

SEVENTH

REPORT
FROM

THE PUBLIC ACCOUNTS
(ENTERPRISES) COMMITTEE

EXAMINATION
OF

the Audited Financial Statements of the National Entrepreneurship Development Company Limited (NEDCO) for the Financial Year 2017 and follow up on the Implementation of the Recommendations in the Committee's Tenth Report from the 11th Parliament

Public Accounts (Enterprises) Committee

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

- “(a) the audited accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by or on behalf of the state; and*
(b) the Auditor General’s Report on any such accounts, balance sheets and other financial statements.”

Current membership

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

Committee Staff

The current staff members serving the Committee are:

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

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Date Laid in HOR:

Date Laid in Senate:

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Members of the Public Accounts (Enterprises) Committee



Mr. Wade Mark
Chairman



Mr. Rushton Paray
Vice-Chairman



Ms. Amrita Deonarine
Member



Mr. Fitzgerald Hinds
Member



Ms. Renuka Sagrainsingh-Sooklal
Member



Mrs. Laurel Lezama-Lee Sing
Member



Mr. Keith Scotland
Member



Mr. Stephen Mc Clashie
Member

Executive Summary

The Public Accounts (Enterprises) Committee (PA(E)C) is the Parliamentary Financial Oversight Committee tasked with the responsibility of examining the audited accounts of all State Enterprises that are owned or controlled by the state. The Committee conducted **an examination of the Audited Financial Statements of the National Entrepreneurship Development Company Limited (NEDCO) for the Financial Year 2017 and follow up on the Implementation of the Recommendations in the Committee's Tenth Report from the 11th Parliament** and produced this report. This report details the issues, endorsements and recommendations made by the Committee to improve NEDCO' performance.

The Report focuses on the followed issues:

1. Status of Outstanding Financial Statements
2. Status of NEDCO's Procurement Policy and Procedures
3. Status of Internal Fraud Policy
4. Change in NEDCO's Mandate following its realignment to MYDNS
5. MYDNS's Role in Supporting Youth and Micro Entrepreneurs
6. Competition from other Financial Institutions and Support Service Providers
7. Challenges implementing Strategic Plans
8. Transitioning businesses from informal to formal economy
9. Additional Support to the light manufacturing industry
10. Removal of \$66 million from NEDCO's loan portfolio in 2017
11. Opportunities for Challenged Communities
12. Entrepreneurial Relief Grant Programme

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

- *NEDCO should submit a status update on the completion and subsequent submission of the company's outstanding financial statements to the Ministry of Finance to Parliament by April 24, 2023.*
- *NEDCO should submit a status update on the completion, Board approval and subsequent implementation of the company's Procurement Acquisition and Disposal Policy and Procedures to Parliament by April 24, 2023.*

- *NEDCO should submit a status update on the completion, Board approval and subsequent implementation of the company's Internal Fraud Policy to Parliament by April 24, 2023.*
- *The MYDNS should put in place measures to evaluate the success and long-term impact of the mandate on supporting small enterprises and provide an update to Parliament by April 24, 2023.*
- *NEDCO should submit the following information related to its Business Advisory Programme to the Parliament by April 24, 2023:*
 - *How the business advisory programme is set up and what it involves;*
 - *What suite of services are offered to any one micro or small business at different stage of operation and the number of staff allocated to do this;*
 - *How many businesses receive these services on a monthly/annual basis;*
 - *The step by step process of how a newly established small/micro enterprise would receive business advisory services through each stage of its operation starting from initial application;*
 - *Whether there is a monitoring mechanism in place through the business advisory services, to gauge the progress the MSE businesses make in fully developing and establishing themselves as viable businesses whilst receiving these business advisory services; and*
 - *How is NEDCO involved in the recently launched SME marketplace with the Ministry of Finance?*
- *NEDCO should submit a status update which clearly defines how the company is involved in supporting the activities of MYDNS and the associated benefits derived from the National Youth Policy Pillar 1 – Prioritizing Youth Economic Participation and Empowerment to Parliament by April 24, 2023; and*
- *Given that the number of persons aged 15-29 years continues to account for the largest segment of the unemployed population (see Review of the Economy 2022 p. 101), NEDCO should submit to the Parliament by April 24, 2023 a report on how it intends to measure the impact of the company's activities under the National Youth Policy Pillar 1 – Prioritising Youth Economic Participation and Empowerment on reducing youth unemployment.*

- *NEDCO should provide a detailed status report to Parliament by April 24, 2023 on:*
 - *a list of entrepreneurial specific support services it can provide to young entrepreneurs that would improve the company's competitiveness in micro finance;*
 - *the marketing strategies it intends to implement to bring awareness to its support services;*
 - *how the company ascertains whether the services provided contributes to the 'success of entrepreneurs';*
 - *how does the company intends to participate in the recently launched SME Market Place by the Ministry of Finance to prevent duplication of efforts; and*
 - *the challenges faced in executing these support services.*
- *NEDCO should submit a status update on the review of its 2022-2025 Strategic Plan by the MYDNS and the company's formal implementation of said Strategic Plan to Parliament by April 24, 2023 stating the following:*
 - *plans to ensure each objective could be delivered:*
 - *how success would be measured;*
 - *a procurement plan for all procurements involved in delivering the above objectives; and*
 - *the timeline for evaluating the outcomes of the plan.*
- *NEDCO should market and advertise its free business registration services to encourage participation from the general public showing the various support services young entrepreneurs can access free of charge.*
- *NEDCO should develop a strategy to help businesses transition from the informal to the formal economy. This strategy should be submitted to Parliament by April 24, 2023.*
- *NEDCO should consider offering complementary one hour business advisory services sessions which is currently offered at \$100/hr to encourage MSEs to seek support to comply with basic requirements necessary to operate a business.*
- *NEDCO should submit a status report detailing any statistics that highlight the effectiveness of NEDCO's services in transitioning businesses from informal to formal economy to Parliament by April 24, 2023.*
- *NEDCO should submit a report by April 24, 2023 on the following:*

- *The company's strategy to target the increase in number of MSEs in light manufacturing through its collaboration with CARIRI and the respective timeline*
- *The percentage or number increase in MSEs in light manufacturing targeted.*
- *NEDCO should provide an update to Parliament by April 24, 2023 on the company's progress in encouraging the growth in the light manufacturing sector.*
- *NEDCO should develop a plan to manage the increased levels of irretrievable debts that constitute its loan portfolio and provide a status report on the development of same to Parliament by April 24, 2023. The plan should include:*
 - *Target levels it will maintain at the end of each fiscal year;*
 - *Measures to monitor and evaluate its loan portfolio to prevent losses from delinquent/inactive accounts;*
 - *Measures to improve compliance on debt repayments in the company's loan portfolio; and*
 - *Details on how the write offs will be managed.*
- *NEDCO should submit a status update on the company's design of training and loan products tailored specifically to young persons in priority communities to Parliament by April 24, 2023;*
- *NEDCO should submit a statement on whether consideration can be given to prioritizing potential youth entrepreneurs in high-risk sectors in addition to entrepreneurs in priority communities to Parliament by April 24, 2023; and*
- *NEDCO should submit a report on the locations it deems high-risk areas and the determining factors used to categorize each as a high-risk area to Parliament by April 24, 2023.*
- *NEDCO should provide a status report on the criteria used to determine an entrepreneur's eligibility for accessing the Entrepreneurial Relief Grant and how applicants are screened to prevent persons from accessing multiple grants to Parliament by April 24, 2023*

- *NEDCO should submit a status update on the report on the benefits derived from the utilisation of the grants and the uses of the additional \$20 million received to Parliament by April 24, 2023.*
- *NEDCO should submit a status update on how it intends to spend any additional allocation under the Business Accelerator Programme by April 24, 2023.*

In light of the Committee's findings, the following observations were noted:

- *The Committee notes the new mandate of NEDCO and its strategic realignment under the MYDNS to promote youth empowerment and involvement in entrepreneurial development programmes.*
- *The Committee notes NEDCO and CARIRI's collaborative efforts to develop and support the light manufacturing sector.*
- *The Committee notes NEDCO's administration of the Entrepreneurial Relief Grant as a way of assisting eligible micro and small enterprise operators who were negatively impacted by the Covid-19 pandemic*

Introduction

Establishment

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

Mandate

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

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

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

Ministerial Response

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

State Enterprises Performance Standards

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

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

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

Election of the Chairman and Vice-Chairman

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

Establishment of Quorum

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

Change in Membership

By resolution of the House of Representatives at a sitting held on June 13, 2022, Mr. Stephen Mc Clashie, MP was appointed a Member of the Committee in lieu of Dr. Nyan Gadsby Dolly.

Determination of Date and Time of Regular meetings

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

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

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

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

Methodology

Determination of the Committee's Work Programme Second Session

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

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

The Inquiry Process

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

- I. The Committee conducted a review of the responses provided to the Tenth Report of the Eleventh Parliament on the Examination of the Audited Accounts, Balance Sheet and other Financial Statements of The National Entrepreneurship Development Company Limited (NEDCO) for the financial years 2008-2014. Based on the responses provided, the Committee wrote to the relevant entities to determine the status of the implementation of the recommendations.
- II. The Committee also conducted a review of NEDCO's Audited Financial Statements for the Financial Years ended September 30, 2017. Based on an analysis of the financial statements, issues were identified and questions for written response were generated.
- III. Questions for written response were forwarded to NEDCO, Ministry of Labour (MOL) and Ministry of Finance – Investment Division (MOF-ID) on February 18, 2022. NEDCO's responses were received on March 23, 2022, the MOL's responses were received on April 4, 2022, and the MOF-ID's responses were received on May 5, 2022.
- IV. Preparation of an Issues Paper which identified and summarised matters of concern in the responses provided by the NEDCO. Based on the responses received and the issues identified, the Committee agreed to have a public hearing.
- V. A public hearing was held on June 2, 2022. Representatives from NEDCO, the Ministry of Youth Development and National Service (MYDNS) and (MOF-ID) were invited.
- VI. Questions were sent for additional information to the NEDCO after the public hearing on June 3, 2022. The responses were received on August 29, 2022.
- VII. Report the Committee's findings and recommendations to Parliament upon conclusion of the inquiry. The Report will be transmitted to the MYDNS as the Minister with

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

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

Company Profile

Company Overview

The National Entrepreneurship Development Company Limited (NEDCO)⁵ was established in 2002 as a state-owned Limited Liability Company to provide micro finance services that assist in the development of a sustainable micro and small enterprise sector (MSEs).

As the implementing agency for Government's policy on MSE development, we are committed to supporting the sector, through entrepreneurship and empowerment of the socially disenfranchised.

With a mandate to develop MSEs in Trinidad and Tobago, NEDCO offers a wide suite of entrepreneurial development services to help MSEs whose needs cannot be met by traditional lending agencies. Our integrated business model is designed to move entrepreneurs from business concept to successful commercialization via small business financing; entrepreneurial training; business assessment; mentorship; and business advisory.

Vision

"To be the leader of the MSE sector, fostering an entrepreneurial culture, thereby contributing to wealth creation and national development."

Mission

"To promote and support the development of new and existing MSEs to achieve financial independence, sustainability and competitiveness through the provision of evolving, cutting edge financial products and development support services in a customer focused environment."

⁵ <https://nedco.gov.tt/index.php/about-us/mission-vision> accessed on August 5, 2022

Mandate



Board of Directors

- Mr. Clarry Benn - Chairman
- Dr. Ramesh Ramdeen - Deputy Chairman
- Ms. Cassandra Tommy-Dabreo - Director
- Mr. Nigel Bhagwatsaran - Director
- Ms. Kathleen Thomas - Director
- Ms. Marjorie Agnes Moore-Carrington - Director
- Ms. Ria Ramdeen - Director
- Ms. Willa Guy-Straker - Director
- Ms. Joann Felix - Director

Management Team

- Mr. Calvin Maurice - Chief Executive Officer
- Ms. Delisa Emmanuel - Chief Financial Officer
- Ms. Karen Carraballo - Chief Entrepreneurial Development Officer
- Ms. Chrystal Bradshaw-Bramble - Chief Credit Risk Officer
- Mr. Roger Lee Aping - Chief Marketing and Branding Officer
- Mr. Makesi Alexander - Strategic Planner
- Ms. Lisa Robinson - Manager Human Resource & Administration
- Ms. Nicole Samuel - Corporate Secretary
- Ms. Vedia Beharrylal - Manager Internal Audit

Line Ministry - Ministry of Youth Development and National Service⁶

Minister of Youth Development and National Service

- Hon. Foster Cummings, MP

Permanent Secretary (Ag.) - Mr. Farook Hosein

Deputy Permanent Secretary - Mrs. Cherryl-Ann Solomon

⁶ <https://mydns.gov.tt/> accessed on August 5, 2022

Issues and Recommendations

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

1. Status of Outstanding Financial Statements

NEDCO still has not provided Parliament with the information needed to understand the company's financial position and risk exposure. NEDCO has neither completed nor submitted its audited financial accounts for the period 2018-2021 to its line Ministry and thereafter the Ministry of Finance for laying in the Parliament. Officials from NEDCO stated that the late audits were because of the change of auditing firms and the impact of the Covid-19 Pandemic. From inception, NEDCO's external auditors from 2002 to 2017 was Pannell Kerr Forster.

The company's current auditors are Grant Thornton Orbit Solutions Limited who were hired in May 2020 to audit NEDCO's accounts for period 2018-2021. The total cost for auditing the accounts for the four years (2018-2021) was \$630,000 with it costing NEDCO approximately \$157,500 per audit year. The amount paid to the external auditor at the time of the public hearing was \$335,846.25, with an outstanding balance of \$294,153.75. NEDCO's Chairman stated that, the company decided to simultaneously audit the 2018-2020 financial statements with the 2021 financial statement with the expectation that the audits would be completed by January 2023. NEDCO's Chairman added that the three in one audit was to bring the accounts up to date in the shortest possible time given that that the 2017 audit was completed in 2019.

NEDCO's Deputy Chairman in response to questions, surrounding the three-year wait to change auditors said that the delay in completing the audited financial statements was a "chicken and egg" situation where the auditors could not be selected without an annual general meeting (AGM) which itself could not be convened without the 2017 financial audit being completed. At NEDCO's Eighth AGM held in February 2020, the 2017 audited financial statements were accepted thus allowing the process of changing auditors to commence. Grant Thornton Orbit Solutions Limited was awarded the contract after a request for proposals was issued in keeping with all procurement protocols, including approval from the Ministry of Finance's Investment Division.

NEDCO's Chairman informed the Committee that because of the Covid-19 Pandemic, files needed to complete the audit were inaccessible until December 2021. The external auditors' actual in-house physical access to the company's financial records only commenced in January 2022.

Recommendation:

- ***NEDCO should submit a status update on the completion and subsequent submission of the company's outstanding financial statements to the Ministry of Finance to Parliament by April 24, 2023.***

2. Status of NEDCO's Procurement Policy and Procedures

In light of the amendments made to the Public Procurement and Disposal of Public Property Act on December 08, 2020, and the passing of the Public Procurement and Disposal of Public Property Regulations on the February 08, 2022, NEDCO's Tenders Committee sought to review its Procurement Acquisition and Disposal Policy and Procedures, which was last amended in April 2021. At the time of the public hearing, NEDCO's CEO stated that the procurement policy was in the final stages of attaining Board approval of the adjustments and corrections of the draft document needed to align it with the recently passed procurement regulations. NEDCO's CEO also stated that the organization has been in constant liaison with the Office of Procurement Regulation (OPR) during the development of the company's draft Procurement Acquisition and Disposal Policy and Procedures. During the Procurement Legislation's draft form, NEDCO instituted a designated Procurement Unit comprising two (2) officers to satisfy the staffing needs of the unit. The early process changes the Procurement Unit implemented included:

- i. compiling of a registered list of suppliers and service providers,
- ii. enter and launch e-tendering services to the company's stakeholders; and
- iii. offering public procurement awareness training to heads of departments.

NEDCO also indicated its Procurement Unit completed monthly returns to ensure and confirm compliance with the regulatory framework through:

- i. Monthly Return of Award of Contract to the Ministry of Finance, Investments Division, fourteen (14) days after the end of each month; and
- ii. Report of Sale of company assets to the Board of Directors, one (1) week prior to the Board Meeting.

Recommendation:

- ***NEDCO should submit a status update on the completion, Board approval and subsequent implementation of the company's Procurement Acquisition and Disposal Policy and Procedures to Parliament by April 24, 2023.***

3. Status of Internal Fraud Policy

NEDCO currently has a draft Internal Fraud Policy that is given to employees during orientation. During the public hearing, NEDCO's Human Resources (HR) Manager indicated that the policy was at the time, being revised to meet the company's current internal and external business environment. The revisions to the draft Internal Fraud Policy were being spearheaded by the HR Manger in collaboration with the company's draft Internal Audit Department for submission to NEDCO's CEO for subsequent review and feedback. Following the CEO's review, the Draft Policy would be transmitted to the Human Resource Committee of the Board for review and after the Board as a whole for further review. After the Board's review, the draft policy would be submitted for the employee majority represented trade union for feedback. Once the trade union's satisfaction has been guaranteed, a final draft will be prepared for Board approval. NEDCO's HR Manager indicated that with all the different stages of reviews that will need to be processed, permitting no disruptions, an approved policy could be in effect from November 2022. In NEDCO's written submissions to the Committee, on the processes involved in detection, investigation and prevention of fraudulent activities, the following was stated: *"In the absence of written procedures, any fraudulent activities will be referred to the Internal Audit Department. Written procedures will be drafted for review and approval by the CEO."*

Recommendation:

- ***NEDCO should submit a status update on the completion, Board approval and subsequent implementation of the company's Internal Fraud Policy to Parliament by April 24, 2023.***

4. Change in NEDCO's Mandate following its realignment to MYDNS

An organization's mandate justify the organisation's reason for existing and also guides the strategic planning process by solidifying and pinpointing the direction the organisation needs/wants to go with the directives it must accomplished. Since NEDCO's last appearance before the Committee in 2017, the company's mandate had been revised to include the following seven (7) objectives:

- i. Financing – The provision of financing to micro and small businesses, including but not limited to, loans, equity and quasi-equity financing and working capital financing;
- ii. Training and Advisory – Provision of training via short courses and business advisory services to small business clients;

- iii. Policy and Strategy Development – The development of policies and strategies that aid in the development of small enterprises;
- iv. Nationwide Coordination of Entrepreneurship Development – The coordination of all entrepreneurship development programmes receiving Government support, in order to ensure greater collaboration amongst the entrepreneurship development programmes and thus more effective performance;
- v. Partnership development with Public and Private Sector – The establishment of partnerships with public sector, private sector and other non- governmental organizations in the development and implementation of small enterprise development programmes;
- vi. Development of Market Networks – The development and implementation of market networks to support small enterprise development, including access to public procurement opportunities; and
- vii. Establishment of Advocacy System – The establishment of an advocacy system to ensure that there is action to proactively and reactively address the legitimate concerns of the small enterprise sector.

Additionally, NEDCO's Mandate was expanded to include a strategic alignment with its line ministry, the Ministry of Youth Development and National Service (MYDNS) to be the executing body of the National Youth Policy Pillars assigned to the MYDNS. The intended execution of this would be the rolled out via NEDCO's 2022-2025 Strategic Plan.

