the information to the general ledger.

The following were some key findings:

- The petty cash vouchers were not sequentially pre-numbered, hence, vouchers may be lost, and the funds may not be accounted for.
- Donations were taken from petty cash with no details or supporting documentation, ranging from TT\$100 to TT\$400.
- Petty cash was used to pay salary advances to employees.
- The petty cash vouchers were retrospectively authorized by the Office Manager/Treasurer after the funds are disbursed.
- Petty cash payment vouchers were not seen to support the disbursements for March, April and May 2016.

Failure to have proper internal controls for the petty cash process may result in unauthorized disbursement of funds and increased costs to Pan Trinbago.

### **Recommendations**

Based on our testing controls are currently being applied in an inconsistent manner, the controls surrounding the Association's cash management processes need to be strengthened. Proper guidelines (policies and procedures) must be implemented and adhered to in order to mitigate against the risk of inaccurate payments, inaccurate financial records, misappropriation of funds and other potential fraud risks.

Reconciliations must be completed to ensure that all information has been documented correctly in the general ledger, as well as on the supporting documents. General reconciliations should be completed monthly/quarterly on expense accounts with relatively high movements.

## 5. Major events

The major events hosted by Pan Trinbago during FY 2013 to FY 2016 were:

- Panorama/Junior Panorama/Pan on the Road
- Pan is Beautiful XII
- Champs of Steel Plus/Crème de la Crème
- Steel Festival
- International Conference and Panorama (ICP)

The only event which has been consistently held by Pan Trinbago over the period under review is Panorama, which contributes 69% to 75% of the total revenue earned by Pan Trinbago. This revenue is generated via Government grants, ticket sales, donations/sponsorship, bar sales, media accreditation, rental of booths and tenders.

### 5.1 Panorama/Junior Panorama/Pan on the Road

The net position of the Panorama/Pan on the road event over the period FY 2013 to FY 2017 is shown in the table below. We noted that between FY 2013 to FY 2016, the total cost of Panorama increased by approximately TT\$8m, while total revenue decreased by approximately TT\$3m, resulting in a net deficit of circa TT\$1.7m in 2016.

	FY 2013 TT\$	FY 2014 TT\$	FY 2015 \$TT	FY 2016 TT\$	FY 2017 TT\$
Revenue	39,931,484	44,758,985	44,161,189	37,078,165	28,524,013
Expenditure	30,778,388	37,065,257	35,646,826	38,742,858	25,371,975
Surplus/(Deficit)	9,153,096	7,693,728	8,514,363	(1,664,693)	3,152,038

Table 20 - Net position of the Panorama event FY 2013 - FY 2017

#### Revenue highlights

According to the audited unconsolidated financial statements, revenue generated by the Panorama/Pan on the Road event for FY 2013 to FY 2017 is shown in Table 21 below:

	FY 2013 TT\$	FY 2014 TT\$	FY 2015 TT\$	FY 2016 TT\$	FY 2017 TT\$
<b>Panorama/Pan on the Road</b>					
Donations and sponsorship	120,000	1,471,000	157,335	350,000	285,000
Government grant	32,118,099	34,152,287	36,237,729	31,613,000	24,329,313
Ticket Sales	7,686,863	8,757,750	7,423,775	4,654,616	3,260,250
Income from bar sales	6,522	103,649	33,050	25,749	-
Media rights and accreditation	-	226,300	252,000	343,980	641,950
Rental of booths	-	47,999	57,300	89,570	-
Tenders	-	-	-	1,250	7,500
<b>Total revenue</b>	<b>39,931,484</b>	<b>44,758,985</b>	<b>44,161,189</b>	<b>37,078,165</b>	<b>28,524,013</b>

Table 21 - Revenue generated for Panorama FY 2013 - FY 2017

During the period under review, the ticket sales generated for Panorama were collected by the Pan Trinbago Investment Company (PANVESCO), a subsidiary of Pan Trinbago. The production and sale of panorama tickets is independently audited by PKF who prepare an audit report stating the total revenue earned, the expenditures incurred and the amount payable to Pan Trinbago. We requested the final PKF audit reports from PANVESCO for these audits; however, only the draft reports were provided for review.

We noted that the amount payable to Pan Trinbago on these draft audit reports did not match the values recorded on PANVESCO's income and expense statement as issued to Pan Trinbago. Furthermore, based on our review of PANVESCO's income and expense statement, we noted differences in the amount on the statement and the amount recorded in Pan Trinbago's general ledger. This is shown in Table 22 below:

	FY 2013 (TT\$)	FY 2014 (TT\$)	FY 2015 (TT\$)	FY 2016 (TT\$)
Ticket sales per Pan Trinbago's financial statements	7,686,863	8,757,750	7,423,775	4,654,616
Ticket sales per PANVESCO income and expense statements	7,690,863	8,757,750	7,368,425	4,546,650
Difference	(4,000)	-	55,350	107,966

Table 22 - Ticket sales - PANVESCO vs. Pan Trinbago financials

In 2013, the difference of TT\$4,000 was due to a float, while in 2015, the difference of TT\$55,350 was due to Panorama Launch Tickets which were not recorded by PANVESCO. However, we were unable to identify the reason for the difference of TT\$107,966 in 2016.

In addition, all documents to support the expenses recorded on PANVESCO's statement were either not provided or inadequate. For the period reviewed (FY 2013 to FY 2016), PANVESCO deducted TT\$4,376,261 from the Panorama ticket sales, of which we did not receive any supporting documents to confirm TT\$77,915.

Furthermore, the invoices provided to support the expenses for "meals & refreshments" and "special reserved management" (totaling TT\$67,915 over the period), were all in the same invoice format, issued by SaCa Enterprises Ltd. and Head Masters, and paid interchangeably to the same persons, one of whom was Ms. Sandra Aliendre, a Director of PANVESCO. We noted that for the period FY 2013 to FY 2016, Ms. Aliendre also received TT\$35,000 for "special reserved management".

### **Expenditure highlights**

Our review of the major expenditures incurred by the Panorama (including the Greens)/Pan on the Road event over the years is outlined in the table below:

Expenditure category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Appearance fees and prizes	17,310,117	18,662,958	18,145,544	17,120,964	15,797,816
Pan players remittances	8,626,000	8,923,000	9,178,000	7,815,000	3,296,000
Accommodation/hospitality/entertainment	1,280,700	1,826,585	1,980,284	1,998,095	1,239,288
Professional fees	846,431	1,199,226	1,340,552	1,560,434	396,285
Rentals	374,395	969,454	871,669	4,052,462	109,368
Transportation	878,648	1,278,824	1,056,936	1,672,155	764,752
Other	1,462,097	4,205,210	3,073,841	4,523,748	3,768,466
<b>Total</b>	<b>30,778,388</b>	<b>37,065,257</b>	<b>35,646,826</b>	<b>38,742,858</b>	<b>25,371,975</b>

Table 23 - Major expenditure incurred by Panorama event

From 2013, FCL worked alongside the Events Manager, Mr. Bryon Serrette, in the commercialization of Panorama and 'The Greens'. In 2016 FCL was given specific responsibility for 'The Greens' in relation to tender processes and recommendation of third party contractors, preparation of third party contracts, monitoring the execution of the contracts and instructing payment terms.

As shown in the above table, over the period 2013-2016 there was a steady increase in professional fees and a significant increase in rentals in FY 2016. These increases may be attributable to the increased costs associated with the development and execution of events on 'The Greens'.

