

SIXTH

REPORT
FROM

THE PUBLIC ACCOUNTS
(ENTERPRISES) COMMITTEE

EXAMINATION
OF

the Audited Accounts, Balance Sheets and other
Financial Statements of the East Port of Spain
Development Company Limited (EPOS) for the
financial years 2012 and 2013

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 Sagrarsingh-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:

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Ms. Hema Bhagaloo	Assistant Secretary
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Publication

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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 Sagramsingh-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 Accounts, Balance Sheets and other Financial Statements of the East Port of Spain Development Company Limited (EPOS) for the financial years 2012 and 2013** and produced this report. This report details the issues, endorsements and recommendations made by the Committee to improve EPOS' performance.

The Report focuses on the following issues:

1. Status of Outstanding Audited Financial Statements;
2. Staff Retention and Recruitment Challenges;
3. Impact of Covid-19 on Development Projects;
4. Improving Operational Synergy between the EPOS and MHUD;
5. Development Programme Funding Challenges;
6. Improving the Clarity of Contract Documents;
7. Quantifying the Achievement of Strategic Objectives;
8. Documentation of Project Evaluations;
9. Integration of Risk Management Recommendations;
10. Outsourced Internal Audit Function;
11. Strategic Plan Tendering Process; and
12. Latrine Removal Programme.

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

- The Ministry of Finance should submit a status update on the submission of the 2014 to 2017 audited financial statements to the Parliament no later than September 09, 2022.

- EPOS should submit a status update and an action plan to reduce risk of additional delay on the completion of the 2018 to 2021 audited financial statements to the Parliament no later than September 09, 2022.
- The MHUD and EPOS should request a status update inclusive of reasons for any delay from the HRAC on its decision to approve EPOS' revised organisational structure and proposed compensation packages. Once received the MHUD and EPOS must submit a status report to Parliament by September 09, 2022 ;
- EPOS should provide a plan to assist EPOS in establishing an appropriate staffing mix in the next six (6) months to deal with the shortage of personnel while awaiting a response from the HRAC; and
- EPOS should develop a succession plan so that the company's departments will continue to run smoothly when experienced employees move on to new opportunities submit an update to Parliament by September 09, 2022.
- EPOS should submit a status update on the initiatives the company implemented to ensure that each developmental project affected by the rising cost of raw materials was completed on time and within budget to Parliament by September 09, 2022.
- EPOS should develop lessons learnt guidelines going forward to document all the information that reflects both the positive and negative experiences of a project with aligned countermeasures in the event a similar occurrence happens.
- The MHUD and EPOS should submit an update to Parliament by September 09, 2022 on whether the challenges with the lack of funding has been resolved and provide a status report on whether the company was able to execute its projects.
- EPOS should submit a status update on initiatives taken to improve the clarity and simplicity of its contract documents and the revisions to the evaluation criteria proposed by the OPR to Parliament by September 09, 2022.
- EPOS should submit a status update on finalizing the special handbook and guidelines in line with the OPR's model.

- EPOS should submit a status update to Parliament by September 09, 2022 on the development and inclusion of quantitative indicators to measure progress on achieving strategic objectives and outcomes outlined the new Strategic Plan for the period 2021 to 2023,i.e. subsequent to approval by the company's Board of Directors.
- EPOS should submit a status update on the development and implementation of an operations procedure's manual to properly and formally document project evaluations to Parliament by September 09, 2022.
- EPOS should submit a status update on the risk integration of the internal auditors' recommendations to each functional area of the company's activities as well as a timeline for the implementation of same to Parliament by September 09, 2022.
- EPOS should provide a status update on the approval of its organisational structure to Parliament by September 09, 2022.
- MHUD should submit a status update on approval of an Internal Auditor on EPOS' organisational structure to Parliament by September 09, 2022.
- EPOS should supply an explanation on why sole tendering was the preferred procurement process used to select Definitive Management Solutions as the consultant engaged for a critical document such as the company's Strategic Plan, given that the Balance Scorecard Methodology is not unique to the selected company by September 09, 2022.
- Going forward, if the need arises to outsource consultancies using sole select tendering, EPOS should verify with the OPR on the conditions necessary to justify/satisfy a sole select tendering procurement process until EPOS' special handbook and guidelines are finalized with the OPR.
- EPOS should provide an update to Parliament by September 09, 2022, on actions to be taken to address the delays in the preparation of the strategic plan going forward.