Observation:

- *The Committee notes the new mandate of NEDCO and its strategic realignment under the MYDNS to promote youth empowerment and involvement in entrepreneurial development programmes.*

Recommendation:

- *The MYDNS should put in place measures to evaluate the success and long-term impact of the mandate on supporting small enterprises and provide an update to Parliament by April 24, 2023.*
- *NEDCO should submit the following information related to its Business Advisory Programme to the Parliament by April 24, 2023:*
 - *How the business advisory programme is set up and what it involves;*
 - *What suite of services are offered to any one micro or small business at different stage of operation and the number of staff allocated to do this;*

- *How many businesses receive these services on a monthly/annual basis;*
- *The step by step process of how a newly established small/micro enterprise would receive business advisory services through each stage of its operation starting from initial application;*
- *Whether there is a monitoring mechanism in place through the business advisory services, to gauge the progress the MSE businesses make in fully developing and establishing themselves as viable businesses whilst receiving these business advisory services; and*
- *How is NEDCO involved in the recently launched SME marketplace with the Ministry of Finance?*

5. MYDNS's Role in Supporting Youth and Micro Entrepreneurs

MYDNS was established in 2020 and aims to positively influence the diverse 468,000 - member youth population defined as persons between the ages of ten (10) to thirty-five (35) years. The MYDNS guided by the National Youth Policy (2020-2025) which focuses on the empowerment and strategic engagement of this country's youth population, as co-creators of sustainable development initiatives. Having recognised the importance of Micro and Small Medium Enterprises (MSMEs) to the overall development of the national economy and society, the MYDNS was given the responsibility of creating a supportive entrepreneurship environment to anticipate and respond to MSME development needs.

Through its entrepreneurial hub support services, the MYDNS expects young persons to acquire training in business operations and entrepreneurship. After the realignment, NEDCO was tasked with supporting the MYDNS's activities that strategically focused on National Youth Policy Pillar 1– Prioritizing Youth Economic Participation and Empowerment. These activities include:

- i. Improving the policy environment and institutional frameworks for youth led MSMEs;
- ii. Facilitating access to finance and business development services such as business coaches and mentors for youth entrepreneurs; and
- iii. Supporting the development of a suite of financing options for young entrepreneurs and MSMEs through loan guarantee facilities, alternative financing mechanisms and micro finance schemes.

Recommendations:

- *NEDCO should submit a status update which clearly defines how the company is involved in supporting the activities of MYDNS and the associated benefits derived from the National Youth Policy Pillar 1 – Prioritizing Youth Economic Participation and Empowerment to Parliament by April 24, 2023; and*
- *Given that the number of persons aged 15-29 years continues to account for the largest segment of the unemployed population (see Review of the Economy 2022 p. 101), NEDCO should submit to the Parliament by April 24, 2023 a report on how it intends to measure the impact of the company’s activities under the National Youth Policy Pillar 1 – Prioritising Youth Economic Participation and Empowerment on reducing youth unemployment.*

6. Competition from other Financial Institutions and Support Service Providers

NEDCO’s operations have been threaten by competition from commercial banks, credit unions, other financial institutions and multiple service providers encroaching upon the MSME support services market. NEDCO sought to manage its processes, grow its loan portfolio and be adaptable to economical and societal changes through offering superior support service and loan products. The administration of NEDCO’s Business Accelerator Programme also gives the company a competitive advantage over those other financial institutions trying to present themselves in the MSME market. The Business Accelerator Programme, provides persons with specific training options to support their particular business engagement and financial support to ensure the success of their businesses. NEDCO, also offers community outreach, where the company goes out to communities offer training, providing mentorship and individual business advisory services. These special engagements with entrepreneurs was called the “holding hands initiative” that ensured the services provided were particularly catered to a particular entrepreneur. It was further stated that NEDCO provides synergies with other stakeholders/agencies within the business development sphere such as the Agricultural Development Bank (ADB), exporTTI, or EximBank to provide that ecosystem of engagement to ensure that the entrepreneurs can be successful. NEDCO reaffirmed that the company is in a unique space where it generates entrepreneurial specific support that other financial situations or service providers would not attempt, and was committed to improving the performance of Trinidad and Tobago’s economy, the company is the best option for MSMEs.

Recommendation:

- ***NEDCO should provide a detailed status report to Parliament by April 24, 2023 on:***
 - ***a list of entrepreneurial specific support services it can provide to young entrepreneurs that would improve the company's competitiveness in micro finance;***
 - ***the marketing strategies it intends to implement to bring awareness to its support services;***
 - ***how the company ascertains whether the services provided contributes to the 'success of entrepreneurs';***
 - ***how does the company intends to participate in the recently launched SME Market Place by the Ministry of Finance to prevent duplication of efforts; and***
 - ***the challenges faced in executing these support services.***

7. Challenges implementing Strategic Plans

NEDCO's Strategic Plan for the period 2019 to 2023 was completed in May 2018 and sought to implement the significant changes enshrined in its new mandate and direction as approved by the Government. Having completed a staff rationalisation and branch consolidation exercise in 2018, NEDCO focused on regularising of its financial operations, the realignment of positions and rebranding which included an expansion of services. To ensure efficiency and effectiveness, a pivotal component of the Strategic Plan was the path to viability and sustainability via financial restructuring undertaken through a revised balance sheet and strategies to reduce costs. The then line Ministry – the Ministry of Labour and Small Enterprise Development (MOLSED) appointed the ministry's consultant to liaise with NEDCO's management to undertake a revision of the document. NEDCO eventually procured the services of a consulting firm to assist management with a revision of the strategic plan. That exercise however became protracted with the onset on Covid-19 Pandemic in March 2020.

With the realignment to the new line Ministry - the MYDNS, NEDCO prepared another strategic plan for the period 2020 to 2025 to ensure alignment with the MYDNS. The Permanent Secretary (PS) in the MYDNS indicated that the Ministry was newly establishment and without a National Youth Policy to guide the MYDNS's operations and by extension NEDCO as its support system. This would lead to two (2) years elapsing before NEDCO could implement its Strategic Plan for the period 2022

to 2025. NEDCO's CEO indicated that the 2022-2025 strategic plan was essentially done in-house, with the support of a consultant costing \$20,000. MYDNS's PS further stated that NEDCO submitted its 2022-2025 Strategic Plan a week prior to the public hearing with the Public Accounts (Enterprises) Committee (PA(E)C).

Recommendation:

- ***NEDCO should submit a status update on the review of its 2022-2025 Strategic Plan by the MYDNS and the company's formal implementation of said Strategic Plan to Parliament by April 24, 2023 stating the following:***
 - *plans to ensure each objective could be delivered;*
 - *how success would be measured;*
 - *a procurement plan for all procurements involved in delivering the above objectives; and*
 - *the timeline for evaluating the outcomes of the plan.*

8. Transitioning businesses from informal to formal economy

An informal economy is the part of any economy that is neither taxed, regulated, monitored nor afforded any form protection by the government. For enterprises, formalization means bringing them within financial and legal regulations with the advantages and obligations that this entails. On shifting businesses from the informal to the formal economy, NEDCO's CEO highlighted that the company's Business Accelerator loan – (NEDCO's main approach in assisting youths in challenged areas) attracted four thousand (4,000) applications, seven hundred (700) of which weren't registered businesses. NEDCO's task of bringing persons from the informal to the formal business environment has been an activity lead by NEDCO's CEO who stated that it was a matter raised it with the Deputy PS at MYDNS regarding the type of support the Ministry could provide to promote the "ease of doing business" through NEDCO, for the registration of these entrepreneurs. One benefit raised by NEDCO was that persons unable to afford the \$700 to \$2,000 fees service providers charge business to become registered, could visit NEDCO and have the activity done free of charge as a way of eliminating that initial deterrent MSMEs face when considering whether to register their business.

Recommendations:

- *NEDCO should market and advertise its free business registration services to encourage participation from the general public showing the various support services young entrepreneurs can access free of charge.*
- *NEDCO should develop a strategy to help businesses transition from the informal to the formal economy. This strategy should be submitted to Parliament by April 24, 2023.*
- *NEDCO should consider offering complementary one hour business advisory services sessions which is currently offered at \$100/hr to encourage MSEs to seek support to comply with basic requirements necessary to operate a business.*
- *NEDCO should submit a status report detailing any statistics that highlight the effectiveness of NEDCO's services in transitioning businesses from informal to formal economy to Parliament by April 24, 2023.*

9. Additional Support to the light manufacturing industry

One of NEDCO's strategic visions is to significantly support the diversification of Trinidad and Tobago's economy, by stimulating the growth of the businesses involved in the light manufacturing sector. Since December 2021, there has been an increase in people approaching NEDCO seeking entrepreneurial loans. However, officials from NEDCO stated that most of these applicants were from the retail sector. NEDCO's loan portfolio as at September 31, 2017 showed that of the 1,727 businesses NEDCO was engaged with at the time, only eighty-seven (87) businesses were from the light manufacturing sector. Notwithstanding this, in February 2021, NEDCO signed a Memorandum of Understanding with the Caribbean Industrial Research Institute (CARIRI) to allow the sharing of resources in a bid to support light manufacturing. Officials from NEDCO indicated in June 2022, CARIRI and NEDCO would be hosting a webinar informing light manufacturers of CARIRI services (product development and certification) whilst being financially supported by NEDCO. NEDCO hoped that within one (1) years' time growth in the light manufacturing sector would be observed attracting prospective entrepreneurs to the sector and in turn approach NEDCO for their loan needs. In the most prior, NEDCO's CEO stated that different models surrounding the terms of engagement between the NEDCO, CARIRI and the entrepreneur were developed so that direct engagement would always be maintained by all involved.

Observation:

- *The Committee notes NEDCO and CARIRI's collaborative efforts to develop and support the light manufacturing sector.*

Recommendations:

- *NEDCO should submit a report by April 24, 2023 on the following:*
 - *The company's strategy to target the increase in number of MSEs in light manufacturing through its collaboration with CARIRI and the respective timeline*
 - *The percentage or number increase in MSEs in light manufacturing targeted.*
- *NEDCO should provide an update to Parliament by April 24, 2023 on the company's progress in encouraging the growth in the light manufacturing sector.*

10. Removal of \$66 million from NEDCO's loan portfolio in 2017

NEDCO lacks a clear plan to tackle the mountain of bad debt which had been built up over the period 2002 to 2017. At the 2017, year-end NEDCO moved three thousand six hundred and thirty-one (3,631) client accounts to its bad debt ledger. These bad debts accounts were approximately \$66 million in loans deemed irretrievable from inactive accounts for the period 2002 to 2017. NEDCO's Chief Financial Officer (CFO) stated that in accordance with International Financial Reporting Standards (IFRS) 9: Financial Instrument, the non-active accounts were transferred from the active portfolio to the bad debt ledger for further action. NEDCO's CEO explained that the transfer of the inactive accounts to the bad debt ledger was the approach company would be taking going forward.

Recommendation:

- *NEDCO should develop a plan to manage the increased levels of irretrievable debts that constitute its loan portfolio and provide a status report on the development of same to Parliament by April 24, 2023. The plan should include:*
 - *Target levels it will maintain at the end of each fiscal year;*
 - *Measures to monitor and evaluate its loan portfolio to prevent losses from delinquent/inactive accounts;*
 - *Measures to improve compliance on debt repayments in the company's loan portfolio; and*

- *Details on how the write offs will be managed.*

11. Opportunities for Challenged Communities

NEDCO's Business Accelerator Programme (BAP)⁷ is a 12-month programme which will equip young entrepreneurs with effective tools to compete in the market through access to entrepreneurial development training including:

- i. Small Business Financing;
- ii. Entrepreneurial Training; Mentorship;
- iii. Product Development;
- iv. Research Analytics and
- v. Prototyping Services.

Additionally, particular focus was placed on enhancing practical application guided by business practitioners and subject matter experts. Officials from NEDCO stated that a main focus of the Business Accelerator Programme is to provide business development training to entrepreneurs in high-risk areas. With NEDCO aiming to change the conversation in terms of youth development and entrepreneurship, "challenged communities" were approached as priority communities. NEDCO's Chief Entrepreneurial Development Officer stated that, as the company prioritised the needs and services required by entrepreneurs in high-risk areas, community development and cooperation occurred. It was stated that to meet the needs of prospective entrepreneurs, work with various Ministries to design programmes needed to be accomplished. This was being done using technologies such as NEDCO's webinar services to communicate and engage with the priority communities identifying their needs and having programmes tailored specifically to satisfying these needs. Through those assessments, NEDCO hopes to design training and loan products that can transition young persons in priority communities to become employers rather than employees.

Recommendations:

- ***NEDCO should submit a status update on the company's design of training and loan products tailored specifically to young persons in priority communities to Parliament by April 24, 2023;***

⁷ <https://nedco.gov.tt/index.php/other-services/business-accelerator-programme-bap> accessed on August 5, 2022

- *NEDCO should submit a statement on whether consideration can be given to prioritizing potential youth entrepreneurs in high-risk sectors in addition to entrepreneurs in priority communities to Parliament by April 24, 2023; and*
- *NEDCO should submit a report on the locations it deems high-risk areas and the determining factors used to categorize each as a high-risk area to Parliament by April 24, 2023.*

12. Entrepreneurial Relief Grant Programme

The Entrepreneurial Relief Grant⁸ (ERG) programme, targeted eligible micro and small enterprise operators who were negatively impacted by the Covid-19 pandemic. It allowed eligible applicants—(Trinidad and Tobago nationals/legal residents) an opportunity to receive a grant to reboot their businesses. Businesses owners/operators could access up to \$20,000 to offset operations, upgrade equipment and purchase inventory and finance repairs. NEDCO exhausted the \$30 million allocation for its ERG programme after receiving 5,457 applicants for the programme, but only 3,373 successful applicants were processed. NEDCO’s Chairman indicated that the company approached the Ministry of Finance (MoF) for a supplementation of \$20 million to continue processing the remaining successful applicants towards the end of fiscal 2022. NEDCO’s Chairman stated that the company would conduct a survey on recipients to evaluate their operations in the post-allocation phase and generate a report on the survey’s findings.

Observation:

- *The Committee notes NEDCO’s administration of the ERG as a way of assisting eligible micro and small enterprise operators who were negatively impacted by the Covid-19 pandemic.*

Recommendations:

- *NEDCO should provide a status report on the criteria used to determine an entrepreneur’s eligibility for accessing the Entrepreneurial Relief Grant and how*

⁸ <https://nedcottfunding.com/> accessed August 5, 2022

applicants are screened to prevent persons from accessing multiple grants to Parliament by April 24, 2023

- *NEDCO should submit a status update on the report on the benefits derived from the utilisation of the grants and the uses of the additional \$20 million received to Parliament by April 24, 2023.*
- *NEDCO should submit a status update on how it intends to spend any additional allocation under the Business Accelerator Programme by April 24, 2023.*

Conclusion

In light of the above, the Committee notes the emphasise towards youth development and entrepreneurship that NEDCO based its operations on as well as the oversight role played by the MYDNS in ensuring that National Youth Policy Pillar 1 – Prioritizing Youth Economic Participation and Empowerment is achieved effectively.

The Committee anticipates that the company will continue to strategically engage the youth population with its wide suite of entrepreneurial development services such as micro financing; entrepreneurial training; business assessment; mentorship; business advisory; and client-focused services. With the ultimate goal of diversification and improving the ease of doing business for MSEs by sustainably fostering and growing a competitive light manufacturing industry the Committee looks forwards to NEDCO’s work positively influencing the economy for many years to come.

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

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

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

Sgd.
Mr. Wade Mark
Chairman

Sgd.
Mr. Rushton Paray, MP
Vice-Chairman

Sgd.
Ms. Amrita Deonarine
Member

Sgd.
Ms. Renuka Sagramsingh-Sooklal
Member

Sgd.
Mr. Fitzgerald Hinds, MP
Member

Sgd.
Mrs. Laurel Lezama- Lee Sing
Member

Sgd.
Mr. Keith Scotland, MP
Member

Sgd.
Mr. Stephen Mc Clashie, MP
Member

**THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE –
SECOND SESSION, TWELFTH PARLIAMENT
MINUTES OF THE TENTH MEETING HELD VIRTUALLY ON
WEDNESDAY, JUNE 01, 2022 AT 9:31 A.M.**

Present were:

Mr. Wade Mark	-	Chairman
Mr. Rushton Paray	-	Vice-Chairman
Ms. Amrita Deonarine	-	Member
Mrs. Laurel Lezama-Lee Sing	-	Member
Mrs. Renuka Sagrarsingh-Sooklal	-	Member
Mr. Keith Scotland	-	Member
Ms. Keiba Jacob	-	Secretary
Ms. Hema Bhagaloo	-	Assistant Secretary
Ms. Rebecca Rafeek	-	Procedural Officer (Intern)
Mr. Darien Buckmire	-	Graduate Research Assistant

Excused was:

Dr. Nyan Gadsby-Dolly	-	Member
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Absent was:

Mr. Fitzgerald Hinds	-	Member
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CALL TO ORDER

- 1.1 At 9:31 a.m., the Chairman called the meeting to order and welcomed those present. Dr. Nyan Gadsby-Dolly was excused from the meeting.

THE EXAMINATION OF THE MINUTES OF THE NINTH MEETING

- 2.1 The Committee examined the Minutes of the Ninth (9th) Meeting held on Wednesday March 2, 2022.
- 2.2 There being no omissions or corrections, the Minutes were confirmed on a motion moved by Mr. Rushton Paray and seconded by Mrs. Laurel Lezama-Lee Sing.

MATTERS ARISING FROM THE MINUTES OF THE NINTH MEETING

- 3.1 With reference to item 3.2, page 2: The Chairman informed Members that the responses to the request for additional information sent to the National Schools Dietary Services Limited and Ministry of Education were received by the Secretariat on March 31, 2022 and used to draft the Committee's Report.

- 3.2 With reference to item 9.2, page 5: The Chairman informed Members that the responses to the request for additional information sent to the Ministry of Housing and Urban Development and East Port of Spain Development Company Limited were received by the Secretariat and used to draft the Committee's Report.

The responses to the request for additional information were uploaded to the Rotunda (e-repository).

PRE-HEARING DISCUSSION RE: NATIONAL ENTREPRENEURSHIP DEVELOPMENT COMPANY LIMITED (NEDCO)

- 4.1 The Chairman reminded Members that the purpose of the virtual public hearing was to examine the Audited Financial Statements of the National Entrepreneurship Development Company Limited (NEDCO) for the financial year 2017 and follow-up on the implementation of the recommendations in the Committee's Tenth Report from the 11th Parliament.
- 4.2 The Chairman invited Members to raise any issues or questions on the examination into the audited accounts, balance sheets and other financial statements of the NEDCO of 2017 and follow-up on the implementation of the Recommendations in the Committee's Tenth Report from the 11th Parliament.

SUSPENSION

- 5.1 The Chairman suspended the meeting at 9:52 a.m. to reconvene in camera and thereafter in public.

RESUMPTION

- 6.1 The Chairman reconvene in camera at 10:08 a.m. for Members to discuss the issues of concern and the general approach for the public hearing.
- 6.2 There being no further business for discussion in camera, the Chairman suspended the meeting at 10:15 a.m. to reconvene in public.