Management represented that the Association has invested considerable effort and expense in the development of "the Greens" with a view to making it a key source of revenue for the Association. The disruption of 'the Greens' in 2017 combined with the loss of control over ticket sales has adversely affected the Association's strategy in relation to this project.

## 5.2 International Conference and Panorama (ICP)

The ICP was held during 4-9 August 2015 and steel bands from around the world were invited to attend, with the goal of organizing an international steelpan community and establishing consensus for Pan Trinbago to be recognized as the global governing body of pan.

In September 2013, the ICP was registered as a non-profit company, with the first Directors listed as Pan Trinbago Inc., Keith Diaz, Bryon Serrette, Richard Forteau, Anthony Mc Quilkin, Keith St. Cyr, Trevor Reid and Allan Augustus. Based on the annual return dated 5 October 2017, Bryon Serrette, Anthony Mc Quilkin and Keith St. Cyr are no longer Directors of the ICP. The ICP was registered as a wholly owned subsidiary of Pan Trinbago.

A Secretariat was established to guide the planning and execution of the event and two bank accounts were opened at FCB (TT\$ and US\$ accounts) in which all funds received were deposited. Ms. Roslyn Khan-Cummings was the Head, ICP Secretariat and Mr. Clement James was the Project Manager. A Finance Committee, comprised of Richard Forteau, Anthony Mc Quilkin, Andrew Salvador, Roslyn Khan-Cummings and Clement James, was established to consider matters of a financial nature relating to the ICP.

The overall net position of this event is shown in the table below:

	FY 2014 TT\$
Revenue	18,292,638
Expenditure	18,297,600
Outstanding liabilities	9,081,622
Surplus/(Deficit)	(9,086,584)

Table 24 - Overall net position of ICP event

### Revenue highlights

We noted that a separate GL was not created for the ICP, instead transactions were posted to a bank account in within Pan Trinbago's GL. Based on our review of the GL account #10053 - FCB Int. Conference Panorama and the TT\$ bank statements, we confirmed that the total deposits made into this account was TT\$18,292,638, of which 74% (TT\$13,461,208) was from various Ministries of the Government of the Republic of Trinidad and Tobago (GORTT).



Based on the limited information provided in the general ledger, the deposits were categorized as presented in the table below:

Revenue stream	Total (TT\$)
Government grant	13,461,208
Sponsorship	3,863,638
Other	9,325
Registration	22,526
Ticket sales	49,600
Transfer	619,460
Unknown	103,349
Credit memo	163,533
<b>Grand Total</b>	<b>18,292,638</b>

Table 25 - Total deposits made into the ICP TT\$ account

EY reviewed 16 deposits made into the ICP account as seen in the table below:

Date	Reference	Transaction description	Debit amount (TT\$)
21-Nov-14	FCB 2451	SPORTS & CULTURE FUND OFFICE	800,000
23-Jan-15	FCB 44734	TOURISM DEVELOPMENT COMPANY	250,000
1-Jun-15	CBTT 33977	MIN ARTS MULTI	330,700
1-Jun-15	CBTT 33976	MIN ARTS & MULTI	1,000,000
25-Jun-15	CBTT	MIN ARTS & MULTICULTURALISM	1,000,000
2-Jul-15	REP 14463022	REPUBLIC BANK	90,000
8-Jul-15	CBTT CHQ 34732/34733	MIN. ARTS & MULTI	2,079,319
21-Jul-15	CBTT 34930	MIN ARTS & MULTI CULT.	986,698
6-Aug-15	Deposit	**	1,051,559
7-Aug-15	CBTT 63257	MIN TOURISM	333,488
7-Aug-15	ICP GOVT GRANT	MINISTRY OF ARTS /MIN TRADE	4,603,283
13-Aug-15	Deposit	**	614,953
14-Aug-15	Deposit	**	1,000,000
19-Aug-15	Deposit	**	761,657
29-Mar-16	CBTT 333889	MIN. ARTS COMM. DEV. CULT.	4,000
29-Apr-16	CBTT 29452	MIN PLANNING DEVELOPMENT	2,000,000
<b>Total</b>			<b>16,905,657</b>

Table 26 - Sample of deposits made into ICP account

Based on our review and testing of these deposits, we noted the following:

- The transaction description documented in the general ledger were either inadequate or incorrect resulting in:

Deposited amounts totaling TT\$3,850,345 with incorrect descriptions

An inability to determine the source of revenue for transactions totaling TT\$15,162 (see table below)

Account ID	Account Description	Date	*Reference	*Trans Description	Debit amt. TT\$
10053	FCB- Int. Conference Panorama	26-Mar-15	????????ICP	ICP ??????	1,800.00
10053	FCB- Int. Conference Panorama	31-Mar-15	ICP ????????????	ICP ??????????	639.33

Account ID	Account Description	Date	*Reference	*Trans Description	Debit amt. TT\$
10053	FCB- Int. Conference Panorama	31-Mar-15	ICP ???????	ICP ???????	1,918.00
10053	FCB- Int. Conference Panorama	14-May-15	ICP ????????	JM ICP ????????	1,786.70
10053	FCB- Int. Conference Panorama	19-May-15	ICP ????????	ICP ????????	3,105.95
10053	FCB- Int. Conference Panorama	23-Jun-15	ICP ????????	ICP ????????	1,911.99
10053	FCB- Int. Conference Panorama	11-Aug-15	????	?????	4,000.00
	<b>TOTAL</b>				<b>15,161.97</b>

Table 27 - Unknown source of revenue -ICP

\*Notation taken directly from the GL information provided for review

- In one instance, the cheque received amounting to TT\$800,000 was not photocopied and filed with the bank statement
- Letters from the Tourism Development Company, as well as various Ministries, for Government grants and sponsorships were not consistently provided to state what the funds amounting to TT\$14,015,657 should be utilized for
- There were three instances in June 2015 where cheques amounting to TT\$1,580,700 were deposited between 4 to 42 days after they were received

### Expenditure highlights

In terms of amounts paid, the ICP had an overall expenditure of TT\$18,297,600, over the period 2014 to 2017. We utilized the description on the cheque payment vouchers, as well as the general ledger description to categorize the information by expense type details of which is provided in see Appendix 2.

Based on the audited unconsolidated financial statements for FY 16, the ICP outstanding liabilities of TT\$9,081,621, were not included in Pan Trinbago's audited financial statements, as these were incurred via the ICP Secretariat. However, from the creditors' perspective, they performed works and are entitled to payment from Pan Trinbago (if the ICP is unable to pay).

Based on our analysis of these expenses, we noted the following:

- Of the TT\$18,297,600 spent, we were only able validate that TT\$11.5m (63%) was directly related to ICP related expenses (See Table 30 below).
- An amount of TT\$1,200,000 was withdrawn from the ICP bank account and placed into Pan Trinbago's FCB Fixed Deposit account. Management has indicated that this represents a repayment to Pan Trinbago for expenditure incurred in relation to the ICP prior the creation of the ICP bank accounts and receipt of GORTT funding. However we were not provided with supporting documentation to validate this.
- Cheque payment vouchers were not seen for over 50 payments totaling TT\$4,757,431, as such we cannot confirm if these expenses were directly related to the ICP.
- Pan Trinbago deducted salaries, BIR expenses and vehicle maintenance fees, totaling TT\$799,474 from the ICP account.

The above findings are based on our analysis of payments made via the GL (i.e. TT\$18,297,600) and does not include the additional unpaid amount of TT\$9,081,622 of which TT\$3,185,550 relates to outstanding appearance fees for the local steel bands and TT\$5,896,072 relates to amounts owed to contractors for the provision of goods and services.