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

- The Committee commends the collaborative efforts made by the MHUD and EPOS to improve the operational synergy and communication between the MHUD and EPOS.
- The Committee commends EPOS for taking the initiative of approaching other State agencies, the private sector and NGOs for assistance in the delivery of its social and economic programmes.
- The Committee commends EPOS for the implementation of its Latrine Removal Programme and the other activities the company undertakes to improve the general quality of life for residents in the East Port of Spain area.

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

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

compliance with official policy and the monitoring mechanisms to be used in assessing such compliance. The Government of Trinidad and Tobago monitors the performance of State Enterprises to ensure that these enterprises 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 EPOS. The following steps outline the Inquiry Process agreed to by the PA(E)C:

- I. Examined EPOS's Audited Financial Statements for the Financial Years ended September 30, 2012 and 2013. Based on an analysis of the financial statements, issues were identified and questions for written response were generated.
- II. Questions were sent for written response based on the issues identified in the Audited Financial Statements to EPOS on April 26, 2021. EPOS's responses were received on June 11, 2021.
- III. Preparation of an Issues Paper which identified and summarised matters of concern in the responses provided by the EPOS. Based on the responses received and the issues identified, the Committee agreed to have a public hearing.
- IV. A public hearing was held on March 2, 2022. Representatives from EPOS, the Ministry of Housing and Urban Development (MHUD) and the Ministry of Finance - Investments Division were invited.
- V. Questions were sent for additional information to the EPOS and the MHUD after the public hearing were made on March 7, 2022. The EPOS's responses were received on April 01, 2022, and the MHUD's responses were received on March 23, 2022.
- VI. Report the Committee's findings and recommendations to Parliament upon conclusion of the inquiry. The Report will be transmitted to the MHUD as the Minister with oversight of the EPOS 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.

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

East Port of Spain Development Company Limited

The Background of the EPOS⁵

The East Port of Spain Development Company Limited was incorporated in September 2005, and mandated by the Cabinet to develop and redevelop East Port of Spain to improve economic, social and physical conditions.

The East Port of Spain Development Company Limited, or EPOS, receives funding from the Ministry under the Consolidated Fund for its social programmes, and under the Infrastructure Development Fund for its physical infrastructure projects. The delivery of these projects is focused on improving the communities of East Port of Spain and environs which goes from Charlotte Street to the west, to Morvant Junction to the east, Belmont to the north and Sea Lots to the south.

The vision of EPOS is well aligned with the proposed plan for the development of the wider metropolitan district of Port of Spain and environs as a vibrant, resilient and sustainable city in keeping with the philosophy of the UNDP's Sustainable Development Goals, Goal 11 which is to, "Make cities and human settlements inclusive, safe, resilient and sustainable".

EPOS fulfils its remit of creating sustainable community development through its core business activities of comprehensive and integrated development planning, community engagement and project identification, conceptualization and implementation.

⁵ Adapted from the opening statements from the Permanent Secretary Ministry of Housing and Urban Development and the Managing Director of East Port of Spain Development Company Limited

Board of Directors

NO.	NAME	RESPONSIBILITY
1.	Mr. Newman George	Chairman Chair, Finance & Investment
2.	Dr. Jeffrey Reyes	Chair Tenders Committee
3.	Mr. Anthony Ferguson	Chair Audit Committee
4.	Ms. Leslie Donawa	Chair Operations Committee
5.	Mr. Brian La Roche	Chair, HR Committee
6.	Mr. Olson Oliver	Operations Committee
7.	Mr. Brenston Francois	Audit Committee
8.	Ms. Leisel Margot Thorne	Operations Committee; Tenders Committee
9.	Ms. Cherrish John-Nelson	HR Committee; Tenders Committee
10.	Mr. Anthony Campbell	Audit Committee