AN INQUIRY INTO THE AUDITED FINANCIAL STATEMENTS OF THE NATIONAL ENTREPRENEURSHIP DEVELOPMENT COMPANY LIMITED (NEDCO) FOR THE FINANCIAL YEAR 2017 AND FOLLOW ON THE IMPLEMENTATION OF THE RECOMMENDATIONS IN THE COMMITTEE'S TENTH REPORT FROM THE 11TH PARLIAMENT

- 7.1 The Chairman called the public meeting to order at 10:16 a.m.
- 7.2 The following officials joined the meeting:

National Entrepreneurship Development Company Limited (NEDCO)

- Mr. Clarry Benn - Chairman
- Dr. Mahindra Ramesh Ramdeen - Deputy Chairman
- Ms. Willa Guy-Straker - Director
- Mr. Calvin Maurice - Chief Executive Officer
- Mrs. Nicole Samuel - Corporate Secretary
- Mrs. Delisa Emmanuel - Chief Financial Officer
- Mrs. Chrystal Bradshaw-Bramble - Chief Credit Risk & Recoveries Officer
- Mrs. Karen Carraballo - Business Analyst (Ag.)
- Mr. Makesi Alexander - Strategic Planner
- Ms. Lisa Robinson - Manager, Human Resource & Administration
- Mrs. Vedia Beharrylal - Manager, Internal Audit

Ministry of Youth Development and National Service (MYDNS)

- Mr. Farook Hosein - Permanent Secretary
- Ms. Cherryl-Ann Solomon - Deputy Permanent Secretary
- Mr. Marlon Mills - District Coordinator, Enterprise

Development

Division (EDD)

Ministry of Finance – Investments Division

- Mrs. Sharon Mohammed - Director, Agro-Based Manufacturing and Services Sector (Ag.)
- Mrs. Melba Issa - Business Analyst (Ag.)

7.3 Key Issues Discussed:

- The status and impact of the restructuring and rebranding of NEDCO;
- The reduction in the number of branch outlets of NEDCO;
- The implementation of NEDCO's policies and procedures from 2018;
- The impact of the COVID-19 pandemic on the company's ability to achieve its mandate;
- The status of the completion of NEDCO's 2018 to 2021 audited financial statements and the timeline for their submission to Parliament;
- The role of the Ministry of Finance – Investments Division in the procurement process for the selection of an external auditor for NEDCO;
- The status of NEDCO's Procurement Policy and Procurement Procedures Summary Guide;
- The status of NEDCO's Fraud and Whistle-Blowing policy;
- The role of NEDCO in shifting businesses from the informal to formal economy;
- The NEDCO's realignment to MYDNS in 2020;
- The status of NEDCO's inability to quantify the restructuring exercise that occurred during the company's realignment from the Ministry of Labour and Small Enterprise Development to MYDNS;
- The status of NEDCO's new mandate as a result of the realignment to the MYDNS;
- The status of the Strategic Plan for 2022-2025;

- The role of NEDCO in positively influencing the advancement of youth in the small enterprises sector;
- The impact of the online platform for the Entrepreneurial Relief Grant program;
- The projects implemented by NEDCO to assist youth development in entrepreneurship;
- The community outreach projects of NEDCO;
- The reasons for a change in auditors;
- The status of the expenditure incurred by NEDCO for the external auditors to audit the 2018 to 2020 financial statements;
- The rationale for conducting simultaneous audits of the financial statements for the years 2018 to 2020 as opposed to doing each statement at that particular year end;
- The year NEDCO removed its previous external auditor and the year NEDCO appointed its current external auditor;
- The reasons for the delays in appointing a new external auditor;
- The training offered to sensitise staff of the Procurement Legislation;
- The status of NEDCO's collaboration with the Caribbean Industrial Research Institute (CARIRI) to remove the barriers to entry to the light manufacturing industry;
- The \$66 million in loans written-off in 2017 due to delinquent accounts;
- The status and impact of NEDCO's nonperforming loan portfolio on the company's operations;
- The plans in place to target the youth in challenged communities ;
- The structure and operations of NEDCO's Finance and Business Development Committee;
- The status of NEDCO's administration of the Entrepreneurial Relief Grant program; and
- The recommendations by the PA(E)C to strengthen the efficiency, effectiveness and economics of NEDCO.

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

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

SUSPENSION

- 9.1 At 1:03 p.m., the Chairman suspended the public meeting to resume in-camera for a post-mortem discussion with Members only.

ADJOURNMENT

- 11.1 At 1:04 p.m. the Chairman informed Members that a post-hearing discussion will be held at the next meeting. There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned to June 15, 2022 at 9:30 a.m. The committee will examine the Audited Financial Statements of the Telecommunications Services of Trinidad

and Tobago (TSTT) for the financial year 2017 to 2021 and follow-up on the Implementation of the recommendations in the Committee's Ninth Report, from the 11th Parliament.

11.2 The adjournment was taken at 1:07 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

June 1, 2022

ADDITIONAL INFORMATION

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

Request for Additional Information – Questions to the NEDCO

1. What is the timeline for the completion and submission of NEDCO's audit financial statements for the years 2018, 2019, 2020 and 2021 to the Ministry of Finance for laying in the Parliament?
2. Provide a copy of the contractual agreement between NEDCO and Grant Thornton ORBIT Solutions Limited to audit the company's 2018, 2019 and 2020 financial accounts.
3. Provide a copy of NEDCO's approved Procurement Policy.
4. Provide a copy of NEDCO's approved Whistleblower Policy.
5. Provide a copy of the chairman's opening statement to the public hearing.
6. How many businesses were registered as a result of NEDCO's assistance?
7. What is the status of the loans in NEDCO's bad debts ledger as at September 30, 2017?
 - o Why was the loan written off?
8. Provide a detailed breakdown of the \$66,183,283 in loans written off from allowance for impairment per bad debtor.
9. What was the impact of NEDCO's nonperforming loans and inactive accounts on the company's established key performance indicators?
10. How many businesses has NEDCO shifted from informal economy to formal economy?
11. Where are the current branches of NEDCO?
12. What plans has NEDCO developed to target youths in challenged communities?
13. What is NEDCO's marketing strategy when targeting youths in challenged communities?
14. With regards to NEDCO's realignment to the Ministry of Youth Development and National Service, how does the company provide entrepreneurial services to challenged communities?
15. How does NEDCO strategically link itself with the Trinidad and Tobago Civilian Conservation Corps?
16. What criteria is required to access the Entrepreneurial Relief Grant?
 - o Who is the Entrepreneurial Relief Grant's targeted clientele?
 - o How did NEDCO spread awareness of the Entrepreneurial Relief Grant?
 - o How many applications were received in total?
 - o What is NEDCO's application approval process?
 - o What checks are conducted to ensure individual persons/businesses do not receive multiple Entrepreneurial Relief Grants?
 - o How long on average does a person take to receive their grant?
 - o How much money on average does each successful applicant receive?

- What oversight is maintained by NEDCO to ensure that grants are used as intended?
17. What Strategic Plan has NEDCO been utilizing since its realignment under the with Ministry of Youth Development and National Service in 2020 given that the company indicated that it submitted its 2022 to 2025 Strategic Plan a week prior to the public hearing?
 - a. Was the company still using the 2019 to 2023 Strategic Plan it developed whilst under the Ministry of Labour and Small Enterprise Development?
 18. What recommendations could the PA(E)C recommend to the Parliament to strengthen NEDCO and improve the efficiency, effectiveness and economics of its operations?
 19. Provide a listing of all the applications for the Entrepreneurial Relief Grants in the following format: (NAME OF BUSINESS, NAME OF DIRECTORS OR (SOLE PROPRIETOR) ADDRESS, TYPE OF BUSINESS, REGISTERED/NOT REGISTERED)
 - Identify the ones that were approved and the value of each approved grant.
 - Identify the ones which were not approved and the reason for rejection.
 20. What major redirection did NEDCO have to make when line Ministries changed?
 21. In terms of Youth Entrepreneurship, has NEDCO determined the opportunities for Businesses of the Future as to guide / mentor young persons wanting to enter business?
 - If yes provide examples.
 - The number of beneficiaries.
 22. Are these business opportunities in line with the Country's Strategic Direction?
 - If yes in what ways?
 23. Given that NEDCO operated as a lending agency to aid entrepreneurial development for the country and not as a bank that only seeks to recover its loan, apart from revamping its loans portfolio to prevent bad debtors, what support mechanisms, if any, were implemented to help ensure the success of the entrepreneurial endeavours in which the government chose to invest for that financial period?
 24. Did NEDCO implement a company-wide KPI system during the period under review? If yes what KPIs were set each year?
 - How were the KPIs evaluated?
 - How did NEDCO fair in terms of meeting those KPIs?
 25. It was indicated in the update that NEDCO lowered its operating expenses by switching to an online delivery of fee-based subscriptions from April 2020. How did the number of entrepreneurs that registered for these fee-based subscriptions via its online deliverance compare to the number of entrepreneurs that registered in the previous years?

Questions Arising From Written Submissions

General Questions

Based on the Responses to Question 1, page 9

1. What was the rationale of the seven objectives added to NEDCO's mandate?
2. How does each objective fit into NEDCO's roles and responsibilities?
3. Were there any changes to NEDCO's organisational structure with the revised mandate?
4. Have there been any challenges with regard to the achievement of the seven new objectives?
 - a. If yes, state?
5. In relation to the seven objectives, state the following:
 - a. The ways financing will be provided to small businesses;
 - b. The number of small businesses who benefited from this opportunity;
 - c. Who will be providing the training via short courses and business advisory services to small business clients?
 - The number of clients who benefited;
 - The cost of the entity to provide this service;
 - d. How did the development of policies and strategies aid the development of small enterprises? Provide an example.
 - e. How does NEDCO ensure greater collaboration amongst the entrepreneurship development programmes that receive Government support?
 - i. Which entrepreneurship development programmes receive Government support? State the 'Government Support' provided.
 - f. How does NEDCO establish partnerships with public sector, private sector and other non- governmental organizations in the development and implementation of small enterprise development programmes?
 - i. Which public sector, private sector and other non- governmental organizations have NEDCO partnered with to develop and implement small enterprise development programmes?
 - ii. Which small enterprise development programmes were established from these partnerships?
 - iii. What was the role of each public sector, private sector or other non- governmental organization in the process?
 - g. What does the development of 'market networks' entail?
 - i. How many market networks have been developed and implemented?
 - ii. How many small enterprises have been developed after being supported by NEDCO's market networks?
 - iii. What opportunities have small enterprises benefited from through the market networks?

- h. What is the status of the establishment of an advocacy system to ensure that there is action to proactively and reactively address the legitimate concerns of the small enterprise sector?
 - i. What concerns does the small enterprise sector currently have?
 - ii. How does the advocacy system proactively and reactively address the legitimate concerns of the small enterprise sector?
 - i. How was the figure of 468,000 for Trinidad and Tobago's youth population derived?
 - j. How does NEDCO intend to positively influence the growth and development of youth in the small enterprises sector?
6. What does improving the policy environment and institutional frameworks for 'youth led Micro, Small and Medium Enterprises' entail?
 7. How does NEDCO facilitate the access of finance and business development services to youth entrepreneurs?
 - a. What criteria do the youth entrepreneurs need to fulfil in order to access finance and business development services through NEDCO?
 8. What is NEDCO's role in the development of financing options for young entrepreneurs and Micro, Small and Medium Enterprises?

Based on the Response to Question 2, page 10

9. How does someone enrol in one of the several business modules NEDCO offers, especially the Record Keeping and Cash Management, Costing and Pricing, Social Media Strategies and the Legal Aspects of Doing Business modules.
10. How does someone access NEDCO's business advisory services?

Based on the Response to Question 5, page 12

11. How has the enrolment of persons to NEDCO's training modules, business advisory, business accelerator programme and mentorship fared since provision of these were shifted to a virtual format due to Covid-19?
12. How many of NEDCO's clients had to cease operations directly because of the impacts of the Covid-19 Pandemic?
 - a. Which industries did these clients belong to?
 - b. Have any of these clients signalled their intentions to resume operations?
13. How many of NEDCO's clients benefitted directly because of the Covid-19 Pandemic?
 - a. Which industries did these clients belong to?

Based on the Response to Question 6, page 13

14. What will developing a delinquency policy involve?
15. What challenges with respect to delinquency is NEDCO currently facing?
16. When will the delinquency policy be implemented?
17. Which external collection agencies does NEDCO employ?

- a. What recovery actions do they employ?
- b. What is the cost of engaging an external collection agency?

Status of Outstanding Financial Statements

Based on the Response to Question 1, page 15

18. What was the total cost incurred by NEDCO in its abandoned attempt to replace its software with of an entire solution comprised of Dynamics GP, CRM and Binary in 2015?
 - a. What was the reason for the replacement of its software?
 - b. Was NEDCO reimbursed by the vendor for their inability to supply the agreed product when the project was abandoned in 2017?

Strategic Plan

Based on the Response to Question 1, page 18

Year	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Revised Estimate	2022 Estimate
Allocation	\$30,355,000	\$24,000,000	\$22,000,000	\$12,000,000	\$12,000,000	\$19,534,299	\$29,534,000

19. What was the sum of additional funds allocated for fiscal year 2022?
20. Who was the Ministry consultant appointed by the former line ministry- Ministry of Labour and Small Enterprise Development (MOLSED) to liaise with NEDCO's management to undertake a revision of the NEDCO's 2019 to 2023 Strategic Plan?
21. Was NEDCO's in-house team able to complete the revisions to the 2019 to 2023 Strategic Plan without the assistance of a consultancy firm after the changeover to the new line ministry - the Ministry of Youth Development and National Service?
22. What strategies did NEDCO implement to reduce costs with the intention of resulting in a leaner and more efficient company?
 - a. How much cost savings was attached to each strategy implemented?
23. What did staff rationalisation and branch consolidation exercise in 2018 involve?
 - a. How did this affect NEDCO's organisational structure and staff complement?
 - b. What was to cost of the staff rationalisation and branch consolidation exercise in 2018?

Based on the Response to Question 5, page 19

24. What factors have led to low staff morale at the company?
 - a. What attempts have been made to boost staff morale?
 - i. How were these attempts received?
25. Describe a 'Weak Human Resource Information System'.

- a. How long has this problem existed at the company?
 - b. What is being done to rectify this issue in the long-term?
 - c. How is this challenge being handled in the interim?
26. Does the company still possess an inadequate ICT infrastructure despite indicating this problem was addressed in response to Q1a by overhauling the existing hardware and upgrading the Loan operating software –iBOS to the more robust Emortelle operating system?
27. How does competition from banks, credit unions and other financial institutions encroach on the market if NEDCO offers a broader package of services to the micro, small and medium enterprises?
- a. How does NEDCO compete against these other financial institutions?
 - b. Has NEDCO had to diversify its services even more to uphold its competitiveness in the financial market?
 - i. If yes, how?
28. Who are the service providers competing for support services space with NEDCO?
- a. What competitive disadvantages and advantages does NEDCO have in the support services space?
 - i. What is NEDCO doing to close its competitive disadvantage gaps and widen its competitive advantage gaps
29. What are the high operational costs NEDCO incurs annually?
- a. What is the percentage of each to NEDCO's total annual expenditure?
 - b. Has NEDCO been unable to successfully reduce its operational costs despite 'reducing costs' being one of the ways the company had earlier stated that would lead to a leaner more efficient company?
 - c. What measures were instituted in an attempt to reduce NEDCO's high operational costs?

Based on the Response to Question 6, page 21

30. State the following:
- a. The number of jobs created;
 - b. The number clients accessing training and or counselling services at a given point in time;
 - c. Number of new business – successful and unsuccessful
 - d. Number of clientele whose loans was denied by other major financial institutions;
 - e. The number of new and existing clients exporting
 - f. The types of goods exported by each client and the export amount;
 - g. The correlation of NEDCO's input of financial aid and training versus output of new businesses (sustainability, profitability, repayment of loan)
 - h. The number of persons engaged in productive work and exploiting investment opportunities

Risk Management

Based on the Response to Question 1, page 23

31. How long has NEDCO's Risk Management policy been in the development stage?
32. Who did NEDCO engage to assist in the development of the company's formal Risk Management Policy and associated Procedures?
 - a. What was the total cost of the engagement, if any?
33. Has NEDCO received ministerial approvals for its Risk Management Policy and associated Procedures?
34. What is the timeline for the full implementation of NEDCO's Risk Management Policy and associated Procedures?
35. How often will NEDCO's Risk Management Policy and associated Procedures be tested for gaps and potential areas of concerns?
 - a. Who will be responsible for conducting these tests?

Based on the Response to Question 2, page 24

36. Given that NEDCO has the probability of Credit risk, Operational Risk and Reputation Risk occurring as middle,
 - a. Based on NEDCO's client listing, how many new clients, pose a credit risk to the company?
 - i. What happens when a client poses a credit risk to the company?
 - b. What operational inadequacies currently affect the company?
 - i. How long have these operational inadequacies been identified by the company?
 - ii. What attempts were made to reduce the likelihood of these operational risks having a long-lasting impact on the company?
 - iii. What currently needs to be done to ensure that the company's operational risks are a thing of the past and will have a low probability of recurring and affecting the company's operational efficiencies?
 - c. What negative publicity relating to the company's operations is currently or has in the past been circulated in the media?
 - i. Where did these false rumours and fake news originate?

Internal Auditing

Based on the Response to Question 11, page 31

37. How long has NEDCO's Internal Audit Tracker been in use?
38. How long on average does it take for a recommendation to be accepted/implemented and removed from the Internal Audit Tracker?
39. Since the Internal Audit Tracker's inception, what recommendations made by NEDCO's Internal Auditors could not be fully accepted?
 - a. Why was each recommendation unable to be accepted?

40. Which recommendations have been on the Internal Audit Tracker more than a year after the recommendation was made?
 - a. What are the reasons for each identified recommendation taking more than one year to implement?

Audit Report 11 – Accounts Payable and Payment Process - Findings

41. What is the status of the recommendation on the development on the accounts payable and payments policy and procedures?
42. What is the status of the system for the assessments and acceptance of vendors to determine all qualifying criteria and appropriate communication?
43. What is the status of writing to request updated statements of accounts from existing and new vendors?

Audit Report 22 - Audit of Accounts Receivable of NEDCO as at December 31st 2018

and the Receipting Process

44. It was indicated that with the implementation of Emortelle and the completion of the company's restructuring, a team consisting of accounting staff was to be formed with a view to completing a full set accounting and administration of policies (Cash Management; Accounts Receivable; Budgets; Foreign Currency Translations; Insurance; Record Retention and Disposal; Financial Reporting; Chart of Accounts, Policies relating to assets, liabilities and capital; Revenue Recognition and Internal Control) by mid-year 2020 for inclusion in a Finance Manual to replace the Finance & Administration Policies and Procedures Manual of 2004 .
 - a. What is the status of the development and implementation of an overarching Finance Manual?
 - b. What is the status of all the above-mentioned policy documents?
45. What oversight mechanisms were implemented to mitigate the variances detected between the Management Accounts and the General Ledger of the Other Receivables Account
46. What measures were put in place to ensure that the balances of the Rental Deposits Account are properly reviewed to ensure recoverability or write-off of same?
 - a. What is the status of NEDCO's Accounts Receivable Write-off Policy?
 - b. What has been done to ensure that the property lease file is properly maintained, updated, and made current with respect to all relevant correspondences, lease agreements or month to month agreements?
47. What is the status of the review of the Staff Loan Policy and procedures and its incorporation as a Policy in the HR Policy Manual given that it should have been completed by May 31, 2019?
48. What is the status of the development and implementation of a procedural document to guide the classification and posting and reasonableness of prepayments to ensure adequate investigation, reconciliation and corrective actions when discrepancies arise?