Overall TT\$27,379,222 was spent by Pan Trinbago in relation to the ICP, representing a net shortfall of TT\$9,086,584 for the event. The President represented that he was originally promised TT\$30m by the Ministry for the ICP, however, this was subsequently reduced to TT\$15m which led to the shortfall.

### 5.3 Pan is Beautiful XII

Pan is Beautiful XII was held in 2014, this event resulted in an overall loss of TT\$3,562,757. Based on the Association's budget for 2014, the Government request for this event was calculated as TT\$3,518,300 (see table below) however the requested Government grant was not received by Pan Trinbago.

	Total TT\$
<b>Revenue:</b>	
Ticket sales	80,000
<b>Expenditure:</b>	
Other contracted services	3,367,000
Security services	152,500
Short term employment	78,800
Total expenditure	3,598,300
Government request	3,518,300

Table 28 - Pan is Beautiful XII budget information

The audited financial statements disclosed that the following revenue and expenses were incurred in relation to this event:

	Total TT\$
<b>Pan is Beautiful</b>	
<b>Revenue</b>	
Donations and sponsorship	5,000
Ticket Sales	183,617
Total revenue	188,617
<b>Expenditure</b>	
Accommodation and hospitality	68,257
Adjudicators' fee	83,519
Advertising and promotions	88,234
Appearance fees and prizes	2,468,000
MC/House announcer	17,100
Professional fees	37,000
Rentals	405,597
Security	13,696
Sound system & videotaping & production	483,938
Stage management	13,138
Stationery, postage and printing	30,248
Transportation	8,020
Wages	34,627
Total expenditure	3,751,374

	Total TT\$
Surplus/(Deficit)	(3,562,757)

Table 29 - Pan is Beautiful XII revenue and expenditure

Management represented that the then Government Minister (verbally) agreed to fully support the event but the new administration did not follow through on the grant, however the Association still proceeded to undertake the event.

### **Recommendations**

Where possible, the CEC and management should consider the potential for cost restructuring of events to make them more economically viable and self-sufficient, especially those which are consistently not covering their costs. When planning and budgeting for events, historical costs should be used as an indicator to estimate future costs. To avoid potential solvency issues and excessive debt, agreement for the required funding should be secured before the events are planned and executed.

Quarterly or monthly cash management reports should be used to assist in planning and monitoring the revenue and expenditure on events. These should be compared to the budgeted figures to monitor the viability of the event. More prudent procurement strategies must be implemented to assist in achieving value for money.

The Executive represented that the former Events Manager (also former Vice President), was responsible for developing and presenting budgets for the events to the CEC, however this was not being done. The President stated that he wrote several letters to the Events Manager requesting updated event budgets, however, these were not provided.

All monies received, either via cash or cheque, must be receipted, logged and deposited into the relevant bank account within 24 hours or on the next banking day, as stipulated in the Constitution. Pan Trinbago should review and reduce the number of open bank accounts to improve the management and accountability of funds.

Deductions from event revenue collected must be adequately supported by appropriate evidence of the nature and approval authority of these deductions.

## 6. Detailed findings - Executive recruitment and compensation

### 6.1 Recruitment of Central Executive Committee members

According to Pan Trinbago's Constitution dated 22 June 1997, the membership of the association is "restricted to bona fide Steelbands", and under Article 7, Part A. The General Body:

*"The General Body shall consist of all classes of members of the Association.*

*ii. Each member steelband shall elect two (2) delegates to act as its representatives to the General Body and shall inform the Secretary of the Central Executive Committee of the names of such delegates.*

*iii. Only those members and/or delegates who are in good financial standing with the Association shall be entitled to attend and vote at meetings of the General Body."*

Under Article 7, Part B. Central Executive Committee, the Constitution further states:

*"1. At each Convention the General Body shall elect persons from their number who shall comprise and be designated as the Central Executive Committee and they shall be Ex-Officio Directors of the Association.*

*2. The members of the Central Executive Committee shall hold office for a term of three (3) years such terms to be computed from the date of their election to office and each member shall hold office until his removal from office or until the next Convention, whichever is sooner."*

Based on our understanding, the President Mr. Keith Diaz has held this position from 2009 to present (3 terms). Elections were not held in 2012 due to litigation by Central Executive Committee Candidates. The last election occurred in 2015, which resulted in some of the officers retaining their positions except for the following:

- Anthony Mc Quilkin - Treasurer - replaced by Andrew Salvador
- Keith St. Cyr - External Relations Officer - replaced by Darren Sheppard
- Trevor Reid - Public Relations Officer - replaced by Michael Joseph

Appointment to roles within the CEC are determined solely via membership elections, as such, the constitution outlines the duties of the Central Executive Officers under *Article 9 - Duties of Officers*, but it does not specify the qualifications required for each position held on the Central Executive Committee (CEC).

We requested the contracts and resume for CEC members who also hold positions on the Management team, however, these were not provided to EY as at the date of this report. As such, we cannot confirm whether any gaps exist between the experience and qualifications of the CEC members and the requirements of their role on the Central Executive or on the Management team.

#### **Recommendations**

The members of the Central Executive Committee should maintain an oversight role in relation to the management of the Association. The day-to-day management of the Association should be delegated and led by suitably qualified/experienced professional staff. Once appointed to a key management role, persons must submit evidence of their qualifications and/or work experience and be engaged via a suitable contract.

The CEC should also be required to sign-off the relevant Board/Committee Terms of Reference and Charters to formally acknowledge their specific responsibilities, and performance against agreed benchmarks should also be monitored on an annual basis.

## 6.2 Executive compensation

### 6.2.1 Payment to Central Executive Committee members

Pan Trinbago's Constitution does not provide guidance on the compensation package for CEC members. According to the Constitution, Article 7 Part B. Central Executive Committee:

*"(8) No elected position to the Central Executive Committee shall be compensated by way of a salary. However, the Central Executive Committee shall have power to determine the sum of a stipend and/or allowances to be paid to its members for the reimbursement of reasonable authorized financial expenditure incurred on behalf of the Association."*

Based on our review of the CEC meeting minutes provided for the period November 2012 to July 2016, there was no evidence to suggest that the monthly stipends/allowances for the CEC members were discussed and agreed. We were informed by the Finance Manager, Mr. Anthony Mc Quilkin that members of the CEC received a monthly cell phone allowance and travel allowance, which were increased during the Carnival season, October to March each year.

Our review of the General Ledger Account #60116 - Central Executive Stipend, indicated an increase in the monthly allowance paid to CEC members from March 2015, however, no supporting documents were provided for review.

In addition to the stipend (i.e. phone and travel allowance), CEC members were also part of the management team and received the following payments:

- Salaries
- Contract fees
- Honoraria
- Employee bonus
- Overtime salary
- Subsistence & travelling
- Gratuity
- Leave entitlement in lieu

We did not receive any documents to support the honorarium amounts paid to the Management team for the period under review. In addition, there was no evidence to suggest that any of the payments were discussed and approved by the CEC.

The total emoluments received by the Management team for each financial year is shown in the table below. The details of these payments are in Appendix 3.