Management Team

NO.	NAME	RESPONSIBILITY
1.	Dr. Deborah Thomas-Austin	Managing Director
2.	Ms. Nissa Hosten-James	Manager Finance and Administration
3.	Mr. Arthur Lewis	Head of Communication
4.	Ms. Derriann Charles	Legal Officer/ Company Secretary
5.	Mr. Michael Aberdeen	Projects Manager
6.	Mr. Rennie Mohan	Procurement Officer

Line Ministry - Ministry of Housing and Urban Development⁶

Minister of Housing and Urban Development

- Hon. Camille Robinson-Regis, MP

Minister in the Ministry of Housing and Urban Development

- Hon. Adrian Leonce, MP

Permanent Secretary (Ag.) - Mrs. Claire Davidson-Williams

Deputy Permanent Secretary (Ag.) - Ms Nirmala Ramlogan

⁶ Ministry of Housing and Urban Development Website accessed on April 20, 2022 <http://www.housing.gov.tt/our-leadership/>

Issues and Recommendations

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

1. Status of Outstanding Audited Financial Statements

The timely submission of Audited Financial Statements to Parliament is pivotal in ensuring the proper oversight of public funds. Section 3.2.5 of the State Enterprises Performance Monitoring Manual⁷ states that State Enterprises are required to submit audited financial statements to the Minister of Finance within four (4) months of their financial year end. These reports are to be laid in Parliament and subsequently submitted to the Public Accounts and (Enterprises) Committee for consideration. Based on Parliamentary record, the last audited financial statements submitted to the Parliament was for the year 2013. EPOS officials provided a status of outstanding audited financial statements as follows:

- The final audited financial statements for 2014 to 2017 were received from the company's auditors and submitted to the Ministry of Finance;
- The first draft of the 2018 and 2019 audited financial statements were received from the company's auditors on May 22, 2021, and February 15, 2022, respectively; and
- The auditors have scheduled to commence field work for the 2020 audit in April 2022 with 2021 to follow thereafter.

Recommendations:

- **The Ministry of Finance should submit a status update on the submission of the 2014 to 2017 audited financial statements to the Parliament no later than September 09, 2022 ; and**

⁷ 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/>

- **EPOS should submit a status update and an action plan to reduce risk of additional delay on the completion of the 2018 to 2021 audited financial statements to the Parliament no later than September 09, 2022.**

2. Staff Retention and Recruitment Challenges

The inability to retain and recruit competent staff has disrupted EPOS' ability to effectively execute its operations. EPOS has been challenged by its inability to fill key technical and professional positions due to uncompetitive compensation packages and the current terms and conditions offered were not comparable with similar sized organisations. It was stated that this issue has compromised the company's ability to recruit and retain the best staff. It was also highlighted that EPOS constantly loses staff to better compensation packages offered at other company's making it hard to replace them when many interviewees expect to be offered a competitive compensation package.

The new Organisation Structure for EPOS was approved by the Board of Directors (BoDs) in November 2020 and submitted to the Ministry of Housing and Urban Development (MHUD) for approval on December 31, 2020. A Job Evaluation exercise was then undertaken, and job descriptions revised. Lastly, a review of compensation was also undertaken comparing market data with revised the compensation packages being proposed. After receiving BoD approval, the review was submitted to the Human Resource Advisory Committee (HRAC,) a Sub-Committee of the Cabinet of the Government of the Republic of Trinidad and Tobago with responsibility for monitoring wage and salary negotiations in the public sector for approval. EPOS stated that following the submission of two applications for review to the HRAC in October 2018 and again in March 2019, a meeting with the HRAC was held on April 26, 2019. However, at the time of the public hearing, no decision from the HRAC had been received by EPOS. EPOS' organizational structure requires 44 personnel but at the time of the public hearing, only 23 positions were filled. Critical positions such as Internal Auditor and Chief Technical Officer cannot be advertised and filled without the HRAC's approval.