49. What is the status of the development and implementation of a Receipting Process Policy and Procedures to dictate the process flow, segregation of duties, authorisation levels and reporting framework over over the custody and record of receipt books?

Audit Report 31– Audit of the Compliance to the State Enterprises Performance Monitoring Manual (SEPMM) and the Company's Regulatory Reporting Requirements for the period January to December 2019

50. What is the status of the implementation of a clear mechanism for recording the dispatch and submission and acknowledgement of delivery for reports and correspondences to NEDCO's Regulatory Bodies and other required recipients as stipulated by the SEPMM?

51. NEDCO was found to be non-compliant in many instances to the deadlines for submission of several documents as stipulated by the SEPMM. Could NEDCO provide a status update on the company's compliance to the deadline for submission for the following documents the company was found to be non-complaint in:

- a. **Strategic Plan** — due six (6) months prior to the period of the Plan to the Investments Division, Ministry of Finance (MOF) and the Line Ministry;
- b. **Annual Budget** — due six (6) months prior to the start of the Financial Year to the MOF and to the Line Ministry;
- c. **Annual Financial Statements** — due within four (4) months after the end of the Financial Year to the Investments Division, MOF and the Line Ministry;
- d. **Publication of up to date unaudited semi-annual financial statements** — due two (2) months after the mid-year date, that is May 31st, subject to the approval of the MOF;
- e. **Annual Performance Appraisal Report (Board of Directors)** — due within four (4) months after the end of the financial year to the Line Ministry;
- f. **Administrative Reports** — due by June 30th for the most recently concluded financial year end to the Line Ministry;
- g. **Internal Audit Reports** — due 14 days after the end of the quarter to the Investments Division, MOF;
- h. **Quarterly Returns Report** — due end of the first month after the quarter to the Investments Division, MOF;
- i. **Monthly Status of the Loan / Overdraft** — due the 7th day of the following month to the Investments Division, MOF;
- j. **Quarterly Status of Investments in Securities Portfolio** — due end of the first month after the quarter to the Investments Division, MOF;
- k. **Quarterly Status of Litigation Proceedings** — due end of the first month after the quarter, to the Investments Division, MOF;
- l. **Minutes of Board Meetings** — due one (1) week following the confirmation of Minutes to the Investments Division, MOF and to the Line Ministry;
- m. **Return of Award of Contracts** — due fourteen (14) days after the respective month end to the Investments Division, MOF; and

- n. **Monthly Cash Statements of Operations** — due within three (3) weeks after the month end to the Investments Division, MOF and to the Line Ministry?
52. NEDCO was found to be non-compliant with many of the Company's Statutory Regulatory Reporting Requirements for the period January to December 2019. Could NEDCO provide and explanation for the reasons why the company was non-compliant to its statutory regulatory reporting requirements in 2019 and what is being done to address same especially when these obligations included the:
- a. Non-Payment of Green Fund Levy/ Business Levy/ Corporation Taxation Returns;
 - b. Late Submission of the TD4 Returns Report;
 - c. Non-Payment of Staff Pension/Annuity Retirement Contributions for certain months;
 - d. Non-Payment of Staff Medical Plan Contributions;
 - e. Non-Payment of Staff Group Life Insurance Contributions; and
 - f. Non-Payment of Directors Liability Insurance?
53. What measures were implemented to ensure compliance to the company's Credit Card Policy and Procedures to eliminate the likelihood of any non-compliance or late payment as a means of preventing penalties/charges to the Organisation and or unauthorised transactions?
54. What measures were implemented to ensure compliance to the company's Bank Reconciliation Policy and Procedures to ensure bank reconciliations were prepared, approved and reported on within the expected 5 working days after the month end?

Project Management

Based on the Response to Question 2, page 32

55. In the absence of a formal Project Management Protocol,
- a. What project management operating principles are currently in use?
 - b. Who approved these project management operating principles for use by NEDCO?

Based on the Response to Question 3, page 32

56. In the absence of a dedicated project management unit and a formal Project Management Protocol, are any of the persons who constitute the project teams qualified to conduct assessments on cost, deliverables and pre-qualification of service providers and suppliers to ensure quality and value for money?
- a. If yes, what formal qualifications do these persons possess?
 - b. How are quality and value for money ensured?

Based on the Response to Question 5, page 32

57. With NEDCO's priority programmes and projects related to the provision of its core products and services, namely loans, training and business advisory services, is there a need for a dedicated project management unit at the company?

Property, Plant and Equipment

Based on the Response to Question 1, page 35

58. What updates do NEDCO's Finance & Administration Policies and Procedures currently require?
59. Who is responsible for ensuring that the latest finance and administration policies are being practiced at NEDCO?
60. Why hasn't NEDCO's Finance & Administration Policy Manual been updated since June 28, 2004 to reflect changes in financial and administrative procedures?

Cash and Cash Equivalent

Based on the Response to Question 1, page 37

61. What are NEDCO current Cash and Cash Equivalent figures?
 1. Provide a current breakdown between
 - i. Cash in Hand;
 - ii. Amount held in bank current account; and
 - iii. Amount held in mutual fund account.

Accounts Receivables and Prepayments

Based on the Response to Question 2, page 39

62. What are NEDCO current Accounts Receivables and Prepayments figures?
 2. Provide a current breakdown.

Based on the Response to Question 3, page 40

63. What is NEDCO's policy with respect to Staff Loans and Other Staff-related transactions?
64. What are the limits on Staff Loans and Other Staff-related transactions?
65. What are the payback terms given to members of staff?

Loans

Based on the Response to Question 1, page 42

66. What is the current breakdown of NEDCO's loan portfolio?
67. What sectors have been added or subtracted from the 2017 loan portfolio provided?
68. Given there are three sectors less from 2016 to 2017, what considerations were made when determining whether to finance a sector or not to finance a sector?

Based on the Response to Question 3, page 43

69. When did the review of NEDCO's policies and procedures that directly impact portfolio quality commence?
 - a. Who is conducting the review?
70. When does NEDCO anticipate the reviews to end so that possible revisions could be made, approved, and adopted?

Based on the Response to Question 4, page 44

71. Are there any follow-up mechanisms in place to ensure that entrepreneurs solely utilise the loans granted for the purpose of small business development i.e., working capital, stock, equipment, or infrastructure purchase?

Accounts Payable and Accruals

Based on the Response to Question 1, page 45

72. What are NEDCO current Accounts Payable and Accruals figures?
 - a. Provide a current breakdown.

Based on the Response to Question 3, page 47

73. What litigation matters were accounted for in fiscals 2016 and 2017?
74. Why did the company experience increases in its payables related to office expenses, insurance, rent, salaries and security respectively in fiscal 2017?

Based on the Response to Question 6, page 48

75. It was earlier stated in the submissions that to resolve NEDCO's shortfall in government funding for its loan programme 'The line ministry MYDNS championed the case for Ministry of Finance to allocate additional funds for Fiscal 2022'. NEDCO has now stated that 'The management of payments to our creditors is an on-going challenge due to significantly reduced Government subventions that are expected to fund an increased mandate for NEDCO in supporting small, micro and medium businesses.' Could a similar effort be made by the line ministry to the Ministry of Finance given that NEDCO is being asked to do more with less?

Other Income

Based on the Response to Question 1, page 49

76. What are NEDCO's' current Other Income' figures?
77. How was NEDCO's ability to generate 'Other Income' affected by the Covid-19 Pandemic?

Based on the Response to Question 3, page 50

78. What is the timeline for the development of the online payment systems for NEDCO's website?
79. What costs have been incurred executing this venture?

Directors' Costs

Based on the Response to Question 2, page 60

80. What overseas travelling occurred in 2017?
 - a. What was the purpose of the travelling?
 - b. Who were the persons in attendance?
 - c. What was the reason for their participation on the trip?
81. Provide a breakdown of the meeting catering and other board-related costs incurred in 2016 and 2017.

- a. How many board meetings were held in 2016 and 2017 respectively?

Staff Costs

Based on the Response to Question 6, page 64

82. What was the cost of the Voluntary Separation of Employment and a Voluntary Enhanced Early Retirement Program (VSEP/VEERP) in 2018?

Based on the Response to Question 9, page 66

83. What training will be provided for in fiscal 2022 with the allocation of \$40,000?
84. How many persons will be participating in the scheduled training?

Based on the Response to Question 11, page 66

85. What outcomes will be expected from each training scheduled to be held in fiscal 2021-2022?
86. Will NEDCO consider the implementation of staff evaluations of the training and training metrics to determine whether a return on investment was derived from trainings?

Based on the Response to Question 12, page 72

87. What were the reasons for the write off of staff loans in 2017?
88. What medical expenses were paid for in 2016 and 2017 respectively?

VERBATIM NOTES OF THE TENTH VIRTUAL MEETING OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE HELD (IN PUBLIC) ON WEDNESDAY, JUNE 01, 2022, AT 10.15 A.M.

PRESENT

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

ABSENT

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

NATIONAL ENTREPRENEURSHIP DEVELOPMENT COMPANY LIMITED

(NEDCO)

Mr. Clarry Benn	Chairman
Dr. Mahindra Ramesh Ramdeem	Deputy Chairman
Ms. Willa Guy-Straker	Director
Mr. Calvin Maurice	Chief Executive Officer
Mrs. Nicole Samuel	Corporate Secretary
Mrs. Delisa Emmanuel	Chief Financial Officer
Mrs. Chrystal Bradshaw-Bramble	Chief Credit Risk & Recoveries Officer
Mrs. Karen Carraballo	Chief Entrepreneurial Development Officer
Mr. Makesi Alexander	Strategic Planner
Ms. Lisa Robinson	Manager, Human Resource & Administration
Mrs. Vedia Beharrylal	Manager, Internal Audit

MINISTRY OF FINANCE – INVESTMENTS DIVISION

Mrs. Sharon Mohammed	Director, Agro-Based Manufacturing and Services Sector (Ag.)
Mrs. Melba Issa	Business Analyst (Ag.)

MINISTRY OF YOUTH DEVELOPMENT AND NATIONAL SERVICE

Mr. Farook Hosein	Permanent Secretary
Ms. Cheryl-Ann Solomon	Deputy Permanent Secretary
Mr. Marlon Mills	District Coordinator, Enterprise Development Division (EDD))

Mr. Chairman: Good morning, and may I welcome everyone to the meeting of the Public Accounts (Enterprises) Committee, in particular, officials from the Ministry of Finance, Investments Division; Ministry of Youth Development and National Service and National Entrepreneurship Development Company Limited (NEDCO). My name is Sen. Wade Mark, and I am the Chairman of the Public Accounts (Enterprises) Committee. May I inform everyone who is here with us this morning, that the Public—this Committee, I should say, on Public Accounts (Enterprises) has a mandate to consider and report to the House on the audited accounts balance sheets and other financial statements of all enterprises that are owned or controlled by or on behalf of the State; the Auditor General’s Report on any such accounts, balance sheets and other financial statements, and whether policy is carried out efficiently, effectively and economically, and whether expenditure conforms to the authority which governs it.

The purpose of this meeting of the Public Accounts (Enterprises) Committee is to examine the audited financial statements of the National Entrepreneurship Development Company Limited (NEDCO) for the financial year 2017, and follow up on the implementation of the recommendations in the Committee’s Tenth Report from the Eleventh Parliament. Our Committee is desirous of hearing the challenges being faced by the key stakeholders at NEDCO in an attempt to determine some of the possible solutions to these challenges.

The role of our Committee is to help (NEDCO) improve its delivery of services in an efficient, effective and economic manner. This meeting is being broadcast live on the Parliament’s Channel 11, on Radio 105.5 FM and the Parliament’s YouTube channel *Parlviev*. Viewers and listeners can send their comments related to today’s enquiry to our email at parl101@ttparliament.org, [facebook.com/ttparliament](https://www.facebook.com/ttparliament), [twitter@ttparliament](https://twitter.com/ttparliament). May I advise our participants and officials that their microphones should remain muted until recognized by the Chair. May I invite our colleagues on

our Committee to now introduce themselves respectively. Members, you can introduce yourselves to our officials from the Ministry of Finance, Youth Development and National Service and NEDCO. Members.

[Introductions made]

Mr. Paray: Chair, I think your audio is off.

Mr. Scotland: Chairman, we are not hearing you.

Mr. Chairman: My apologies. My apologies. May I at this time invite representatives to introduce themselves in the following order: Representatives or officials from the Ministry of Finance, Investments Division; Ministry of Youth Development and National Service; and finally the National Entrepreneurship Development Company Limited, in that order? Thank you.

[Introductions made]

Mr. Chairman: Can I invite the Ministry of Youth Development and National Service.

[Introductions made]

Mr. Chairman: We will go on to representatives from the National Entrepreneurship Development Company Limited, can these officials formally introduce themselves?

[Introductions made]

Mr. Chairman: Thank you. Thank you all. May I at this time invite the Permanent Secretary in the Ministry of Finance, Investments Division to make a brief opening statement at this time. Permanent Secretary in the Ministry of Finance, Investments Division are you here with us?

Mrs. Mohammed: Yes.

Mr. Chairman: The floor is yours.

Mrs. Mohammed: Thank you. On behalf of the Investments Division, we thank you for the invitation to attend this morning's Committee meeting with the National Entrepreneurship Development Company Limited. We should advise that the Investments Division is responsible for executing the investment policy as prescribed by Cabinet. The mandate of the division includes oversight monitoring, and where necessary, the rationalization of government equity holdings in commercial enterprises. The division acts on behalf of the Minister of Finance, corporation sole and carries out the corporate function. This includes representation of the Minister at shareholder meetings, establishment of new enterprises and rationalization of the investment portfolio of the shareholder. We look forward to the discussions here this morning. Thank you.

Mr. Chairman: Thank you, Madam Permanent Secretary. May I invite the Permanent Secretary of the Ministry of Youth Development and National Service to make a brief opening statement at this

time. Permanent Secretary.

Mr. Hosein: God morning, Chair, and members of the PA(E)C. The Ministry of Youth Development and National Service (MYDNS) was established in the year 2020, and is committed to creating a supportive entrepreneurial environment to respond to MSE, micro and small enterprise development needs, thus resulting in greater contribution to national development. In particular, the Ministry is actively working to unlock entrepreneurial potential of the youth.

In this regard, Pillar 1 of the National Youth Policy focuses on prioritizing youth economic participation and empowerment. It is in this context that the Ministry collaborates with NEDCO in its mandate to develop micro and small enterprises in Trinidad and Tobago, whose needs cannot be met by traditional lending agencies, in such services as small business financing, entrepreneurial training, business assessment, mentorship, business advisory and client focused services. The Ministry is pleased to be present at this meeting of the PA(E)C, to provide any relevant information pertinent to this very important Committee of Parliament. Thank you.

Mr. Chairman: Thank you, Mr. Permanent Secretary. And may I finally call on the Chairman of NEDCO, Mr. Clarry Benn, to make a brief opening statement. Mr. Clarry Benn, Chairman of NEDCO, are you hearing us?

Mr. Benn: Sorry, sorry, sorry. Thank you very much, Mr. Chairman.

Mr. Chairman: Welcome.

Mr. Benn: On behalf of the NEDCO team let me express our appreciation to you and the members of the PA(E)C for inviting us to appear before you this morning, to review and evaluate the operations, policies and programmes being pursued by NEDCO with specific reference to the financial year 2017. I am confident, Mr. Chairman, that we will have a successful session here this morning.

Mr. Chairman, this is the current board's second appearance before this Committee. The first being in November 2017. At that time the organization was the beneficiary of two independent assessments of the company's state of affairs. Needless to say, the conclusions drawn by both studies were not the most complimentary, but we recognized that the studies represented the state of play which the new board faced. Since then, we received a third independent evaluation, which made numerous suggestions and recommendations to the company. That third source, Mr. Chairman, is your Committee, the PA(E)C. I make this statement, Mr. Chairman, to inform, that since we last met, NEDCO has been using as its policy and operations template the three independent studies referred to, namely:

1. The PricewaterhouseCoopers report on NEDCO, dated April 16, 2016.

2. The report of the Committee appointed to review and assess wholly-owned state enterprise, dated July 18, 2016; and
3. Recommendations in the Committee's Tenth Report from the Eleventh Parliament, dated May 7, 2018.

It may also be recalled that when we last met, I had indicated that the board was very conscious of the state of affairs of NEDCO and committed itself to embark on, and I quote:

A sea change at the organization that would involve a thorough transformation of the institution geared towards creating a sustainable, self-reliant, process-driven, socioeconomic-oriented lean entrepreneurial development institution.

This transformation has been the main thrust and mission of NEDCO since 2017. Consistent with the new mandate given to the organization by its then line Ministry, the Ministry of Labour and Small Enterprise Development (MLSED). In that year, 2017, the board and management undertook a complete overhaul of the structure and operation of the company. But it was in 2018, Mr. Chairman, the following year, that the company commenced its restructuring and re-branding exercise in earnest, which led to the emergence of the new NEDCO as a direct response to the various reports which outlined the numerous weaknesses and shortcomings found existing at the organization.

The reorganization process encompassed two major components; namely:

1. The offer of VSEP, voluntary separation, and VER, voluntary earlier retirement packages to staff; and
2. The restructuring of the organization consistent with the new mandate.

As a consequence, the company witnessed the departure of 52 members of staff.

The new organizational structure was eventually approved by Cabinet, on December 06, 2018, which confirmed an organizational structure comprising 74 positions, compared with one of 104 in 2017. As a consequence, staff cuts have been reduced from \$17.2 million in 2017 to \$14.7 million in 2021. Another feature of the reorganization process was the rationalization of the number of branch outlets in Trinidad and Tobago. The number of branches were reduced from 15, inclusive of eTeck and IBIS locations to five locations presently. This move also had a favourable impact on property related costs incurred by the company which declined from \$5.69 million in 2017, to 2.87 million in 2021.

Apart from the reduction in the staff complement, which the organizational restructuring would have occasioned, what was particularly noteworthy about the new NEDCO organizational structure was the inclusion for the first time of the following departments: The Credit Risk

Department, the Entrepreneurship Department, and the Marketing and Branding Department. This new organizational structure emphasized and underscored the new focus of the company as it continued with its mission of making the organization self-sustaining and self-sufficient. To support and ensure that appropriate operational standards are maintained in this new dispensation, the board and management of NEDCO commenced a comprehensive review of all operational policies and procedures which impacted virtually all activities within the company. Accordingly, a slew of operational policies and procedures were structured and implemented. To date, a total of 40 policies and procedures prepared and enhanced and approved during the period 2018 to 2022. This activity remains an ongoing exercise.

Mr. Chairman, just permit to make some brief comments about some issues which have been highlighted in your comments, and our responses, to say. Strategic plan: NEDCO finds itself in the unique position of having to prepare two strategic plans for virtually the same time period. As outlined in our document, the board had approved its strategic plan for the period 2019 to 2023. This plan was forwarded to our then line Ministry for review and comments. To facilitate this exercise, NEDCO engaged the services of a consultant to assist in ensuring that the final product was consistent with the Ministry's overall strategy. However, this exercise remained incomplete, as during the course of this exercise NEDCO's line Ministry was shifted from the Ministry of Labour and Small Enterprise Development (MLSED), to the Ministry of Youth Development and National Service (MYDNS), following the 2020 general elections and the restructuring of Ministerial portfolios. This restructuring obviously meant that the plan had to be realized with that of the new Ministry, which itself was new to the national landscape.