Name	CEC position	Pan Trinbago Mgt portfolio	FY 13 TT\$	FY 14 TT\$	FY 15 TT\$	FY 16 TT\$	FY 17 TT\$	Total TT\$
Keith Diaz	President	Chief Executive Officer	351,339	448,232	546,876	508,386	401,085	2,255,917
Bryon Serrette	Vice President	Events Manager	222,500	302,667	432,976	368,686	115,167	1,441,995

Name	CEC position	Pan Trinbago Mgt portfolio	FY 13 TT\$	FY 14 TT\$	FY 15 TT\$	FY 16 TT\$	FY 17 TT\$	Total TT\$
Richard Forteau	Secretary	Manager Administration	270,450	337,015	381,295	369,534	327,900	1,686,194
Cindy Rosemin	Assistant Secretary		-	5,000	96,667	114,583	42,337	258,587
Andrew Salvador	Treasurer (2015 to 2018)		5,000	13,000	125,000	166,083	87,267	396,350
Anthony Mc Quilkin	Treasurer (2012 to 2016)	Manager Finance	246,900	308,067	317,262	318,558	355,450	1,546,237
Keith St Cyr	External Relations Officer (2012 TO 2015)		118,330	142,333	158,333	37,167	-	456,163
Darren Sheppard	External Relations Officer (2015 to 2018)	External Relations Coordinator / Events Manager	-	-	-	96,729	113,756	210,485
Michael Joseph	Public Relations Officer	Public Relations Manager	38,400	79,585	83,293	141,029	155,260	497,567
Aquil Arriendell	Education Officer		-	5,000	111,667	114,333	36,020	267,020
Trevor Reid	Trustee		114,946	142,333	158,333	121,500	75,000	612,112
Allan Augustus	Trustee	Steel band Development Officer	188,871	223,243	238,526	203,117	152,633	1,006,390
Helen Scanterbury		Chief Administrative Officer	161,231	171,698	180,276	243,899	173,277	930,380
Finbar Fletcher		IT Consultant	169,730	197,200	242,500	207,500	179,400	996,330
Melville Bryan		Consultant/ Assistant Office Manager	136,959	173,902	168,873	220,404	203,333	903,471
<b>Grand total</b>			<b>2,024,656</b>	<b>2,549,273</b>	<b>3,241,878</b>	<b>3,231,509</b>	<b>2,417,884</b>	<b>13,465,200</b>

Table 30 - Total emoluments FY 2013 to FY 2017

## 6.2.2 Statutory deductions

The required statutory payments, PAYE, NIS and Health Surcharge were not paid to the relevant statutory body in a timely manner and in full. Based on the audited financials for FY 2013 to FY 2017, the amounts payable to the Board of Inland Revenue and the National Insurance Board are as follows:

Statutory requirement	Beginning balance FY 2013 (TT\$)	Ending balance FY 2017 (TT\$)	Increase (TT\$)
Health surcharge payable	73,942	75,310	1,368
PAYE payable	795,972	1,055,689	259,717
NIS payable	2,807	68,392	65,585
<b>Total TT\$</b>	<b>872,721</b>	<b>1,199,391</b>	<b>326,670</b>

Table 31 - Outstanding statutory payments

Based on the table above, TT\$1,199,391 remains payable to statutory bodies as at the end of FY 2017 which represents an increase of TT\$326,670 over the figure for 2013. Whilst we were not provided with the tax calculation spreadsheets for review, the Accounting Assistant confirmed that statutory calculations were done on all earnings and deducted from employees' salary.

Failure to accurately deduct and remit the correct amount of PAYE, NIS and Health Surcharge to the relevant statutory body can result in significant fines and penalties to Pan Trinbago for breaches of the National Insurance and Income Tax Acts. The Audited Financial Statement for FY 2017 state:

*"These outstanding balances accrue penalties, and interest on a daily basis, however, no liability has been included in these financial statements."*

In addition, in the event of an incident, persons may not be able to claim their benefits from NIS, since the payments were not remitted by Pan Trinbago.

### **Recommendations**

The stipend and allowances received by members of the Central Executive Committee must be discussed, agreed and documented in the CEC meetings minutes.

The compensation, allowances, gratuity and other entitlements should be clearly outlined in the contract for each member of the Management team to avoid any ambiguity.

Adequate records of persons who worked at events must be maintained and permitted compensation for working at events must be discussed and recorded in the CEC meeting minutes. There should be proper guidelines for the payment of "Honoraria" to CEC members.

All income and allowances earned by employees must be accurately recorded and the required statutory deductions must be calculated, deducted and remitted to the relevant institutions.



## 7. Detailed findings - Internal control environment

The findings of our assessment of the Association's internal control environment over the period FY 2013 to FY 2016, point to a weak internal control environment. Weaknesses within the internal control environment can allow errors to occur or deliberate breaches of controls to be committed and remain undetected for long periods of time.

Pan Trinbago has an overarching Constitution, however, there appears to be limited internal controls in place to govern the specific operations and financial management of the Association. Pan Trinbago has developed Corporate Governance Guidelines, however, the application of these guidelines is not currently being conformed to or monitored.

The administrative structure of Pan Trinbago as at 8 November 2017, provided by the Finance Manager, and observed during our review, is illustrated in Figure 7 below:

### Pan Trinbago's administrative structure

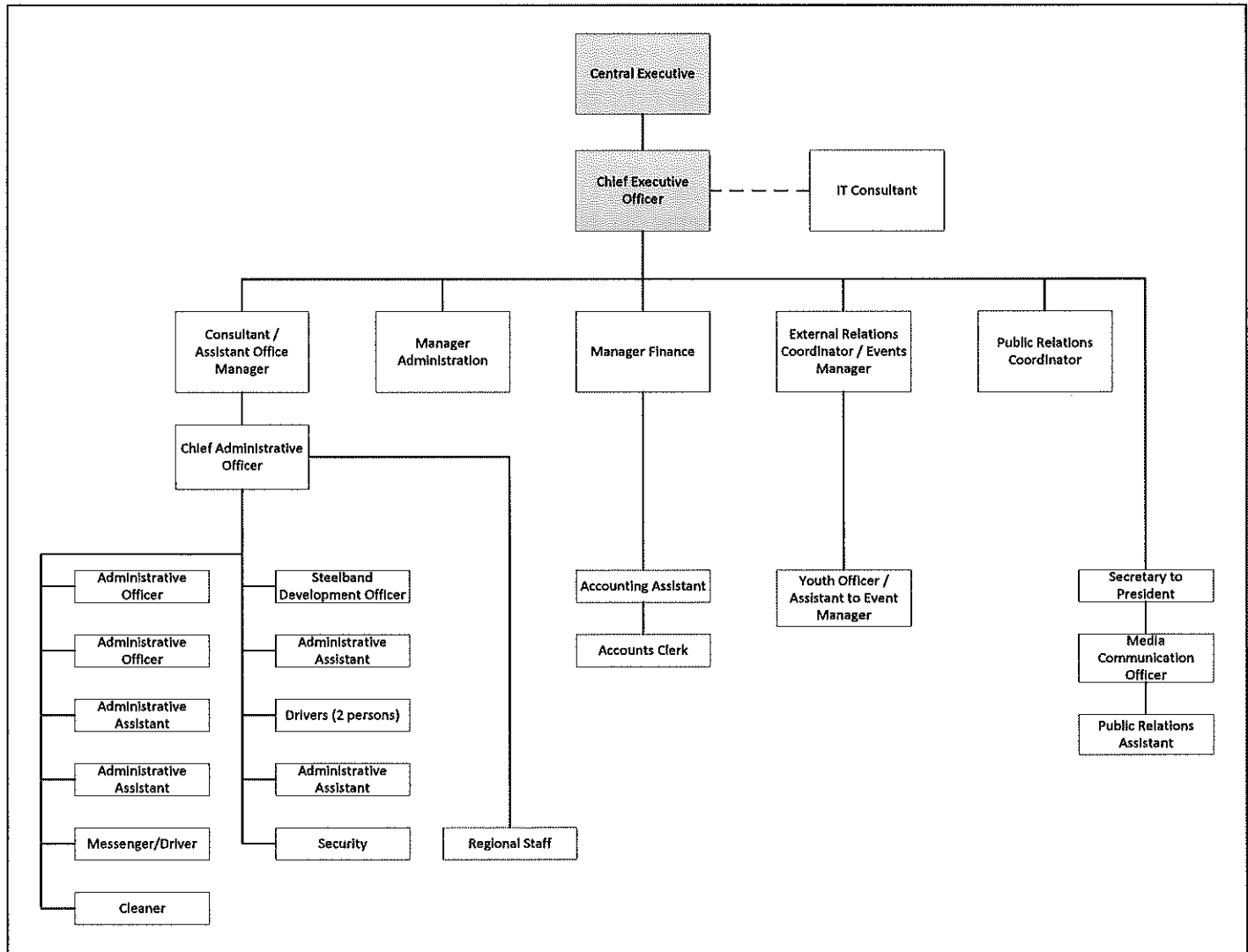


Figure 3: Pan Trinbago's administrative structure

The key weaknesses and areas of improvement observed during our review are discussed below, together with high-level recommendations to mitigate the risk exposure to Pan Trinbago.

## 7.1 Technical support

As discussed in Section 6.1 above, the Central Executive Committee is comprised of members from the General Body, and the leadership of Pan Trinbago is driven by members of the steel band fraternity. However, we noted in addition to leadership and oversight, key roles in relation to the day-to-day management (such as the Finance Manager and Assistant Office Manager) have also been taken on by members of the Association. These roles are not supported by job descriptions and requisite qualifications.

In addition to a lack of defined expertise, this practice limits the establishment of an effective segregation of duties between those responsible for operations/management and the elected members who are appointed to oversee the Association (this is discussed in detail in Section 8.2).

Additionally, we noted that this practice appears to have increased Pan Trinbago's dependence on external management consultancy services to support its operations.

### Recommendation

Pan Trinbago should not have the same persons on the Central Executive and the Management team. Professionals with the required qualifications and experience should be recruited for the various positions on the Management team, especially in the area of financial management and accounting. The management team will be accountable to the CEC for the day-to-day operation of the Association.

The Association may also consider the possibility of approaching the NCC directly for accounting and auditing support, in accordance with the roles and responsibilities detailed in Cabinet Minute No. 2007-8/7/97, dated 7 August 1997.

## 7.2 Policies and procedures

Pan Trinbago does not have documented and approved policies and procedures to guide people, process and technology for all departments, especially the Accounting Department. Based on our request for documented policies, procedures and guidelines, we were provided with the following:

- Manual Human Resources Policy and Employment Guidelines for employees
- Pan Trinbago Constitution
- Pan Trinbago Constitution Bye-laws
- Corporate Governance Guidelines
- Pan Trinbago Management Delegation Matrix
- Administrative structure of Pan Trinbago

According to the Constitution Bye-Laws, Section 4.10.1 - Finance Committee:

*"(a) shall consist of a Chairman, who shall be Treasurer and four (4) members.  
(b) shall draw up and submit for ratification to the Central Executive Committee, Financial Regulations by which all finance matters of the Association shall be operated."*

We were not provided with any Financial Regulations, as such, we cannot confirm if these documents exist within Pan Trinbago. We noted that the Corporate Governance Guidelines, dated 27 April 2017, was prepared by FCL Financial Limited. However, in response to our query in relation to the Association's

formal adoption of these guidelines in an email to EY dated 7 December 2017, the Treasurer, Mr. Andrew Salvador stated:

*"A committee comprising the Secretary, External Relations Officer and Public Relations Officer completed the document. This has to be ratified by the Executive for implementation."*

As such, the Corporate Governance Guidelines have not yet been approved by the Executive or implemented in Pan Trinbago.

The Finance Manager provided EY with the Pan Trinbago Management Delegation Matrix and stated that this document was presented to the Central Executive Committee, however, it was not discussed or implemented. Since we did not receive all the meeting minutes from the CEC meetings, we cannot confirm if or when this document was presented to the CEC.

The administrative structure of Pan Trinbago dated 8 November 2017 was presented to EY for review. We noted that the reporting lines were not clear in this document, as such, this document should be updated to show clear lines of authority.

### Recommendation

Policies and procedures to guide people, process and technology should be documented for all key processes and approved by the CEC. These documents should follow a consistent format and provide appropriate levels of detail in terms of policy statements and procedural guidance. They should identify key process owners and assign responsibility to individuals to oversee the implementation, operation and updating of the relevant policies and procedures. All policies and procedures must be effectively communicated to all officers/employees and robustly enforced.

## 7.3 Financial reporting

### Audited financial statements

Pan Trinbago's financial year is from 1 July to 30 June and in accordance with its Constitution, Financial Audits for the fiscal years 2013 - 2017 have all been completed by the Association's auditors, PKF, on a timely basis.

We were provided with the signed Unconsolidated Financial Statements prepared by PKF Chartered Accountants & Business Advisors for the period FY 2013 to FY 2017, however, Pan Trinbago did not authorize the provision of the related Management Letters. Therefore, we cannot confirm the details of any significant reportable issues identified by PKF during their audits.

We also noted that the Auditors issued a qualified opinion in relation to the FY16 and FY17 accounts. This was based on a material uncertainty in relation to the ability of the entity to continue as a going concern.

The FY17 financial statements also included the following comment in relation to the Association's commitment to implement changes to improve its internal control environment:

*The Ministry has also requested that an audit be conducted in to the operations of Pan Trinbago and this audit is expected to commence in November 2017. Following the audit, observations and recommendations would be submitted to the Organisation and it is expected that Pan Trinbago would work with officials of the Ministry to implement any agreed changes arising out of the audit.*

We also noted that the financial statements for the four regions and Pan Trinbago's subsidiaries are not consolidated with Pan Trinbago's audited financials. The external auditors stated that they reviewed the financial statements provided by each region to confirm accuracy and completeness, and they are also the external auditors for the subsidiary PANVESCO; however, this audit is not up to date.

In the "FCL Management Consultancy Report - National Panorama 2016" dated 18 February 2016, page 105, FCL recommended:

*"6. Align the financial year-end of all the companies in the group to that of Pan-Trinbago and present consolidated financial statements - this will improve Pan Trinbago's risk profile and enhance its ability to raise credit."*

While this recommendation was presented, this was not pursued by Pan Trinbago.

Failure to produce consolidated financial statements and reports increases the Association's exposure to potential solvency issues and fraud risks, as the transactions and liabilities of these subsidiaries are not being periodically reviewed by independent auditors and disclosed to management and other stakeholders.

### **Financial system close process**

The financial system close process (FSCP) is conducted by the external auditors, PKF. However, even though the financial statements are audited and signed off, the accounts remain open in Peach Tree until the following year.

During our review, the PKF representative visited Pan Trinbago on 6 December 2017 and closed off FY 2016 in Peach Tree and left FY 2017 and FY 2018 open in the system for editing. After this process occurred, the Accounting Assistant could upload the financial transactions from 1 July 2017 into Peach Tree for FY 2018.

We noted that bank reconciliations were completed in Peach Tree; however, these reconciliations were not printed and signed-off by the Finance Manager, as such, we cannot confirm that these reconciliations were reviewed and approved.