I can now report, Mr. Chairman, that our new strategic plan 2022 to 2025 was approved by the board of directors at its 204th board meeting held on Wednesday, 27 April, 2022. A copy of the document has been forwarded to our line Ministry, the Ministry of Youth Development and National Service for a review commenced and where possible and/or practical for its adoption.

Audited financial statements for the years 2018, 2019 and 2020: The board and management of NEDCO conscious of our reporting obligations, embarked on this rather ambitious programme of simultaneously having the companies accounts audited for the following three years; 2018, 2019 and 2020. You may wish to note that the external auditor was appointed in May 2020, and our expectation was that these audits would have been completed by now. However, we had not provisioned in our planning for the impact of COVID-19, which forced relevant staff to be quarantined, and how it would have impacted the retrieval of documents located off site as requested by the external auditors,

who themselves were examining NEDCO's finances for the very first time.

Mr. Chairman: Okay, Mr. Benn, I think the Committee has gotten a brief of what you, or the essence of what you have said, so we can pause at this time, because we just wanted you to be very brief. But I have given you a lot of time to articulate your point. I think we have gotten the drift of your situation, so I would like you to pause at this time so that the Committee can pursue its work to clarify certain points, which I am certain that you will be able to clarify further as we pursue our mandate at this time. But thank you very much for your opening remarks, Mr. Clarry Benn. Thank you very much.

Mr. Benn, I do not know if you would be in a position, or your CEO to further clarify for our Committee, and for the public, is there a timeline for the final submission of the audited accounts of NEDCO for 2018 to 2021? Who will answer that, you or the CEO?

Mr. Benn: I could probably start, and probably the CEO, if he so wishes, may wish to do. Mr. Chairman, I would say that we will not be in a position, we as NEDCO, to state specifically when the current audits will be completed. Because, as you very well know, auditors guard their spaces very jealously. What I can say is that the auditors have been on the job since 2020, and we—they have asked for a lot of information, and we as an entity have responded favourably in the submission of all the information as requested. But they will always want their own time to do their own checks and ensure that they are satisfied with what they are seeing before them.

10.45 a.m.

So it is not a call that we as NEDCO can make, it will be and will always be a call which the auditors themselves will have to make and I will not want to preempt by saying it will be completed by such time but I can say as far as NEDCO is concerned, NEDCO has been able to provide all the requested data as requested by the external auditors.

Mr. Chairman: Can I ask—

Mr. Benn: May I continue?

Mr. Chairman: Yes, go ahead, Mr. Benn.

Mr. Benn: I may tell you that one of the things we would do is—and that is the reason why we attempted to do all these three: the 2018, 2019 and 2020 simultaneously, and the expectation is that as soon as these three years have been completed, we will immediately commence with the auditing of 2021 and that immediately will put NEDCO current in terms of its auditing statements.

Mr. Chairman: Mr. Benn, can you indicate to this Committee what it has cost the taxpayers of this country to retain, and I want you to clarify for us whether the name of the external auditor remains Grant Thornton ORBIT Solutions Limited, if that is your external auditor, or have you changed that

external auditor and what has been the cost to the taxpayers thus far in retaining this external auditor that has been on the compound of NEDCO since May of 2020 to complete 2018, 2019, 2020 audited financial statements on behalf of NEDCO?

Mr. Benn: Well, let me just make sure that we indicate very clearly that Grant Thornton ORBIT, it is the first time they are auditing our accounts, very first time, they have never been there before. So they would have been on the compound just as I said, since May 2020. I do not have but I am reasonably sure that—I do not know if the CEO may be in a position to give you the numbers in terms of the cost but in any event, they are committed and engaged the auditing of three years: 2018, 2019 and 2020.

Mr. Chairman: Okay, Mr. Benn, can you tell this Committee, first of all, what is the name of your previous external auditors?

Mr. Benn: Pannell Kerr.

Mr. Chairman: And could you explain to this Committee why were they removed and can you explain to this Committee what was the procurement process used by NEDCO to select this company called Grant Thornton ORBIT Solutions Limited, and can you through your CEO, give this Committee an understanding of the expenditure for their services, both totally that they have asked for or what has been paid thus far and any outstanding amounts owed to this company? Can you provide us with that information please?

Mr. Benn: Quite a number of questions. I can provide you with the information about the PKF. PKF had been the auditors with the company from inception in 2002 and one had thought that after we started for the year and they conducted the audit up to year 2017. Okay. And then it was just thought that after 15 years, it was time to change the auditors. I mean, that is normal commercial practice in the industry. And so we went out and we actually had RFPs coming in. So it was a very rigorous process. In fact, NEDCO did not do it all alone, the Ministry of Finance was also involved in that. So it was that process which was used, we had quite a number of entities expressing interest in undertaking that exercise and eventually Thornton was selected.

I will now ask the CEO if he has the information on the cost. Do you have it, Calvin?

Mr. Maurice: Yes I do. Chairman, the total cost for the auditing of four years, as we anticipate for 2021, would be \$630,000. It is costing NEDCO \$157,500 approximately per year.

Mr. Chairman: Okay. May I ask the Ministry of Finance, Permanent Secretary, may I ask the process that was undertaken as outlined by the Chairman to secure this auditing firm and the Ministry of Finance was involved. Can you give us an understanding of the process seeing that you were involved?

Mrs. Mohammed: Chairman, I would just like one correction. I am a Director with the Investments Division, not the Permanent Secretary.

Mr. Chairman: Oh sorry, my apologies.

Mrs. Mohammed: Yes. So the normal process is that companies—in accordance with the State Enterprise Performance Monitoring Manual, companies who are desirous of changing auditors, which is in line with international best practice, they go out and do requests for a tender, an open tender. The company does the evaluation of the tender process, they select the preferred auditor, right, they have an evaluation committee, they do their selection, that is via their tenders committee. It goes to the tenders committee of the board and then it goes to the board for approval. When it is approved by the board, then it is sent to the Ministry of Finance informing us and recommending their preferred candidate. We review the process and then approval or non-approval is given based on the process. And then we tell them—once approved, we tell them to follow section 166 of the Companies Act to change auditors. So that is the process from our end.

Mr. Chairman: And what was the advice given by the Ministry of Finance? To change auditors?

Mrs. Mohammed: Yes, when we reviewed the process, we had no objections to the change of auditors.

Mr. Chairman: Okay. Let me come back to Mr. Benn or the CEO. Mr. Benn, I want to say as Chairman of this Committee, I am completely dissatisfied with the absolutely snail's pace approach taken by NEDCO in submitting its financial audited accounts to the Minister of Finance and through the Minister of Finance to the Parliament of the Republic and to this Committee. I would like to ask why it is we are placing in the same pot at the same time three analyses, three assessments, three auditing processes when we could deal with 2018 and have 2018 audited accounts submitted and then we go to 2019, and we go to 2020. Why are we trying to complete all three? And they began this exercise since May of 2020. We are now in June of 2022 and you have just told this Committee as the Chairman of NEDCO, that you have no ability or no capacity at this time to direct us as a Committee as to when this exercise will be completed. So we do not know if this exercise will be completed in 2024, 2023, 2025, 2026.

So given that situation, I think that NEDCO has to come better and NEDCO needs to give this Committee a clear and unambiguous undertaking as to when those reports will be tabled, will be submitted to the Minister of Finance so that the Minister of Finance can do his duty and submit it to the Parliament so that we can audit the books—not audit the books but at least receive the audited accounts of this body called NEDCO. So Mr. Benn, could you give us an undertaking? I do not

think it is acceptable for this Committee to be waiting and waiting and waiting. We need to get answers, we need to get commitments, we need to get deadlines.

And may I remind NEDCO in particular, that taxpayers' moneys are involved and we need accountability and we need transparency. So could we get from NEDCO, the CEO in particular and the Chairman, and later on the Director of Finance, when will this Committee through the Minister of Finance, be in possession of the audited financial accounts for 2018, 2019, 2020 and 2021? We need answers.

Mr. Benn: Mr. Chairman, if I may take a first shot at this, let me just repeat what I said. I said that what was attempted was unusual, we know that, that we were attempting to do simultaneously three years' accounts with the expectation that we will have these audited financial statements in good time and the intention—and the reason for doing that was essentially to bring the accounts up to date and to have our audited statements up to date rather than doing 2018 and then 2019 and then 2020. It was our expectation, Mr. Chairman, that by now, these accounts would have been completed. But we cannot underestimate and we cannot ignore what happened between May 2020 and today in terms of the unavailability of personnel and material occasioned by COVID-19 and that would have delayed it. So under normal conditions, I am sure those three or the accounts for those three years would have been completed and we would have been on 2021 virtually.

Mr. Chairman: Mr. Clarry Benn, Mr. Clarry Benn, Mr. Clarry Benn, may I, may I, may I—

Mr. Benn: [*Inaudible*]

Mr. Chairman: Mr. Benn, Mr. Benn, Mr. Benn, Mr. Benn, may I? TSTT is a massive operation, they have assets amounting to over \$5 billion and we have as we speak, audited financial accounts from TSTT up to 2021. A small company called NEDCO as you have just indicated, you had 104 employees, you are down to 72 as we speak, and NEDCO cannot produce its financial audited accounts and have those accounts submitted to the Parliament for 2018, '19, '20 and '21. And further, can you tell us when were your previous external auditors removed? In what year?

Mr. Benn: The last year of audit was 2017.

Mr. Chairman: 2017. And what happened between 2017 to 2020 when this company came on the scene through the process that you have outlined? When did this company arrive?

Mr. Benn: The company arrived at the second attempt to select an auditor.

Mr. Chairman: When?

Mr. Benn: In 2020.

Mr. Chairman: So what happened between 2017 when the original external auditors left, to 2020,

when this company arrived?

Mr. Benn: In terms of timeline, let me explain. The year of account was 2017. If you notice when our annual meeting was held, it was in 2020. Yes. So immediately thereafter, the search for a new auditing entity commenced.

Mr. Maurice: Chairman, if I may?

Mr. Chairman: Before—Mr. CEO, as you are on the floor, did it take us about three years between 2017 to 2020 to engage in the various processes to get a new external auditor on board? Did it take us three years? Because I am trying to understand the gap when your initial external auditor left and the new one came on the scene in May of 2020. Was a process embarked upon in 2017 and was not completed until sometime in 2020, CEO?

Mr. Maurice: Chairman, the 2017 financial was accepted by the State shareholder at the general meeting in February 2020 at the Eighth AGM. At that point, the present auditor was approved and from that point therefore, the Grant Thornton became our auditor.

But I would want to bring context, Chairman, if I may, just give me two minutes. As we said, the external auditor did offsite auditing process during the COVID period. The only period that the external auditor had accessed or decided to do in-house auditing would have been December 2021. The COVID period—and I do not want to lament on it—really frustrated the process of the auditing and hence the reason it may seem to be a very long period the external auditor was engaged to the organization. So therefore, this external audit continued in-house from January 2022, really, and given the facts that we have provided the external auditor with everything that they required, I am very sure to state that this audit will be completed in an imminent period within this fiscal period and would be not moving beyond that. As a matter of fact, we do hope to bring our accounts current in January 2023.

The other information you asked for, Chairman, and I would like to present it at this time as well, is the amount paid to the external auditor to date, that would have been \$335,846.25, therefore, a balance of \$294,153.75 remains outstanding.

Mr. Chairman: CEO, is there a contractual arrangement with the external auditor and the company to have those audited accounts completed? Is there a time frame for the completion of these accounts?

Mr. Maurice: There is a contractual arrangement between the company and the external auditor and I would perhaps give—the Corporate Secretary, our legal arm, would perhaps give you more detail in terms of the structure and time frame for such delivery.

Mr. Chairman: Yes, I would like to invite the Corporate Secretary to share with this Committee.

Mrs. Samuel: Good morning, Chairman once again and the Committee.

Mr. Chairman: Good morning.

Mrs. Samuel: There is a contractual agreement that was signed between our current auditors and I do not have the particulars right now in front of me but I can pull it. But the auditors were engaged to do the 2018 to 2020 audits. However, based on the resolution that we currently have which provides us the opportunity to further engage them with the approval or the acknowledgement of the Ministry of Finance, GTS or Grant Thornton ORBIT Solutions Limited is appointed to do the statutory audits until the conclusion of the next AGM. Our last AGM at which the auditors were appointed at the special meeting was the Eighth AGM. So because of the contractual arrangement that is, with regard to the audits that they are required to, we would have engaged them and I do not want to give any misinformation but we would have given them the opportunity to also do our 2021, in December, 2021 and our 2022—sorry, 2021 audits, yes.

Just to state that because of the lockdown that occurred, on the first lockdown, the auditors were not on site until—they came on site in December of 2021, however, prior to that, they were working remotely where we were submitting online all the information required. So just to reiterate, Chair, if you would want the details of the contract, that can be submitted to the Committee.

Mr. Chairman: Yeah. Before I ask my other colleagues to come in, I am trying to understand, the workers during the period of the pandemic, they were working from home I assumed and therefore operations at your various offices or branches would have been considerably reduced and maybe you may have had limited employees in attendance at those workplaces. Am I correct?

Mr. Maurice: We did have, Chairman, remote work arrangements but our ICNT arrangement was quite good so therefore it did not in any way compromise the operations of NEDCO, save and except those files that would have been required physical review of the auditor would have been delayed because of the remote arrangement. Those files that could have been sent digitally would have been sent in that manner and hence the reason why we restate that for review of the physical files, that only started in December 2021.

Mr. Chairman: All right. I just want to reiterate to the Chairman and your good self that I would like NEDCO to move post-haste to commandeer this external auditing firm to have those accounts completed, including 2021 as soon as it is practically possible. I do not want to take action to write to you formally but we will be monitoring that situation to ensure that a reasonable time is given to have those accounts submitted to the Minister of Finance through your AGM or whatever process you have to undergo, and if we do not see those accounts within a reasonable timeframe which our

Committee will decide upon, we will have to take action against this company to ensure that it complies with the responsibilities given to it under the state enterprise operating manual. So that is an area that we want to pursue but not at this time. So, I will now ask my other colleagues at this time to join this enquiry and to seek clarification on the accounts of 2017 and the follow-up that we had re: our recommendations. So Members, the floor is open.

Mr. Paray: Mr. Chairman, if I could just go very quickly, I have two follow-up questions from your line that I would like Mr. Benn and the CEO just to give some indication. Did the auditors who were brought in in 2020, did they know at the time of the RFP that went out, that there would have been a requirement to do three simultaneous audits at the same time making sure that the relevant resources and manpower and costing were taken into consideration, that they would be required to deliver these three years audited statements, and did you give them a timeline or a deadline barring that the pandemic stepped in, in March of 2020? Was that something that was discussed upfront in terms of the RFP that went out?

Mr. Chairman: Mr. CEO or Mr. Benn.

Mr. Benn: CEO.

Mr. Maurice: Chairman, they would have been aware that they had a mandate to complete three years of audit. In regard to the second area, Chairman, can NEDCO submit the other information with regard to the deadline and the contractual arrangements as relates to the deadline?

Mr. Chairman: Yes, you can submit it in writing to us.

Mr. Maurice: Thank you very much, Chairman.

Mr. Chairman: Yeah.

Mr. Paray: And the second follow up that I have, this is to the Investments Division, just for some clarity. In your response to the Chairman's query, I got the impression that when the preferred bidder or the preferred contractor is sent to you, your purview is primarily to ensure that the process of selection was followed and if there was no issue with the process of selection, then you gave your blessings to go forward.

My question is: Outside of the process, does the Investments Division take a type of deeper look into the company in terms of their qualifications, the costing, the performance, the historical performance of the contractor that is being awarded the contract, the manpower availability? Is this a two-man operation, a five-man operation? Does the Investments Division look at anything else besides the process in terms of its approval to the Minister going forward? This is to the Investments Division.

11.15 a.m.

Mr. Chairman: Yes, Director.

Mrs. Mohammed: We look—in addition to the process, we look at—we do not ask for the responses from the RFP, which would have included all the information that the member is asking. That is left to the discretion of the company. So our role is ensuring that the process was transparent, that it met good corporate governance guidelines, and that the company had done a robust check on these companies.

Mr. Paray: In your view, Director, is this a reasonable arrangement knowing that the function of the Investments Division, it is really the—I mean, you are the protector of the Treasury at the end of the day. And quite frankly from where I sit, I cannot see that the process is something that is the only driver or the only lever that you ought to be looking at in terms of giving your blessings going forward. Because, I mean, if you are looking at a document which is asking for three years of audited statements and I am assuming you would have that information before your make decision as well, taking into consideration size, qualification, what is the history of this company, can they deliver? Because it is \$630,000 of taxpayers' money that is going to be expended.

Outside of the fact that your mandate is only for the process, do you think this is a reasonable engagement? And if not, is there an opportunity to make a recommendation—for this Committee to make a recommendation that changes happen, that gives you a wider scope outside of just the pure process alone as the final check and balances in terms of how our taxpayer's money is going to be spent?

Mrs. Mohammed: The RFP that the company would have issued would have covered all these areas and it would have been evaluated. And in the company's tender process, all these things would have considered—the company would have been weighted and they would have been found equipped to deal—that they had the necessary resources to undertake the audit, and we would have gotten that report.

Mr. Paray: So all your unit is doing is looking at the process and putting a stamp on that going forward and there is no other consideration as to whether—

Mrs. Mohammed: No, we look at the—we look at the governing structure. We do look at the reports and where we see—where things are not clearly articulated, we do write and we tell the company of what we have seen. And sometimes we tell companies you go back out and you do another process. So we do not rubber stamp.

Mr. Paray: So—

Mrs. Mohammed: We do clearly investigate, we look at it and we do respond to the companies where we see faults.

Mr. Paray: Your response back to NEDCO or any other agency that you are looking at, your responses are normally recommendations or instructions? Going forward.

Mrs. Mohammed: We give a no objection, and we inform them to follow the guidelines within the Companies Act because they are incorporated under the Companies Act. And so, we tell them follow the guidelines of section 166 of the Companies Act to change auditors.

Mr. Paray: And if these recommendations are not followed, what is your follow up on those things?

Mrs. Mohammed: Could you clarify please? What recommendations? Like when we tell them?

Mr. Paray: Yeah. If you give recommendations, you observe something and you say, well, look, we want one, two, three, four items revised or relooked at, and no action is taken, what is your follow-up from there? Or what is the procedure for your follow-up to make sure that your recommendations are taken into consideration?

Mrs. Mohammed: We will continue liaising with the company and we can always have meetings with the company to clarify any issues that come up with them on the recommendation.

Mr. Paray: So finally, before I allow Chairman back, there is no punitive power by the Investments Division to engage any state enterprise to follow your instructions? And if they do not, they keep getting taps on their fingers going forward and they really do not need to take you on. That is what I am getting at. Is that the case?

Mrs. Mohammed: No. They normally comply.

Mr. Paray: Normally comply.

Mrs. Mohammed: Yes.

Mr. Paray: Okay. Thank you, Mr. Chairman.

Mr. Chairman: Okay, thank you, Mr. Paray. Members, other members please.

Mrs. Sagrarsingh-Sooklal: Chair.

Mr. Chairman: Yes, the floor is yours.