### **Reporting and review of the financial position**

We requested all financial reports completed during the period FY 2013 to FY 2016 and were provided with the annual budget proposals and the annual audited financial statements. There was no evidence to suggest that monthly or quarterly financial reports were completed to compare actual spend to budget, and as such, Management may not have updated information for key decision-making.

In addition, there was no evidence of periodic cash flows, forecasts or Management reports, hence, Management may not be aware of the financial position of Pan Trinbago prior to engaging vendors and entering into commitments. Based on discussions with the Accounts Clerk and the Accounting Assistant, vendor invoices are received by various persons, including the Treasurer, Events Manager and President. Therefore, it is possible that invoices are received, but not passed to the Accounting Assistant to be entered into the Peach Tree system, and as a result, the accounts payable position may not be complete.

Given the Association's current solvency and going concern position, it is critical that accurate and up-to-date financial information is available to manage any potential insolvency risks.

## **Recommendations**

Updated, accurate and timely financial information is essential in Management's decision-making as such, financial reports must be developed, updated and communicated to the relevant personnel on a monthly basis, to keep persons informed of the financial position of the Association.

## 8. Detailed findings - Governance and executive oversight

### 8.1 Ministerial oversight

According to Act No. 5 of 1986 used to incorporate Pan Trinbago (Inc.), the following powers were bestowed upon Pan Trinbago:

- To purchase or otherwise acquire land or any estate or interest in land
- To accept subventions and donations
- To manage, invest and expand all moneys belonging to Pan Trinbago
- To manage all real estate (including leaseholds)

The Act further states that the affairs of Pan Trinbago shall be managed by the Central Executive whose powers and procedures shall be as prescribed in the Constitution and Rules of Pan Trinbago; however, the Act does not specify that Pan Trinbago is responsible to any ministerial line.

A Cabinet Minute was approved on 14 August 1997 (No. 2007-8/7/97), indicating that each organization shall be administratively responsible for its own area of production of Carnival, with the NCC being responsible for auditing and accounting, regional carnival organization/funding and to act in complementary/supplementary role to the carnival bodies. However, the Cabinet Minute does not specify that Pan Trinbago is responsible to the NCC or any ministerial line.

### 8.2 Group structure

Since incorporation, Pan Trinbago has invested in various companies and subsidiaries in an attempt to promote the steelpan and culture of Trinidad and Tobago and to become self-sufficient. The figure below shows the various interests of Pan Trinbago:

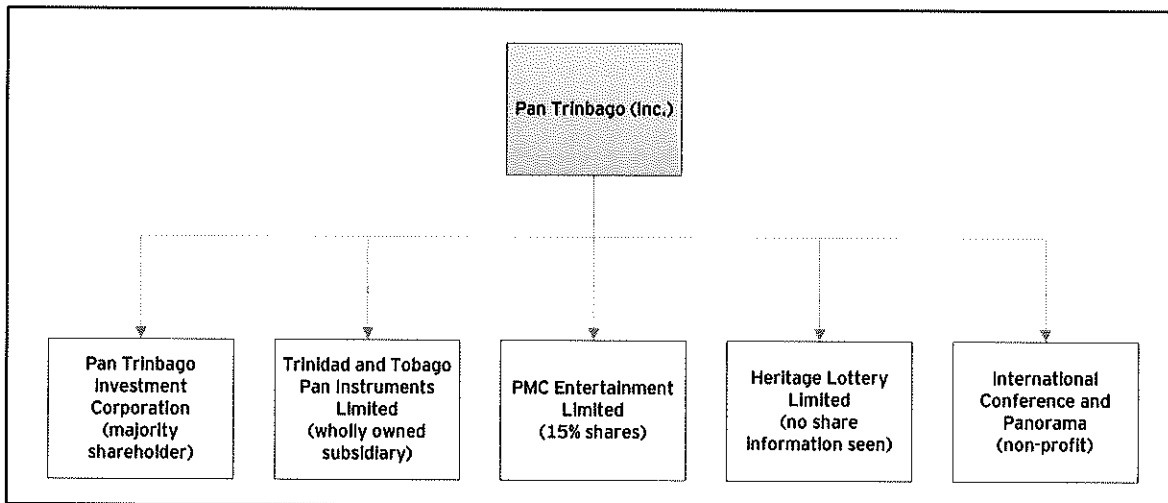


Figure 4 - Pan Trinbago's interests and subsidiaries

- Pan Trinbago Investment Corporation (PANVESCO) is an investment company created to invest funds provided by Pan Trinbago to generate additional returns.
- Trinidad and Tobago Pan Instruments Limited (TTPIL) is a steel drum manufacturing company. The machinery was donated by the Trinidad & Tobago National Petroleum Marketing Company Limited.

- PMC Entertainment Limited is a partnership with the other special interest groups and FCL Communications Media Group Limited. The purpose is to create performances, both locally and internationally, throughout the year.
- Heritage Lottery Limited was created to operate a lottery game in an effort to raise revenue.
- International Conference and Panorama was created to manage the ICP event.

## 8.3 Governance framework

According to Pan Trinbago's Constitution, the organizational structure of the Association shall be composed of:

- The General Body
- The Central Executive Committee
- Regional Committees

The Constitution states that the Central Executive Committee will be elected by the General Body every three years.

The members of the Regional Executive Committee are also elected every three years by the members of the Regional Body and are accountable to the Central Executive Committee. There are currently four Regions within the Republic of Trinidad and Tobago:

- The Northern Region
- The Eastern Region
- The South/Central Region
- The Tobago Region

According to the Constitution, the Central Executive Committee may appoint and prescribe rules and procedures to govern the conduct of business of the following sub-committees:

- Finance Committee
- Disciplinary Committee
- Research and Development Committee
- Legal Matters Committee
- Youth Affairs Committee
- Marketing and Media Committee
- Membership Service Committee
- Events Committee
- Regulations Committee

The Constitution Bye-Laws outline the composition of each committee outlined above, and their respective roles and responsibilities.

Based on our discussions with the Assistant Office Manager, Mr. Melville Bryan, we were informed that the above committees, including the Finance Committee, are not formally appointed. It was represented that these committees are formed in an ad-hoc manner to deal with issues as they arise. As such, the members of Pan Trinbago are not adhering to the guidance set out in the Bye-Laws.

Furthermore, where these committees are formed, minutes of their meetings are not documented and filed, therefore, there is no evidence of the discussions or decisions taken.

We were also informed that the Central Executive Committee periodically meets with the Regional Executive Committee, however, these discussions are not documented, and as such, we cannot confirm the items discussed and the decisions made.

**Recommendation**

The Central Executive Committee should adhere to the Constitution Bye-Laws and appoint the standing committees as outlined above. The CEC should also appoint the related Chairman to each committee and confirm that the duties and responsibilities of each committee are performed.

The CEC must hold the committees, especially the Finance Committee, accountable for their duties as outlined in the Bye-Laws. All committee meetings must be documented and minutes filed accordingly.