Mrs. Sagrarsingh-Sooklal: Okay, thank you very much, Chair. Okay, well, of course we all understand that this is for the financial year 2017. And if I may begin by saying that I am particularly pleased that at least based on the comments made by the Chair of NEDCO, that since 2017 the company has embarked upon radical transformation throughout that six-year period if we are to calculate from 2017 to the current 2022. And of course, I am particularly pleased that operational policies based on the Chairman's introductory statements that operational policies were structured

and implemented for the period 2018 to 2022. So—because of course, the 2017 statements and submissions I would have had some concerns, serious concerns, as it related of course to financial statements and all of that. But based on the Chairman’s opening comments I am particularly pleased that from that time to now, there is an undertaking that the company itself has embarked upon this operational and radical transformation what I would call it.

For the benefit of the Committee, it is really two areas that I intend to focus on. Is really as it relates to procurement practices within the organization and then of course fraud policy questions. Questions as it relates to fraud policy within the organization itself.

Now, if I may begin with just a few questions as it relates to procurement practices. So we could look at procurement first and you know, some questions as it relates to your procurement practices. Of course, in the written submissions I was also particularly pleased that NEDCO indicated that you all have been compliant with Public Procurement and Disposal of Public Property Act even during its draft form. So that I am particularly pleased with.

But what I want to know is, if we look at for example, question two and three of page 34 of your submissions which deals with those procurement practices, if you could just indicate how long have NEDCO’s procurement policy and procurement procedures summary guide, how long has that been in a draft form, and if there is a status? Because of course, this is from 2017 right, and bearing in mind that there has been an active transformation of the organization, what is the status of that procurement policy and that procurement procedure summary guide? And this question is open to anyone who may be in a position to answer.

Mr. Chairman: CEO.

Mr. Maurice: Yes. I would start and I am sure the Chief Financial Officer will join me in contributing as well. The procurement policy is in its final stage being approved at board level. It has been finished, the draft as the hon. member said, has been done, and it is the final stage and it is eminent to have that final approval of the procurement policy. The Chief Financial Officer can join me if she has anything further to add based on what I said.

Mr. Chairman: Yes, Chief Financial Officer.

Ms. Emmanuel: Good morning—

Mr. Chairman: Good morning.

Ms. Emmanuel:—members of this Committee. Yes, I just would like to support what the CEO just said, and the final draft is before the tenders committee and we do expect to get a response from the committee shortly. Thank you.

Mrs. Sagrarsingh-Sooklal: So, shortly? Do you have a time frame in mind, or you know, with respect to this document being prepared, and well, finalized?

Mr. Maurice: Member, the process is very advanced and I am very sure by the next board meeting this final approval can be provided. As I said, it is very advanced. Discussion at board level has been ongoing in terms of adjusting and correcting areas of the draft document. So I am very sure by our next board meeting this can be finished.

Mrs. Sagrarsingh-Sooklal: So we would have had the procurement legislation passed on December 08, 2020, about there—about that time, and then the regulations on the 8th of February, 2022. So it is fair to say that perhaps this could be a reason why there have been some delay in the board approving your final procurement documents?

Mr. Maurice: Very correct. Very correct, member.

Mrs. Sagrarsingh-Sooklal: Okay, excellent, because that is what came to my mind of course when I looked at the length of time that this has been in draft, and of course the time it is taking for it to be settled. To my mind I was wondering it would be prudent of course on the organization, the company's part to wait until these two critical pieces of legislation are put into place, settled, passed, before you settle a document.

Now, what kind of assistance if any, have the organization—have the company received from the Office of the Procurement Regulator in the preparation of this final document? More so, to ensure full compliance with the regulation and the Act?

Mr. Maurice: The organization has been in consistent liaison with the procurement regulator to ensure that we are providing the proper information even in our policy guide and development of our policy. So it is an ongoing engagement to ensure that we are totally compliant—

Mrs. Sagrarsingh-Sooklal: Right.

Mr. Maurice:—in terms through the policy document to move forward when the Act is fully acclaimed.

Mrs. Sagrarsingh-Sooklal: Okay. Now, you know we look at law which is created, and it is on our books but then we are talking—I want look now at the implementation of the policy, if and when it is actually settled, right. What kind of procedural or process changes have had to be made or reviewed within the organization in preparation for the implementation of this procurement policy and procurement procedures? Has any process—I would imagine you would have had to review your processes, look at the plant, machinery, people, part of it—

Mr. Maurice: Yes.

Mrs. Sagrarsingh-Sooklal:—because in your submissions in 2017, I would have noted that there were two officers, procurement officers that were assigned then. But in light of course, of the regulations, in light of the Act have there been any process changes since? Or—*[Inaudible]*

Mr. Maurice: So yes, we have started registering our providers in terms of all our suppliers and having a registered list.

Mrs. Sagrarsingh-Sooklal: Right.

Mr. Maurice: So that is most prominent in terms of the process change. And so, in terms of the getting in place, in terms of how our tendering process will be implemented, also looking at different types of engagement of tendering, one of which would have been the e-tender arrangement now on the TSC platform that is available to all stakeholders as you may very well be aware of.

Mrs. Sagrarsingh-Sooklal: Yeah.

Mr. Maurice: So these are just some of the areas we are looking at to make sure that our tendering process is in keeping with the alignment with the Act.

Mrs. Sagrarsingh-Sooklal: Now, of course you would agree with me that procurement is something that will run through the length and breadth of the organization, right? What kind of training if any have you all embarked upon in preparing staff, not just your officers who are assigned as procurement officers, but just so that there is a general sensitization of the legislation, of the Act, the changes that are now required? Because heads of department for example having to make a request. You know, what kind of training if any have you all embarked upon in sensitizing the organization in being procurement ready, for want of a better word?

Mr. Maurice: And that is a very good question because just as a matter of fact, the latest was just last month where heads of departments would have been given a training programme from our procurement officers to ensure that they understand the process, understand what changes can be coming, and to be fully much compliant when it does begin. So you are correct and that is what we are doing right now.

Mrs. Sagrarsingh-Sooklal: Chair, and with your leave would we be able to request a copy of that procurement policy once settled by the board of directors?

Mr. Chairman: Of course.

Mrs. Sagrarsingh-Sooklal: Okay. So I would particularly like to have a sight of it once settled by the board. Chair, those are my questions as it relates to procurement and I am pleased to know that training is happening within the organization because of course, those are things that we cannot take for granted. Sometimes we have to hold people's hand through the process in order to be able to allow

them to reach to a space and a place where they fully understand what is required of them in this legislation, and more so the regulations, from the regulations.

If I may briefly now turn to just the fraud policy. I have, based on the submissions, well, NEDCO's fraud policy document. That fraud policy document as I understand from the submissions was being reviewed. I just have a few quick questions as it relates to the internal fraud policy document. What I want to know is firstly, when particularly—so this is, Chair, for other members to follow this is page 78 of NEDCO's submission. My question is, well, firstly, I just want to know when did the review of the internal fraud policy document commence? Time-wise?

Mr. Maurice: Chairman, may I invite our HR manager to support me in this response please.

Mr. Chairman: Yes, thank you. No problem.

Ms. Robinson: Good morning all.

Mr. Chairman: Good morning.

Ms. Robinson: The review of the fraud policy would have commenced around October 2021.

Mrs. Sagrarsingh-Sooklal: And we have a status on that, to date?

Ms. Robinson: Yes. A draft was developed. It is currently being reviewed—sorry?

Mrs. Sagrarsingh-Sooklal: Sorry, love. It is currently being reviewed by the—

Ms. Robinson: Yes. The draft was developed, so I am doing a final review to submit to the CEO for his review also.

Mrs. Sagrarsingh-Sooklal: Okay. So critical—you would agree with me that critical to your policy of course is to develop a control policy, which will assess of course in the detection and the prevention of fraud against NEDCO, right? So I am hoping that this is—at least that is fundamental in the creation or the revamping of this current policy that was submitted to us. Yes?

Ms. Robinson: Yes.

Mrs. Sagrarsingh-Sooklal: Okay. Could you remind—so I am not sure if you did say it, remind me again who is currently responsible or charged with the responsibility of reviewing this internal fraud policy?

Ms. Robinson: Okay. So I am currently doing a review of the policy that would have been drafted right.

Mrs. Sagrarsingh-Sooklal: Yes.

Ms. Robinson: Subsequent to that review, I will collaborate with the internal audit department also—

Mrs. Sagrarsingh-Sooklal: Right.

Ms. Robinson:—to see if there is any sort of feedback and opinions based upon the policy that was

drafted, and then it will go to the CEO for discussions with all of the relevant parties, which would be myself and the internal auditor.

Mrs. Sagrarsingh-Sooklal: Okay. Now, if—

Mr. Chairman: Mrs. Sagrarsingh—

Mrs. Sagrarsingh-Sooklal: Yes, Chair.

Mr. Chairman: Just to add to what you have asked, I just wanted to clarify as you are on this point, whether how long this exercise of reviewing this fraud policy has been occurring, how long? Is it one year, two years? How long?

Ms. Robinson: No. I started the review of the policy in October 2021, Chair.

Mr. Chairman: But how long it started before you reviewed it?

Ms. Robinson: No. Okay, so when I joined the organization in 2019, we do have a policy that is issued to staff upon orientation. So in October 2021, because reviewing of policies in the company is an ongoing task, so aside from what the Chair, Mr. Benn would have indicated in his speech, we would have implemented about 20 to 30 policies. In October '21, I started the review of this policy because it is currently one of our policies, and we felt it was time to do a revamping based upon the current business environment and the external environment.

Mr. Chairman: All right. Can you tell this Committee when this process will be completed?

Ms. Robinson: Okay. So I will complete the process by June 30, 2022. I will complete the process by June 30 2022, yes sorry.

Mr. Chairman: But when will it take effect operationally in terms of guiding the operations of the company? Is there a deadline for the implementation of that policy once accepted and completed?

Ms. Robinson: Okay. So subsequent to the CEO's review it will then have to go to the HRC, and then after the HRC review, it will then have to go to the board for their review also. And then after the board's review it will have to be submitted to the union because we are now working in a unionized environment to get their feedback also. And then after the union's review a final draft will be prepared. So I would say looking at all of the different processes it has to go through, I would say maybe about a four-months, maybe, from June 30, 2022 for all of the feedback, and the comments, and the final drafting to be done and approved by the board. So I would say perhaps maybe a four-months from the month of June bearing that everything goes okay.

Mr. Chairman: Okay. Mrs. Sagrarsingh, you can proceed.

Mrs. Sagrarsingh-Sooklal: Thanks, Chair. Now, if we—I just want to go back to of course the old policy, right. And I am happy to know that, you know, there is actually a time that we can attach to a

new revamped, revised, version of this fraud policy. But in looking at the current policy under the header or well, the side note reads “reporting procedure”. To my mind, at least from the reading of it, it is the whistleblowing provision, and the processes for whistleblowing within the organization, right?

In the new policy—so based on the old policy, this is the one that is before the Committee currently, it was stated that the internal auditor in essence is the whistleblowing reporting officer under your reporting procedure. That is in the old one. I want know, do you think it would be more feasible to have let us say perhaps a designated whistleblowing—and I am using the word whistleblowing very loosely right—whistleblowing reporting officer verses adding additional roles and responsibilities to an internal auditor. Or perhaps in your revised version I am not sure what, if this area in the new version that is currently being settled, if that has been reviewed. Maybe you could give me some information on that?

Ms. Robinson: Okay, yes. So, NEDCO has a whistleblowing policy that was approved by the board of directors on January 20, 2020. Now, coming out of the whistleblowing policy there are procedures also for the whistleblowing in terms of how we treat whistleblowing. And the internal audit department is not the unit that is actually charged with the whistleblowing. There was a recommendation for another department to be charged with that process, and the process also in terms of how you do the whistleblowing. So the fraud policy which is now separate will contain different procedures from that whistleblowing which is also a separate policy.

Mrs. Sagrarsingh-Sooklal: Okay. And that is fantastic because of course, once I hear fraud, my mind goes to whistleblowing within the organization. But I am happy to know that you all have disaggregated, recognizing the importance of that disaggregation. So you have a fraud policy and then you have what I would imagine is a comprehensive whistleblowing policy that would treat with at least one of my concerns which was not having an internal auditor, but having a designated officer who is responsible for this.

Let me ask you something though, so you indicated that the whistleblowing policy was implemented in 2020, correct? I would imagine that that being settled, it would have passed through the organization, and since then, since the implementation of this policy, do you have any information as it relates to any complaints that have been made? How successful has this policy been if at all, in you know, dealing with instances of—well, I mean, fraud is a very big word but, you know, any malfeasance that may have existed within the organization? Have you been able to mark the success of this or the implementation of this policy?

Ms. Robinson: Okay. So with reference to the whistleblowing policy NECDCO has not received any

complaints in terms of any issues or matters to be brought to their attention. What we do hope to do though is that the policies are a lot, and a lot of persons may not recall all of the procedures et cetera. That is why we started reviewing and retraining staff again on the policies and the procedures. So we will be speaking to staff again very soon within the other two months in terms of our critical policies, to remind them, you know, in terms of what is there in the organization and how they can avail themselves of the procedures, et cetera. But we have not had any complaints so far.

Mrs. Sagrarsingh-Sooklal: Well, that is news—that is very good news to hear. Now, one last thing. So of course, with respect to the whistleblowing policy that you have now indicated—that you have indicated that you currently have, as I said before it is good news that at least no complaints have come to you all just yet. I would imagine that in that policy, paramount is the protection of the confidentiality and the level of confidence as it relates to information that is given by staff members. And I would imagine all of those things were taken into consideration, disciplinary mechanisms, also highlighted in the whistleblowing policy. And then of course, there are just certain matters that is a police matter, so it is beyond a discipline issue, it is now a police matter. I would imagine that your whistleblowing policy encapsulates all of those things as well, correct?

Ms. Robinson: Okay, so many of the things that you are saying there, seems to be very familiar, right. So I do not want to say, yes, everything that you have stated there is encapsulated. We do have—I will have to reference the policy—

Mrs. Sagrarsingh-Sooklal: Of course.

Ms. Robinson:—to refresh my memory, right. But most of the things that you are saying there, seems to be very familiar if I could recall.

Mrs. Sagrarsingh-Sooklal: Chair, of course with your permission if we can have sight, if the Committee could be presented with a copy of that whistleblowing policy I would be most grateful. Because of course it is one of our key ways of dealing with fraud and any sort of criminal activity within an organization, especially a state organization where state money, where taxpayers' dollars are involved.

So again, Chair, those are basically the extent of my questions but I must compliment NEDCO for at least being proactive and having of course this whistleblowing policy which was recently implemented within the organization, and of course seeing the need to review and revamp their internal fraud policy documents. So, congratulations. Chair, thank you for my questions.

Mr. Chairman: Thank you very much, and may I ask the CEO to make available to our secretary a copy of that new whistleblowing policy for our consumption and analysis? May I now invite member

Laurel Lezama and after her, Amrita Deonarine. Laurel Lezama please.

11.45 a.m.

Mrs. Lezama-Lee Sing: Thanks very much, Chairman. Thank you very much. I am very pleased to see such a wonderful and strong showing today from NEDCO, the Ministry of Youth Development and National Service and I am pleased to see the Ministry of Finance's representatives here as well. I want to start by complimenting NEDCO, through the Chairman of the Board of Directors, Mr. Benn. Your introductory remarks were tremendously comprehensive, and I know you were not able to finish, but I would like to ask if, at some point, you would be able to share that document with us, because I believe it contained the answers to a number of questions that would have been on our minds ahead of this meeting.

I also received—we also received in the Committee, the response from the Ministry of Labour which would have been your previous Ministry, your previous line Ministry, and I am satisfied that following the recommendations from the previous PA(E)C's meeting with you, that a number of the recommendations—you have been able to provide the status updates of implementation on a number of your recommendations. So, I want to compliment you for continuing to be progressive.

I understand fully the important roles that NEDCO plays in Trinidad and Tobago, particularly, for young people and for entrepreneurship. And so, I want to start please, by asking you, I want to speak to the mandate of NEDCO and the strategic plan of NEDCO. Chairman, you advised that you created the initial strategic plan, which was due to end in 2022, but then with the transition from the Ministry of Labour to MYDNS, there had been a—it was necessary rather, for you to undertake a new strategic plan. So, I want to ask you just a few questions regarding that please. Can you describe for me very, very, briefly initially, before I get to the rest of my questions, the transition from Ministry of Labour to Ministry of Youth Development and National Service and what the impact has been on the mandate of NEDCO? I think you need to unmute your microphone, Mr. Benn, please.

Mr. Benn: Sorry. Sorry about that. Yes. Thank you very much for your question, member. Now, the whole focus would be different, because here we had, coming within the political landscape, an entirely new Ministry dealing with youth development and national service, and we at NEDCO now had to fall in line with the aura and the wherewithal, certainly, the purpose for which this new Ministry was created. One, they would have outlined in their strategy, a number of pillars, one of which identifies the role and encouragement of young people in undertaking business. And the role, coming out of that, how can NEDCO assist in that regard. That is pillar number one; encouragement of young people in participation of entrepreneurial activity and in business in Trinidad and Tobago. And what

we have been able to do, for instance, is to partially reshape focus and now identify and have a direct link with the Ministry for activities, not totally, but partially aimed at encouraging young people in entrepreneurship activity.

So that clearly is a focus which has changed, not that we were not doing it before, but now it is really one of the major pillars on which that Ministry, that new Ministry, was created and identified, and we had to fall in line. And, because of that—and I am sure the CEO will want to comment on that particularly—we have had to—well, the Business Accelerator Programme, is one programme geared almost specifically to encourage young people to participate effectively in entrepreneurial activity. So, that clearly is one arm.

The other part of it is the preparation of the people, in terms of training, and we—and I think you have identified it and the member before you would have identified it—the role of training in this entire exercise. Because there are many people, they have the idea, they have the entrepreneurial activity ideas, and they feel they can do it without much help, but it is when they come to us and they undergo the training exercise, that they realize that that particular input is critical in their success. And so, those are two areas that I will immediately identify in terms of the reorientation or focus. I do not know if, Calvin you would want to add to that in terms of the reshaping of the focus of NEDCO, as a result of the change in ministerial portfolios for which we are responsible.

Mr. Maurice: So, and notwithstanding that NEDCO's mandate remains the same in regard to the support of micro entrepreneurs, what we bring to the Ministry of Youth is the focus of what I will call youth financial inclusion, giving the capacity of the young to engage in business activities. One of the things in supporting the Ministry of Youth in their entrepreneurial hub, is providing the capacity from a very young age because, as you know, the Ministry of Youth describes that captioned group to be from 10 years to 35 years. And NEDCO is saying that our involvement, in terms of supporting the Ministry's intervention for financial inclusion of the young, which will eventually break down in terms of entrepreneurship, we are saying that we are giving various strategies for the various age groups. So, therefore, persons, young persons, can be trained, can be developed to be entrepreneurs and not to be risk averse.

So, not only in terms of giving direct training, but also seeing how we can advise the Ministry of their engagement. For example, JSC, junior co-operatives, what type of support NEDCO can provide in accessing that level of training for the young through junior co-operatives. So, therefore, when they reach a particular age to start their businesses, there would not be this fear of starting a business, but there will be a total understanding of starting and getting into business.

The other thing that we want to look at is—and that is through the Ministry’s youth entrepreneurial hub, is providing all the support services for the young to register their business, to support them in terms of guiding them through the preparation of their accounts, in terms of managing their businesses. So, certainly, what NEDCO is actually doing is preparing the next generation of entrepreneurs, while we support the present, and we find it a very good intervention strategy together with our line Ministry.