**Independence**

Based on Pan Trinbago’s Constitution, the Central Executive Committee is comprised of the following elected positions:

**Central Executive Committee**

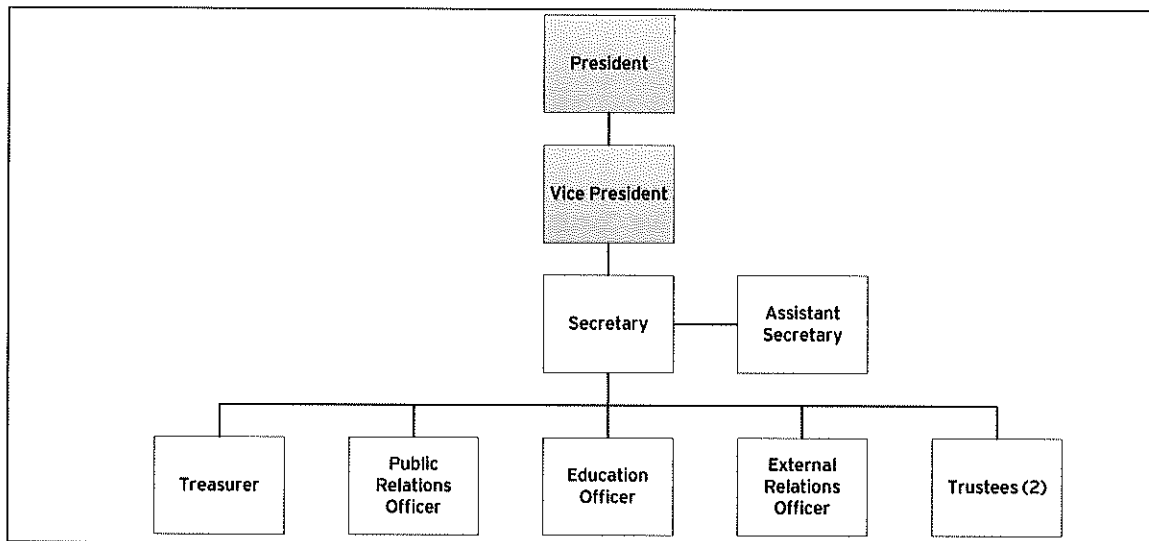


Figure 5: Pan Trinbago’s Central Executive Committee

Based on our review of the Administrative structure (depicted in Figure 5 above), we noted the following during our period of review:

Central Executive Committee position	Pan Trinbago management portfolio
President	Chief Executive Officer
Vice President	Events Manager
Secretary	Manager Administration
Treasurer (2012 to 2016)	Manager Finance
External Relations Officer (2015 TO 2018)	External Relations Coordinator



Central Executive Committee position	Pan Trinbago management portfolio
Public Relations Officer	Public Relations Coordinator
Trustee	Steelband Development Officer

Table 32 - CEC position and Pan Trinbago management portfolio

As seen in the table above, seven of the 10 members of the CEC also hold management positions on the Administrative structure within Pan Trinbago, leaving only two positions, the Consultant/Assistant Office Manager and the Chief Administrative Officer as independent positions.

This may result in a lack of independence, as in the absence of the standing committees, the Management team conducts the day-to-day operations of the Association and is held accountable to the CEC.

### **Recommendation**

To add diversity and mitigate the risk of unitary Committees, Pan Trinbago should develop structures to facilitate the inclusion of independent advisors on its Central Executive and key standing committees. The selection of independent advisors should be based on factors such as:

- Ability to provide specialist skills/knowledge
- Corporate experience
- Strong leadership background
- Ability to exercise unbiased judgment (especially in situations where a potential for conflicts of interest exists)

### **Evaluation and training**

There are currently no formal mandates in place to define the requisite training needs for CEC. There is also no formal mechanism for the periodic evaluation of the CEC on an individual or collective basis.

### **Recommendation**

In order for the CEC to effectively fulfill their roles, the Association should develop a program of ongoing training and education for CEC and any future Standing Committee members. This training should be offered at a one-on-one and committee level and should include:

- Orientation training for new members
- Committee responsibilities (including expectations for self-research)
- Accounting and financial reporting
- Current affairs, legal developments and the business environment
- Information systems, processes and controls
- Risk management
- Corporate governance
- Specific risk areas

To support effective governance, the performance of the CEC should be evaluated annually. These evaluations should include:

- Degree to which responsibilities are understood by members

- Responsiveness to key issues
- Achievement of objectives as defined in the TOR (benchmarks should be used as performance indicators where possible)
- Independence of members
- Effectiveness of interaction with other stakeholders (e.g., SIGs, NCC, MCDCA and sponsors)
- Whether the right questions are being raised by members to fully understand issues and to constructively meet expectations

## 8.4 Complaint management

Pan Trinbago's Constitution, under Article 13 B. Procedures for trial, clearly outlines the steps to be taken if any member has any grievances. The Constitution states that the member:

*".....may file with the Secretary of the Regional Executive Committee a written allegation against the alleged specifically setting out the acts and things complained of."*

Once filed, the Secretary sends a copy of the allegation to the Secretary of the Central Executive Committee and to the accused member. A three-member committee is then appointed by the Chairman of the Regional Committee to investigate the matter. If the sub-committee determines that there is no merit in the matter, then the Regional Chairman can dismiss it. However, if the person is not satisfied with this decision by the Regional Chairman, then they *"shall have a right to apply to the Central Executive Committee for leave to appeal against such dismissal"*.

Where the sub-committee determines that there is merit in the allegation, then a trial is scheduled with the Regional Executive Committee, and the accused member shall have the right to select Counsel to represent him before the hearing. Any party aggrieved by the decision of the Regional Executive Committee shall have the right of appeal to the Central Executive Committee.

Based on our discussions with the Secretary of the Central Executive and the Assistant Office Manager, we were informed that there were no formal complaints or trials held during our period of review.

However, we noted that Pan Trinbago had various ongoing legal matters during the period of our review. According to the Central Executive Committee meeting minutes dated 29 December 2015, the Treasurer informed the committee:

*"We should note that presently we have spent in excess of \$300,000 in legal fees. Legal fees for Carib Dixieland was \$267,000"*.

Further discussions with the Finance Manager indicated that steel bands took legal action against Pan Trinbago, and even though Pan Trinbago won, both parties still had to pay their own legal fees.

Based on our review of the general ledger account for Legal & Professional Fees, approximately TT\$1.6m has been spent on legal fees over the period FY 2013 to FY 2017.

During our review of the Central Executive Committee meeting minutes, we also noted that there were letters dated 21 July 2014, which stated:

*"The following members from the "New Visionaries Foundation" has been declared to be persona non-grata based on an Extra-Ordinary General meeting held on 15 July 2014:*

<i>Name</i>	<i>Steel band</i>
<i>Keith Simpson</i>	<i>St. James Tripolians Steel Orchestra</i>
<i>Denise L J Hernandez</i>	<i>Massy Trinidad All Stars Steel Orchestra</i>
<i>Beverley Ramsey-Moore</i>	<i>Petrotrin Katzenjammers</i>
<i>Trevor Cooper</i>	<i>CAL Invaders</i>
<i>Douglas Williams</i>	<i>Woodbrook Modernaries</i>
<i>Emond Berkeley</i>	<i>Woodbrook Modernaries"</i>

A letter was done in the name of each person listed above.

Based on our review of the various activities and legal actions taken against Pan Trinbago, it appears that the process and guidelines outlined in the Constitution are not adhered to. Further in-depth review of these matters should be conducted to confirm whether members are following the rules set out in the Constitution.

### **Recommendations**

While we were not provided with any formal complaints for the period under review, it does not appear that such complaints are formally documented and logged. As such, for transparency and to avoid misinterpretations, complaint cases should be formally documented and tracked, inclusive of resolutions which can be referenced as precedents for future matters, as members may claim to be treated unfairly if not granted a similar resolution.

A log of complaints should also be maintained, which would describe the nature of the complaint, its status and details of any resolutions. This tracks the type of complaints and aids in efficiently determining solutions based on similar cases.