Mrs. Lezama-Lee Sing: Thank you very kindly, Chairman and Mr. CEO for that very thorough response. So, therefore, it follows my question is that: Are you confident or do you think that NEDCO has a role insofar as shifting youth ideology? Is there a role for NEDCO in conjunction with the Ministry of Youth Development and National Service to, perhaps, intervene in spaces where there are challenges for the young people such as crime or extreme poverty or other issues that would impede the progress of young people?

And I asked this question, sorry, because I want to go back to something Mr. Benn said earlier. When he was speaking about the budget, the expenditure reductions, you spoke about you cutting down your staff—from November 2018, you had 74 people, but before you had 104 people. But then you also said that you did a rationalization of the number of branches that you had, and it went down to five from 15. So, I am very keen to find out about what is the impact—the relationship between cutting down the number of branches, your role insofar as developing young people, if there has been a negative impact with the fewer branches, how have you been able [*Technical difficulties*] and then what is NEDCO’s role or how do you perceive NEDCO? What have you been doing through the Ministry and NEDCO? So, this question is for both the Ministry and NEDCO, and what have you been doing really to assist or what can you do to assist young people who may be in troubled areas?

Mr. Benn: I will start again and let the CEO continue. In terms of the number of branches we had, quite recently, and in fact we are still in the process of executing the ERG Programme. Yes. That is the grant programme, entrepreneurship, and all of which was done online, and we were able to witness for ourselves and before our eyes, how people were able to transform from the face-to-face presence and location, to online activity. Of course, there was a lot of adaptation to this, and we had to ensure that our mechanism worked. So you had that in the inclusion. But we have seen, literally, no fallout from the reduction of the number of branches in a real sense.

The business impact, if anything at all, over the past several years, since we have introduced that reduction is, we have seen business enhanced in a real sense. So, and I think Trinidad and Tobago is more becoming a society where much of the activity is being done online, and we are facilitating

this. It has helped us tremendously. It has helped many others out in the hinterland very much, because they are communicating and communicating rather effectively with us, in spite of the absence of a physical location in their community. And that is the direction in which the country has to go, in any event. So, yes, and I am sure Calvin will want to elaborate a bit on what the operational experience has been.

Mr. Maurice: Thank you very much, Mr. Benn. Part of the development will be our digital transformation making business easier, more accessible, first of all, through online engagement. A young person can access, eventually—and when we finish that particular transformation—can access services from their cellphones and take a loan; access training, in terms of our learning management system, where persons can do throw-in training any time, because NEDCO will do our programmes and have it online to be accessible any time the entrepreneur or the individual wants to access training.

The other thing is, and it must be mentioned is that NEDCO is the country representative for the International American Development Bank entrepreneurial or what they call the digital transformation hub, which will impact this target group in a significant way. So this project is expected to improve awareness and knowledge and capacity and adoption and management of the digital technology by micro, small and medium-sized enterprises that is within the digital economy and the Caribbean.

So, NEDCO is well placed to mentor and support, particularly, in the areas that you are talking about. How do they start? For example, we have what we call the “BITS” loan which will be a small start, \$15,000, and to access that loan is not like a normal loan—it is the collateral requirement and the number of things that we would normally ask for. With this “BITS” loan, persons in these communities, persons who cannot afford it, can access that small loan to start their businesses, and then NEDCO would hold their hand and grow them through. So, there is a particular focus, at this time, for those communities and how we can support those communities to build their business.

If I must say, one of our ambitious projects is to see how NEDCO could advance and intensify, in terms of our support, in registering businesses. That is the challenge for entrepreneurs, at this time, and NEDCO is, we are putting things in place that we can support and accelerate these persons to go and register their businesses from taking them out of the informal into the formal space of entrepreneurship. So, these are just some of the things that we are doing right now to support that group, and even those who have the capacity to start their businesses.

Mrs. Lezama-Lee Sing: Thanks very kindly. And so, Chairman, I just have two more questions, Chairman Mark. I just have two more questions. I want to go back to a question. I want to ask the

Ministry of Youth Development and National Service: What role do you see NEDCO playing insofar as redirecting young persons who may be in challenging situations? And what are you doing as well to move in that direction people who are engaged in crime or people who live with levels of poverty?

Mr. Hosein: Through you Chair, the Ministry of Youth Development and National Service, as indicated by the CEO, we define youth in accordance with the National Youth Policy from ages 10 to 35, and we have specific programmes developed in order to cater to the needs of young people. But the approach that we are taking is, one where we wish to integrate entrepreneurship in our various programmes. So, for example, we have the A.L.L. S.E.T Programme, which is a programme of training for young people in the use of heavy equipment. So in this programme, we will not only train them in terms of operation of heavy equipment, we will also facilitate through, for example, NEDCO, in terms of getting young people to change their mindset from being employees to being employers, so that they generate their own business activities. And so, we have other programmes in the Ministry, for example, AMPLIFY, which deals with training in terms of music. We have our CCC Programmes, our MYLAT Programme and so on. And in all our programmes, we are trying to integrate entrepreneurship into the programmes so, as I say, changing the mindset of our young people from just being employees to actually generating their own business. Thank you.

Mrs. Lezama-Lee Sing: All right. Thanks very much. And my last question today has to do with when you submitted your documents on page 19, you give a SWOT analysis, and you talked about threats. It is on page 19 of the document that you have submitted to this Committee. And I want you to tell me please, a little bit about the threats that are posed from:

Competition from banks—I am reading directly from your document—credit unions and other financial institutions encroaching on the market, as well as multiple service providers competing for support services space.

So, could you tell me, how is NEDCO managing in this environment? And what have you done to make yourself the preferred space for young people, to keep yourself relevant in this business?

Mr. Maurice: Chairman, I would start my response and I would have the support of the Chief Entrepreneurial Development Officer in complementing my response. Essentially, NEDCO's space is daily being carved out, more and more defined, as we have special engagement in regard to supporting those groups of entrepreneurs that other financial institutions may not have the capacity or will not be doing. So, for example, one project we can talk about, for example, is the Business Accelerator Programme, where persons getting into this programme, they are trained based on their particular business engagement, and they are provided with the financial support to ensure the success

of their businesses.

Also, we have community outreach, where we go out to the communities, we do training, we do mentorship and we do that business advisory that is so different and carved out. So, the engagement that we have with entrepreneurs is what we will call “holding hands” to ensure that the services that we provide are particularly catered for that particular group. Also, we provide synergies with other stakeholders, other agencies within the service, for example, ADB or exportTT, EximBank to provide that ecosystem of engagement to ensure that the entrepreneurs can be successful. So, we are in a unique space that we could carve out whatever support we can give other than the other institutions to ensure that these micro and small entrepreneurs are successful. I will invite, through you Chairman, can you also invite our CED, Chief Entrepreneurial Development Officer to contribute to this area as well?

Mr. Chairman: Yes, thank you.

Mrs. Carraballo: Thanks to the Chairman and members. So the question asked by the Committee member, it is a very good question, specifically, how is NEDCO in terms of addressing or addressed, competing with banks and credit unions. To put simply, NEDCO in terms of understanding our mandate and, particularly, as we have moved from the Ministry of Labour to the Ministry of YDNS, what it has done for us, in terms of the work, has been extremely timely, in that now it has moved the demographics or it has more or less pushed the demographics of NEDCO in terms of its own constant age category of clientele, to now more focus even more on a youth entrepreneurship clientele. And we have been doing that working directing—as would have mentioned by PS Hosein, in terms of some of our projects, we deal directly with the Ministry. Also, we work very closely with the Ministry of Sport and Community Development who also has a number of these centred projects. Through that, we have created the entrepreneurial development package which includes training and advisory service, specifically customized for their particular needs.

What NEDCO recognized and with the coming of the pandemic in 2020, was that there was even a more need for our services. So NEDCO’s staff, as stated by the CEO, we worked remotely. We were on board from online calling every clientele that we had to ensure that their services, in terms of what are the statuses of their services, and that information helped guide in terms of the development of the products and services that we have right now, and it continues as we are working more closely in terms of the digital transformation sessions that we are doing.

What we did is that we also created online webinars that base on the needs of the clients and as the public on the whole, not just NEDCO clients, but the public need for entrepreneurship. We

have seen an even greater push, based on persons losing employment, to moving towards entrepreneurship from employability in entrepreneurship, many of our programmes have been designed to the specific needs of them. And this in itself targets a lot of the youth entrepreneurs, those who may be still in school and are now trying to understand what direction they should go in.

So, NEDCO being poised in terms of our Business Accelerator Programme that promoted by our CEO and our Chairman where we linked, we partnered with various organizations. So, we are presently at the second cohort. Our first cohort where we partnered with tertiary institutions and tertiary institutions where they would have selected persons, past participants from their institution, as well as former participants from the institution where we will work with them—we will assess where they are and move from their idea or even if it is they are currently in business in terms of ensuring their business success. We are now at the second cohort and we are looking to start our third cohort by August 2022.

Mrs. Lezama-Lee Sing: Thank you. Chairman, permit me one final last question, just coming out of something Mr. Maurice said. You talked about community outreach programmes. Can I just ask you please, is that a scheduled thing or do you go where people invite you or do you traverse the country and you go out into communities most in need?

Mr. Maurice: We take it from two angles, member: One, the branches themselves engaged in various aspects of the community that they are involved in, and also from the corporate office, we also do our engagement, particularly, when we are invited. So we have been all over. Since the lock down has passed, we have been in Diego Martin, we have been in community groups in Tobago. So we have been all over. So persons invite us, yes, but also we have been also reaching out to communities doing just that.

Mrs. Lezama-Lee Sing: Thank you, Chairman. Thank you, Mr. Committee Chairman.

Mr. Chairman: All right. Thank you very much Laurel Lezama. Amrita Deonarine? I want to invite Amrita Deonarine and then I will invite Mr. Keith Scotland.

Ms. Deonarine: Thank you, Chair. Good afternoon everyone, and thank you so much, so far for your very comprehensive answers to this Committee. Now, before I go into some specific questions with respect to the accounts, I just have some follow-up questions with respect to the audit, and the fact that the 2018, 2019 and 2020 audits have been delayed. Now, I understand what both Mr. Benn and Mr. Maurice have been explaining. To my understanding, in May 2020, the audit started, the auditors were contracted and because it was the onset of the pandemic, there has been a significant delay. But I still did not understand clearly between 2017 and 2020, what exactly was the cause for the

delay of having the 2018 audit done and the 2019 audit done. Now, what I understood you all saying is that, well, you know, the Annual General Meeting only took place in 2020. So, why did it take two years, from 2017 to 2020, for the Annual General Meeting to take place? Could you just clarify that for me please?

Mr. Chairman: Mr. Benn or Mr. CEO?

Mr. Benn: I do not know if the DC will comment on that, because much of this activity does pass through—Ramesh, you want to come in here and then I can come in afterwards?

Dr. Ramdeen: Sure. Chair, you are hearing me?

Mr. Chairman: Yes.

Dr. Ramdeen: Well, there was some issues in 2017, 2018. What we do, we were bringing the auditor on stream. That was the main challenge—getting the auditor on stream, getting them on board to engage the process and that took a little bit of time. So that probably would have been the main reason for the delay in engaging the process during that period 2018 to 2019.

Ms. Deonarine: Okay. So then, was that the reason that the Annual General Meeting was delayed as well?

Mr. Benn: Yes.

Dr. Ramdeen: Yes.

Ms. Deonarine: Okay. So, Annual General Meetings, should they not happen annually? And is it that because there were delays in contracting or procuring for the new independent auditors, is it that because of that delay the entire meeting, Annual General Meeting was delayed?

Dr. Ramdeen: Well, if we did not have the audited accounts, we could not have called the Annual General Meeting. That was the challenge that we were having. So it is a kind of chicken and egg scenario.

Ms. Deonarine: Okay. All right. So that clarifies some of—[*Technical difficulties*]

Mr. Chairman: Your mike is muted Amrita?

Ms. Deonarine: Oh, sorry.

Mr. Chairman: Yeah, thank you.

12.15 p.m.

Ms. Deonarine: So with respect to the restructuring exercise, from what I understand Mr. Benn, we had a strategic plan from 2019 to 2023, and then because of the realignment from Ministry of Labour to Ministry of Youth Development and National Service, we had to do another strategic plan covering the period 2020 to 2025. So we had two strategic plans overlapping for a couple of years.

Now, my question is, this restructuring exercise, as good as it sounds, how much exactly did it cost to move from Ministry of Labour to Ministry of Youth Development and National Service?

Mr. Chairman: Mr. Benn or Mr. CEO?

Mr. Benn: Well, I will go first and then the CEO can follow me. I do not know—we have not cost it. We have not attempted to put a cost to the move. What I can say in respect of the plan—it is 2022 to 2025, eh, and the other one was '19 to '23. What I can say though is that we were not too sure in terms of our planning and strategic direction for a short while, and it is in that sense if one could put a cost to it, in terms of the uncertainty for a while, and we had to await and then meet with our new line Ministry, and we held several discussions in terms of a way forward.

The new line Ministry itself, as you may very well know, was a new addition to the landscape of Trinidad and Tobago, with a history, per se. So they too—and I am sure the PS would not mind speaking on that—they too had to revise and chart a way forward. So that is the cost, if you may call it that, in terms of the shift. We lost some time in the pursuit, and then we had to realign, and then to make sure that whatever we do now at NEDCO was consistent with our new line Ministry. As I am sure would have been trying to get things off the ground, because it was an entirely new Ministry.

Ms. Deonarine: Okay. I understand.

Mr. Benn: I know the PS can speak plenty on that.

Mr. Chairman: Would the PS wish to comment before Amrita Deonarine continues? Mr. PS?

Mr. Hosein: With the coming into being of the new Ministry, we were already working on a national youth policy. With the new Ministry, we got the approval for our National Youth Policy, 2020 to 2025, but in terms of NEDCO, NEDCO has only recently completed its strategic plan, 2022 to 2025, and submitted it to the Ministry about a week or so ago. We have invited NEDCO to make a presentation on its strategic plan, and we have started the review process, or in terms of looking at the document and ensuring its alignment to the mandate of the Ministry.

So that is only a recent event in terms of NEDCO completing its strategic plan, 2022 to 2025, and submitting it to their line Ministry. So we are still looking at that strategic plan, and we have invited them to make a presentation on it to the Ministry. Thank you.

Ms. Deonarine: Okay, thank you, PS. Mr. Benn, tell me something. So, given that you had a period of uncertainty of the mandate of NEDCO, and now that this whole new strategic plan is now completed and submitted to the Ministry for its approval, are you in a position to explain to this Committee what has significantly changed from the old mandate to the new mandate?

Mr. Chairman: Could you unmute, Mr. Benn. Mr. Benn, could you unmute.

Mr. Benn: Sorry about that, Chair. In fact, I would want to invite CEO, the Planner, to discuss this, because we had gone through this in a considerable amount of discussion in terms of the shift and the implication of the shift, and the way that our operations and even our priorities would need to be shifted a bit. If I may ask Makesi, who would have done a lot of work on this particular area, to come in here and comment on that. May I, Chair?

Mr. Chairman: Yes, of course. Mr. CEO, please.

Mr. Maurice: So, therefore, I will start and, therefore, the Strategic Planner will join in after. But to bring it in context for what follows, we have to refer to the new mandate or strategic imperative placed on NEDCO, which would have been in seven areas. Finance, which looks at the provision of financing of small businesses, including, but not limited to, the term loans and equity and quasi equity financing and the working capital. How does that change? Because of our new engagement from the general public of a certain age group, this strategy had to be redesigned in terms of, we have a younger age group with regard to our engagement, with regard to financing.

The second area is training and advisory, provision of training via short courses, business advisory services and small business clientele. How does that change? Engaging the adult is different from engaging the young, and NEDCO therefore had to redesign and redevelop strategies to make our engagement more acceptable to that grouping, as I talked about, the 10-year group moving forward. How do we engage that group? How do we engage the various communities they are involved in, whether it be school, whether it be their different church groups or whatever? So, therefore, that also impacted the strategy.

The third area would be policy and strategy development in terms of the policy of youths. We had to take into consideration the mandate and the pillars of the youth policy, and how NEDCO had to now integrate our services with regard to the youth policy.

Nationwide coordination of the entrepreneurial development, which requires NEDCO also to engage schools and engage the different groups that the Ministry of Youth Development and National Service would have their clientele base in, CCC and the JSC, all the various groups, to incorporate them in our strategic plan in terms of how do we have that coordination.

Partnership with the specific stakeholders that would provide NEDCO with that support, with regard to engaging the clientele of the Ministry of Youth Development and National Service. How do we do that? Some of which I talked about as well. The IDB entrepreneurial hub, the Ministry of Youth Development and National Service, their own entrepreneurial hub and various engagements. Developing in terms of a market network, how do we market the products coming out from the

various sectors within that particular area, and also the various levels of advocacy, as it relates to the youth, bringing them out of what you call that aversion, that risk aversion with regard to getting in business. So it impacted significantly to our strategic planning.

I will just allow the Strategic Planner to further provide detail to this.

Mr. Alexander: Thank you very much, CEO. So to add on to what the CEO would have mentioned, we would have definitely had when we did our restructuring, the seven mandates that he would have clearly articulated. As a result of having to now do the revised plan, because of the new alignment to the line Ministry, we have to take into appreciation the National Youth Policy. Chairman would have spoken about it in his opening statement, where the first pillar in the National Youth Policy speaks to engagement, empowerment and participation for the nation's youth, which, of course, would have been defined as 10 to 35.

What we also had to take into consideration would have been what we saw happen with the environment. So as a result of COVID, our Chief Entrepreneurial Development Officer would have spoken to how we would have changed and modified in the delivery of our services. More importantly, but to add to that, we would have also been guided by Government's Road Map to Recovery Report that would have looked at the engagement for entrepreneurs.

One of the aspects of that, Chairman would have mentioned it, about the Entrepreneurial Relief Grant, but in addition to that there are recommendations there that speak to the provision and support of emerging markets, for markets to be more resilient and be more sustainable. So within the implementation of those seven key mandates, we are looking at the way they are implemented, looking at those particular targets. One primarily, the target group and beneficiaries of the Ministry of Youth Development and National Service, which is roughly about 470,000 individuals 10 to 35, and then also coming out of the key recommendations from the Road Map to Recovery that looks at providing support to micro and small enterprises as well.

Ms. Deonarine: Okay, thank you. So then, could somebody give me a cost of this new strategic plan? The strategic plan from 2020 to 2025?

Mr. Benn: Makes you would have to continue a bit, if you do not mind. You heard the question?

Mr. Maurice: Yes. So the strategic plan was essentially done in-house, with the support of a consultant, that would have cost the organization just about, I do believe, \$20,000, but that was the only cost in terms of doing this new strategic plan as it relates to our engagement with the Ministry of Youth Development and National Service.

Ms. Deonarine: Okay. That is very commendable, that the strategic plan was done in-house. I mean,

it is excellent to hear that the staff of NEDCO was responsible for crafting the strategy, together with the Ministry of Youth Development and National Service going forward.

Now, Mr. Maurice, let me just keep you on a little bit longer. In one of your responses to member Lezama-Lee Sing, you said one of the challenges is to really get some of these youth, or the micro and small businesses, to get out of the informal economy into the formal economy. So could you tell me if that is one of your targets in your new strategic plan and, if it is, how many businesses were you able to get out of the informal economy into the formal economy? To just make sense of it, how many businesses who were not registered before, who are registered because they were beneficiaries of some of the services that you offer?

Mr. Maurice: So in terms of the specific data that would really provide you with I guess what you are asking, I would not have the specific data, but I can give you an example of the need with regard to through our application process, and trapping a specific number of entrepreneurs who were not registered. One example would have been our recently advertised “BITS” loan, which attracted over 4,000 applications, but within that, over 600, very close to 700 of those, were not registered businesses. So that is a microcosm in terms of what we are talking about, in terms of the ratio of persons registered and not registered.

But also what I want to bring to mind is the importance of bringing persons from the informal to the formal business engagement. So we have started speaking—I have already raised it with the Deputy PS in the line Ministry, to see what type of support the Ministry can provide to NEDCO in making the various connections and discussion with the appropriate Ministries, to support what I would call the “ease of doing business” through NEDCO, for the registration of these entrepreneurs.

So it is an ongoing process. We have not started as yet, but we are hoping that this digital transformation would make it quite easy. So, therefore, persons who cannot afford to pay \$2,000 or \$700 for some money to help them to register their business, can come to NEDCO free of charge and have that activity done. Because we believe the mere fact that persons have to, in some cases if they do not understand, have to pay for that service, it is a deterrent. So we are trying to break down that initial barrier, so NEDCO can support, what I can say, an increase in terms of registering small businesses.

Mr. Chairman: Mr. CEO, before Ms. Amrita Deonarine continues, can you put in writing for this Committee the data involving the number of businesses involving young people, that NEDCO has been able to shift from the informal economy to the formal economy? I did hear you say that you did not have that data at your fingertips, so maybe you can commit that to writing and submit it to the

Committee. Okay?

Mr. Maurice: Chairman, may I?

Mr. Chairman: Amrita, you can continue, please.

Mr. Maurice: What I want to clarify, before I continue, what I said it is part of our strategic engagement to bring the informal into the formal. So it is an engagement that we are about to take, not that it has specifically been done already, and was really speaking to our strategic direction as the member was discussing.

Mr. Chairman: So in other words, there is no activity along that line as we speak? It is something that you will be commencing in the coming period, am I right?

Mr. Maurice: Yes, hence the reason my discussion with engaging the Ministry to support NEDCO in doing just that.

Mr. Chairman: Okay. Amrita Deonarine, please continue.

Ms. Deonarine: Sure, thank you Chair. Mr. Maurice, that is actually something very, very critical going forward, not only in terms of being a key performance indicator for NEDCO, but also to assess the impact on the economy that the work of NEDCO is having, because if you can say at any one point in time that, you know, well, NEDCO was able to take 10,000 businesses out of the informal economy into the formal economy, then that is a significant achievement. You may very well be selling yourselves short in terms of the level of achievement and the level of contribution that you all have to the economy.

Now, time is going by quickly, so let me move quickly to some of the submissions that you all would have provided us with. Now, I see in 2016 and 2017, that you have a breakdown of the loan portfolio, and it is concentrated primarily in retail services, health and wellness, and groceries. Now, my question is, has this construct or proportion of the loan portfolio changed since 2017?

Mr. Maurice: It remains basically the same, but I will tell you member, one of the mandates as well—I would not say mandates, but one of our strategic visions is to also support in a significant way, and to be in line with the diversification of Trinidad and Tobago, with regard to productive businesses in terms of light manufacturing, encouraging innovation in terms of technology.

These are some of the areas that NEDCO will be supporting, and trying to stimulate these types of businesses. Rather than only retail businesses. We see the necessity of it. We see it existing as you say, but one of the strategic visions is to transform our portfolio in a better way, as we can support the diversification of Trinidad and Tobago through the productive sector.

Ms. Deonarine: So then, what is your plan for increasing the number of light manufacturing firms

that you all provide your services to, or you give loans to? Because, as of 2017, based on your written responses, light manufacturing firms benefiting is around, is actually 87 firms, with 87 out of 1,727 firms. So, could you kindly enlighten us on what NEDCO's plan is to increase that? Is it collaborating with exporTT, EximBank? What exactly is the plan?

Mr. Maurice: Notwithstanding yes, you are correct, but we have engaged an MOU just over one year ago with CARIRI, to support light manufacturing and, as a matter of fact, we have a webinar later this month as it relates to CARIRI and NEDCO in terms of advising and giving support to light manufacturers. In terms of accessing CARIRI services, how NEDCO can support the financing for them to access those services, in terms of their product development, in terms of getting their product certified by the various health agencies, all these supports are mechanisms NEDCO has in place, so therefore we can make that conversion. So, therefore, it has already started, and we hope within one year's time we can see some change and some growth as regards to our portfolio and this particular sector.

As it relates to digital transformation and innovation in that area, we are involved in the projects, as I said, with IADB, and developing the digital transformation for micro entrepreneurs through using this ICNT mediums. So, therefore, we have started the process, member.

Ms. Deonarine: That is good news. Tell me something. Now, I am looking at 2016 and 2017, and the loan portfolio between those two years shrunk considerably by approximately \$64 million. Could you tell me what attributed to that significant decrease in the loan portfolio between 2016 and 2017? And just let me ask quickly, according to the accounts, there is a particular line item that speaks to loans written off from allowance of impairment, and it is valued at \$66 million. Could you explain to the Committee and the general public what that line item speaks to?

Mr. Maurice: Thank you very much, member. I will invite the Chief Entrepreneurial Development Officer who can give you a response to question one, and the Chief Financial Officer who can best give you a response to question two. Chairman, may I?

Mr. Chairman: Yes, thank you.

Mrs. Carraballo: Chair, good afternoon again. With respect to question one in terms of the movement of the portfolio between 2016 to 2017, what we would see that there was a movement of that amount to the bad debt ledger, so it is reflected on the current loan portfolio at this point in time.

Ms. Deonarine: So we had a movement of almost \$40 million into the bad debts ledger?

Mrs. Emmanuel: Chairman, if I may.

Mr. Maurice: The Chief—okay, thank you, yes.

Mr. Chairman: Yes.

Mrs. Emmanuel: Okay. So yes, at year end 2017, there was a movement of 3,631 client accounts to our bad debt ledger. The principal value of that amount was the \$66 million mentioned by Ms. Deonarine, and this was in accordance with prudent accounting practices. Those accounts were identified as being non-active and, therefore, they were moved from the active portfolio to the bad debt ledger for further action.

Ms. Deonarine: Okay. So tell me something. As of today, or as of the latest accounts that you have available, because we do not have the updated audited financial statements before us, what is that figure to date? And just to clarify, loans written off from allowance for impairment, which is basically non-performing loans that goes to the bad debts ledger, according to proper accounting practices.

Mrs. Emmanuel: So if I may, for clarification, you are requesting what is the status of that group of loans in the bad debt ledger, yes?

Mr. Chairman: Yes, at this time?

Mrs. Emmanuel: Can I defer that question to Chief Credit Risk Officer, as the portfolio is under her department's purview?

Mr. Chairman: Yes, thank you. Chief Credit Risk Officer, please.

Mr. Maurice: Chairman, may I, before the Chief Credit Risk Officer comes in, I think that question could be best explained in a written response. Can we do a written response for that?

Mr. Chairman: Okay, thank you.

Mr. Maurice: Thank you very much, Chairman.

Mr. Chairman: May I ask, before Sen. Deonarine continues, if you can put in writing for this Committee a detailed submission as to the breakdown of the \$66 million that would have been, more or less, written off and to whom and to when and the value of each? I think it is important for us to have an assessment and an evaluation of that arrangement. So could you kindly make that submission available to this Committee please?

Ms. Deonarine: Chair, and if I may also add, for the members to submit in writing as well, is that really what the impact of that bad debts ledger or the impact of those non-performing loans has been on the key performance indicators, specifically portfolio at risk, percentage of non-performing loans, loan loss coverage and provision for bad and doubtful debt net interest earnings. So those are clearly outlaid in your submissions to us, and we would like, Chair, kindly, on behalf of the Committee we would like to know what the impact of this has been on those key performance indicators.

Mr. Chairman: May I say Ms. Amrita Deonarine, it is now quarter to one and we have to drift

towards a conclusion. So if I may invite you to just be tight, and then invite Mr. Scotland, so we can bring our proceedings to a close, because we will have to continue at a subsequent time. But we have a time constraint because there are other commitments that we have to fulfil. So if you can be tight, we will appreciate it.

Ms. Deonarine: Chair, I could pause at this point. The remaining questions I can submit it in writing to the Secretariat to send to NEDCO, to give way to member Scotland, because he has been waiting for some time.

Mr. Chairman: Thank you so very much. Mr. Keith Scotland, the floor is yours.

Mr. Scotland: Chairman, good afternoon. I thank my fellow members, and thank you, Chairman.

To NEDCO, there is a concern in challenged communities about youths and youth involvement in entrepreneurial activities. What, if any plans, has NEDCO developed specifically geared towards youth in challenged communities to get them into entrepreneurship?

12.45 p.m.

Mr. Maurice: Thank you, member, Chairman. I would start, and I am sure that the Entrepreneurial Development Officer will continue my discussion. The Business Accelerator Programme has been a lead programme to this point in NEDCO to do just that. The Business Accelerator Programme is taking persons, particularly young persons, because it is designed for young persons, to train them and develop them in their area of business. It provides training, specific training to the youth in regard to the business scale—their gap in learning in regard to business development, and also the programme is, it allows for these individuals getting a special loan from NEDCO that would have reduced collateral and very easy to access after they have been trained in that particular area in terms of entrepreneurial development.

So it gives aid and gives support even during and post the training to ensure sustainability as it relates to these entrepreneurial in high-risk areas. They are accessed through many areas, through institutions, through community groups, and it is an ongoing special programme under the Public Sector Investment Programme in NEDCO. I will invite, Chairman, if you may, the Chief Entrepreneurial Development Officer to continue discourse in this area.

Mr. Chairman: Yeah, thank you.

Mr. Scotland: Chairman, can I ask that we get a short answer because I have several areas of interrogation, please.

Mr. Chairman: Yeah. I would like to indicate to the other speaker, if you could be brief and commit to writing your submissions so that Mr. Keith Scotland can pursue his remaining questions. So, may I

invite the entrepreneurial officer to be very tight, and submit additional information in writing.

Mrs. Carraballo: Good afternoon again, I would be very brief. Firstly, our aim is to change the conversation in terms of youth and entrepreneurship. So therefore, we would not use the word “challenged communities” we would look at them as priority communities, and in that as we prioritize their need and their service we have been focusing on corporations, community development, we would have noted working with various Ministries and designing programmes to meet their needs. And we have been doing that through using technology—technology being used in our webinar services to communicate and have programmes specifically for their needs, and as such, through those assessments we are designing a product specifically in terms of loan products and training products to change the conversation from employability to entrepreneurship. And as such I would provide further details as requested in a written document.

Mr. Scotland: Chairman, thank you. Because this is, Chairman, this is important, and I want NEDCO to tell me if—do you have a marketing strategy, an aggressive marketing strategy that is earmarked for such a project? I have not seen it. So if you do, can you tell us briefly what it is and where we can reach it?

Mr. Maurice: That marketing strategy, yes, it is there and it is being further developed. And again, the Chief Entrepreneurial Development Officer can provide better context in writing in regard to that strategy, member.

Mr. Scotland: Do you not see, and I ask this to your Chairman and other—your executive members, that you are now falling under the Ministry of Youth Development and National Service, can you not use this as a buffer for a synergy, a more aggressive synergy so that you can target the youth? How have you utilized this, and I call it a windfall, to target the youth, now that you are under this Ministry? How have you utilized that, particularly challenged youths?

Mr. Maurice: Well, I know Chairman will follow. But certainly through, for example, one example, CCC, the Civilian Conversation Corps. We have been engaging discussion with them to provide that level of support in terms of entrepreneurial services, and some of the other units in the Ministry of Youth Development and National Service. As I said, we are in some discussion—the Ministry is in discussion with us in regard to our strategic plan, and how we can have greater impact in terms of their community.

Mr. Scotland: Chairman—

Mr. Chairman: Yes.

Mr. Scotland:—can I have that strategic plan, that linkage, how you intend to use it? Can I, Chairman,

ask that we be provided that in writing, please?

Mr. Chairman: Yes, of course.

Mr. Scotland: Chairman, I now want to go to an operational issue, and I do not want to manage your—you would agree with me that your operations committee is one of the most critical committees of any organization, how has that committee been functioning in recent times? Has it been reporting?

Mr. Benn: We do not have an operations committee, per se, member. What we do have is a Finance and Business Development Committee, and we have Dr. Ramdeen who is head of that committee, who may be able to briefly say how we structure our activities in that regard. Dr. Ramdeen.

Dr. Ramdeen: Yes, sure. Thank you, Chairman. Member, the Finance and Business Development Committee is one of the key institutional frameworks that we have at NEDCO. We meet once a month to go over the finances, business development strategies, plant and operations, the strategic objectives of NEDCO, policy. All policies that are being drafted pass through this Finance and Business Development engagements to ensure that we adhere to the principles of our line Ministry, what our objectives are, what our overall objectives are in terms of meeting our targets as NEDCO. We are fully staffed. We have—myself, chair, that committee. We have the chairman of the board on that committee as well as two other board directors on that committee. The CEO also sits on that committee together with the Corporate Secretary. So it is a very high-level team.

Mr. Scotland: Seeing that you have this Finance and Business Committee, and that we are still in the throes of the pandemic, but we are coming out of one phase of the pandemic, how has NEDCO, Chairman, may I ask, through you, tailored its strategic plan and its future operations, both short-term and medium-term to deal with that challenge?

Mr. Chairman: Yes, Mr. Chairman, Mr. Benn, I do not know if you want Mr—yes?

Mr. Benn: Probably, if I may—

Mr. Scotland: Chairman, may I? Because we have not heard anything from NEDCO that brings us to this very critical point, so Mr. Benn could you tell us please?

Mr. Benn: Sure. And probably if I could identify one programme that we had, which is the ERG, our Entrepreneurial Relief Grant programme, which we in collaboration with the Ministry of Finance executed. And just to give you some sheer numbers, because, yes, it would be useful for us to put this on the record. Initially, we, NEDCO, we were given an allocation of \$30 million to execute, and that has been totally exhausted. I could tell you that there were, in terms of applicants, as at the end of last month, May, there were 5,457 applications for that programme. Of that 5,700 there were 3,373 successful applicants, which meant that the allocation of \$30 million was total exhausted. Because we

distributed something like \$29,550,000. Immediately, we discovered that there was a problem, and so we entered into some discussion with the Ministry of Finance. And I can now tell you, because there was a large group of persons who were eligible for the grant, but resources were totally exhausted. And so I could tell you that the Ministry of Finance has agreed to allocate an additional tranche of \$20 million towards the end of 2022. Which will mean that at the end of this programme a total of approximately 5,000 beneficiaries would have been facilitated through it. And that is just one arm of the ERG. But from the ERG, because it affords NEDCO the opportunity to interface with many persons who have never been prior to, a client of NEDCO. So we are meeting with people for the first time and striking up new relationships. But I just want to let you know that the ERG programme by itself would have been—at the end of this year—able to facilitate something like 5,000 beneficiaries, all of whom are SME agents/clients. So that is one—

Mr. Chairman: Yeah, Mr. Benn just to add to what Mr. Scotland asked, would you be able to provide this Committee with some information on how this—is it the Entrepreneurial Relief Grant?

Mr. Scotland: ERG. ERG, Chair.

Mr. Chairman: Yeah. If you can provide this Committee with an appreciation of what are the criteria established for accessing the grant? And if you are talking about 5,000 grants that have been issued over the period that you are talking about, inclusive of the \$20 million additionally, in terms of the effectiveness of it, can you give us an example of how much each person would get on average, or is there a tier system involved in this exercise?

Mr. Benn: Yes, we have all that information, Chair. We do have all that information, and I could tell you that in collaboration with our line Ministry we are actually doing a survey of recipients, to get further information as to the post allocation process, how they have been doing and how it has benefited them, et cetera. That is work in progress as we speak, and a report, we have a preliminary report. A report eventually will be produced in that regard.

Mr. Chairman: Yeah, and when that will be?

Mr. Benn: But, I can give you and provide to you in writing a summary of all, and the distribution, the criteria, and everything. And may I also say that this is in collaboration with the Ministry of Finance.

Mr. Chairman: Yes. We will appreciate in writing, Mr. Benn, what you have just indicated that you can provide.

Mr. Benn: Sure.

Mr. Chairman: Thank you. Yes, Mr. Scotland you can proceed.

Mr. Scotland: Chairman, may I ask, through you, and, Chairman, I will ask one more question. When

you look at your watch I know that we may be going into overtime, Chairman. So, I will just ask one more question. I have several more but I realize that this was an engaging interactive process. May I ask the hierarchy of NEDCO, how does NEDCO intend to remain relevant in this dynamic movement of the society called Trinidad and Tobago?

Mr. Benn: CEO, I know you will enjoy responding to that. [*Laughter*]

Mr. Maurice: Member, I will like to state, not only we are relevant, we will remain—we will continue to be relevant because we are changing the game. We are going to make the ease of doing business very, very applicable in NEDCO. We are going to use this digital transformation to impact the ecosystem of entrepreneurial development through the various mechanisms, of the apps and persons who in all communities, whether challenged or other communities, can access the service w by just the touch of their phone. So, that is one game changer. The other thing is, how can we provide persons without collateral? That is the question, you know, member. Persons who are out there in the high-risk areas who do not have the collateral to access NEDCO loan. And we are going to be engaging the Ministry of Finance with a particular proposal to do just that. We are very relevant. We are here for the poor, and we are here for those who are in need of us. So member, we can also provide you with more details, in specific detail in terms of how we continue to be very, very relevant.

Mr. Chairman: Mr. Scotland.

Mr. Scotland: I thank you for your indulgence. I know that we are running—I must be disciplined, and I thank you.

Mr. Chairman: Thank you. Thank you very much. Members, at this time I would like to indicate to Mr. Clary Benn and his CEO that there are several questions that members themselves may not have been able to execute at our meeting because of our time constraint, our constrain. So, what I would like to suggest is that please expect from us a series of questions from the Secretariat which you would need to respond to, so as we move forward with our report we can get the benefit of these clarifications. And, also, if there are areas, Mr. Benn, that you would like to submit to us as it relates to how can we assist the NEDCO in becoming more efficient, more effective and more economical in your operations, and what recommendations you would like to submit to us for consideration, for submission to the Parliament to help strengthen NEDCO, we would welcome. So that would be appreciated if you can put pen to paper, or write to us, or whatever, email to us your recommendations for further strengthening NEDCO, we will appreciate. Okay? That is an open invitation.

I would just like to say in closing, on behalf of our Public Accounts (Enterprises) Committee, we really want to take this opportunity to thank our colleagues for being here with us, from the various

agencies, that is the Ministry of Finance, Investments Division, also NEDCO, also officials from the Ministry of Youth Development and National Service. We would like to thank you for being here with us. Okay. We look forward to further engagement with you. As I said, we will submit questions for further clarification from you on this very important institution called NEDCO, along with the Ministry of Finance and the new Ministry that has been established.

With these few words we would like to thank you members, representatives, officials from the agencies represented here today, national youth development, the Ministry of, as you say, the Youth Development and National Service, the Ministry of Finance, Investments Division, and NEDCO, we would like to thank you all for participating in this very important enquiry. We wish you all a safe return journey to your respective places of work, and we say good afternoon to all of you. Thank you, and this meeting is now suspended. Thank you very much.

1.03 p.m.: *Meeting adjourned.*