## 9. Appendix

### 9.1 Appendix 1 - FCL general ledger entries

Account ID	Account Description	Date	Reference	Trans Description	Debit amt. TT\$
60015-Panorama	Professional fees-Panorama	22/3/13	18045	FCL FINANCIAL	578,305
60015-Panorama	Professional fees-Panorama	23/4/13	18590	FCL FINANCIAL	8,650
60015-Panorama	Professional fees-Panorama	24/4/14	2672	FCL FINANCIAL LTD - Professional Fees	533,000
60015-Panorama	Professional fees-Panorama	20/3/15	4816	FCL FINANCIAL - Professional Services for Panorama 2015	400,000
60015-Panorama	Professional fees-Panorama	1/4/15	4939	FCL FINANCIAL - Professional Fees for Panorama 2015	422,538
60015-Panorama	Professional fees-Panorama	28/10/15	501	FCL FINANCIAL LTD - PROFESSIONAL FEES PANORAMA	50,000
60015-Panorama	Professional fees-Panorama	8/12/15	6248	FCL FINANCIAL - BALANCE ON PANORAMA PAYMENT PROFESSIONAL FEES	24,400
60015-Panorama	Professional fees-Panorama	15/12/15	6751	FCL FINANCIAL - LEGAL PROF	204,000
60015-Panorama	Professional fees-Panorama	8/3/16	7778	FCL FINANCIAL LIMITED - MEET EXP	1,539
60015-Panorama	Professional fees-Panorama	17/3/16	7805	FCL FINANCIAL LIMITED - PROFESS FEES PANO	427,960
60015-Panorama	Professional fees-Panorama	6/5/16	8048	FCL FINANCIAL LIMITED - PANO PROFESS	116,065
60015-Panorama	Professional fees-Panorama	13/5/16	8075	FCL FINANCIAL LIMITED - PROF SERV	27,960
60077	Legal & Professional Fees	24/4/14	2672	FCL FINANCIAL LTD - Professional Fees	186,000
60077	Legal & Professional Fees	12/12/14	3827	FCL FINANCIAL - LEGAL PROF FEES	132,825
60077	Legal & Professional Fees	11/2/15	4359	FCL FINANCIAL - CONTRACT FEES	87,222
60077	Legal & Professional Fees	30/6/15	Accrued Exp. 2015	FCL - Financial advice for non-carnival activities. Paid via Chq#5946 dd 28/7/2015	34,500
60077	Legal & Professional Fees	10/12/15	6273	FCL FINANCIAL - PROF SERV QUARTERLY	12,600
60077	Legal & Professional Fees	30/6/16	Payable	FCL 12/3/15-2/22/16 Non-Contractual pd #8233 Jul 29 2016	27,438
60077	Legal & Professional Fees	30/6/16	Payable	FCL Invoice date Feb 11 2016 Matters pertaining to TPIIL & MOE	23,625
60077	Legal & Professional Fees	30/6/16	Payable	FCL Invoice #011/2016 date July 12 2016 Non-Contractual Mar-May 2016	29,963
60077	Legal & Professional Fees	30/6/16	Payable	FCL Invoice #07/2016 date May 6 2016 Non-Contractual 4th quarter	27,438
60077	Legal & Professional Fees	30/6/17	Audit Jnl	To record professional fees for FCL	250,931
12071	Due from ICP	10/1/15	440	FCL FINANCIAL - PROFESSIONAL SERVICES	160,200
				<b>Total</b>	<b>3,767,157</b>

## 9.2 Appendix 2 - ICP expenses

Expense type	Related to ICP (Yes/No/Unknown)	Expenditure TT\$
Accommodation	Yes	981,995
Adjudicating fees	Yes	25,600
Advertisement and marketing	Yes	710,991
Bank charges	Yes	3,611
BIR	Yes	429
Cleaning services	Yes	33,516
Contract fees	Yes	845,625
Entertainment	Yes	5,000
Food & beverage	Yes	184,243
Hosting	Yes	194,495
I.T.	Yes	57,250
Labor	Yes	6,400
Licenses	Yes	5,500
Miscellaneous	Yes	334,624
NIS	Yes	8,082
Office supplies	Yes	86,660
Performance fees	Yes	649,000
Petty cash	Yes	2,830
Prize money & appearance fees	Yes	4,390,539
Professional fees	Yes	88,800
Rental	Yes	207,012
Security	Yes	17,480
Services for ICP	Yes	1,487,675
Stage management	Yes	15,500
Sundry items	Yes	2,149
Ticket sales	Yes	400
Transportation	Yes	438,320
Travel	Yes	745,626
Utilities - Telecommunication	Yes	11,343
No CPVs seen	Unknown	4,688,669
No CPVs seen - amounts possible paid to/on behalf of Pan Trinbago	Unknown	68,762
Pan Trinbago FCB fixed deposit #2339856	No	1,200,000
BIR - Pan Trinbago	No	24,290
Salary - Pan Factory	No	25,000
Salary - Pan Trinbago	No	135,184
Transfer to Pan Trinbago	No	600,000
Vehicle Maintenance - Pan Trinbago	No	15,000
<b>Grand Total</b>		<b>18,297,600</b>

### 9.3 Appendix 3 - Salary and contract payments made to the Management team FY13 to FY16

Name	CEC position / Pan Trinbago portfolio	Salaries Expense	Central Executive Stipend	Contract fees	Employee Bonus	Honorarium	Gratuity	Leave Entitlement in Lieu	Overtime Salary	Subsistence & Travelling	Total
KEITH DIAZ	President / Chief Executive Officer	982,000	473,094	286,000	42,300	351,500		116,476		4,547	2,255,917
BRYON SERRETTE	Vice President / Events Manager	4,476	369,000	746,686		298,833	22,000			1,000	1,441,995
RICHARD FORTEAU	Secretary / Manager Administration	686,500	408,967	203,201	28,175	303,833		53,213	455	1,850	1,686,194
CINDY ROSEMIN ANDREW SALVADOR	Assistant Secretary Treasurer (2015 to 2018)	-	201,671	-		56,667				250	258,587
ANTHONY MC QUILKIN	Treasurer (2012 to 2016) / Manager Finance	585,062	255,933	261,650	25,900	258,833	97,000			61,858	1,546,237
KEITH ST CYR	External Relations Officer (2012 TO 2015)	8,250	233,167	-	3,000	211,667				80	456,163
DARREN SHEPPARD	External Relations Officer (2015 to 2018)	44,000	131,485	4,000	1,000	30,000				-	210,485
MICHAEL JOSEPH	Public Relations Officer / Public Relations Manager	40,500	142,746	214,277	5,375	91,333				3,336	497,567
AQUIL ARRIENDELL	Education Officer	-	210,353	-		56,667				-	267,020
TREVOR REID	Trustee	-	366,500	5,000	4,000	236,667				(54)	612,112
ALLAN AUGUSTUS	Trustee / Steel band Development Officer	264,514	403,300	48,000	10,825	252,000		24,541		3,210	1,006,390
HELEN SCANTERBURY	Chief Administrative Officer	677,000	-	-	22,650	124,667		43,143	61,655	1,265	930,380
MELVILLE BRYAN	Consultant/ Assistant Office Manager	-	-	681,204	20,550	127,167	10,000	57,111		7,440	903,471
FINBAR FLETCHER	IT Consultant	-	-	869,100			114,000			13,230	996,330
<b>Grand Total</b>		<b>3,292,302</b>	<b>3,468,216</b>	<b>3,319,117</b>	<b>164,875</b>	<b>2,522,833</b>	<b>243,000</b>	<b>294,484</b>	<b>62,110</b>	<b>98,262</b>	<b>13,465,200</b>