Recommendations:

- **The MHUD and EPOS should request a status update inclusive of reasons for any delay from the HRAC on its decision to approve EPOS' revised organisational structure and proposed compensation packages. Once received the MHUD and EPOS must submit a status report to Parliament by September 09, 2022 ;**
- **EPOS should provide a plan to assist EPOS in establishing an appropriate staffing mix in the next six (6) months to deal with the shortage of personnel while awaiting a response from the HRAC; and**
- **EPOS should develop a succession plan so that the company's departments will continue to run smoothly when experienced employees move on to new opportunities submit an update to Parliament by September 09, 2022.**

3. Impact of Covid-19 on Development Projects.

The most significant issue the company faced after the start of the Covid-19 Pandemic was the rising costs of the development projects. The Managing director explained as a result of that the Pandemic caused the price of construction materials increased which affected the contractors' supply chains and their ability to deliver their projects on time and within budget. EPOS having been incorporated as the project manager to lead the redevelopment of East Port of Spain was now being approached by some of its contractors to absorb the additional costs.

Recommendations

- **EPOS should submit a status update on the initiatives the company implemented to ensure that each developmental project affected by the rising cost of raw materials was completed on time and within budget to Parliament by September 09, 2022; and**
- **EPOS should develop lessons learnt guidelines going forward to document all the information that reflects both the positive and negative experiences of a project with aligned countermeasures in the event a similar occurrence happens.**

4. Improving Operational Synergy between the EPOS and MHUD

To better improve the efficiency of the execution of development projects between EPOS and MHUD, the Permanent Secretary (PS) in the MHUD stated that the two entities were holding more meetings frequently to align the work of the Ministry with that of EPOS. Closer collaboration has been taking place the MHUD and EPOS' projects units to ensure that necessary support was provided when required, and to allow for the sharing of information so that other state agencies could be notified where applicable to avoid double work and scheduling conflicts. The PS explained with other state agencies also conducting activities and programmes within the East Port of Spain area, the MHUD's projects unit would ensure that there is no overlapping of works conducted in the area. The PS expressed that by maintaining constant communication, EPOS' work would not impede the work of any other state agency and vice versa.

Endorsement.

- **The Committee commends the collaborative efforts made by the MHUD and EPOS to improve the operational synergy and communication between the MHUD and EPOS.**

5. Development Programme Funding Challenges

The untimely disbursement of funds to execute Infrastructure Development Fund projects has caused significant delays and stoppages. EPOS' Managing Director stated that one of the challenges the company faces is the disbursement of funds to execute the company's development programmes. It was explained that the small contractors EPOS hires, could not carry the financial burden of the projects while waiting for funds to be released. Also affected, was the company's ability to execute its social and economic programmes for East Port of Spain. The Managing Director indicated that the funding received for its social and economic programmes was insufficient to fund the human development, capacity building and skills training programmes executed in the East Port of Spain area. With the reduced allocation for fiscal year 2022, EPOS engaged other State

agencies, the private sector, and NGOs to assist in delivering those programmes.

Recommendation:

- **The MHUD and EPOS should submit an update to Parliament by September 09, 2022 on whether the challenges with the lack of funding has been resolved and provide a status report on whether the company was able to execute its projects.**

Endorsement:

- **The Committee commends EPOS for taking the initiative of approaching other State agencies, the private sector and NGOs for assistance in the delivery of its social and economic programmes.**

6. Improving the Clarity of Contract Documents

As part of EPOS' project evaluation, the company realised that it needed to improve and simplify its Contract Documents to ensure that the requirements for submission by the small contractors were clearer and easier to understand. EPOS' Managing Director informed the Committee that many of the contractors were unfamiliar with the procurement process and were unable to submit a comprehensive tender with all the information that was required. Compliance requirements such as BIR certification, VAT registration and financial statements from financial institutions, were a stumbling block for many contractors. To better support the contractors, EPOS partnered with the National Entrepreneurial Development Company (NEDCO) to train seventy-five (75) contractors on how to prepare and attain the proper paperwork to complete a tender. EPOS simplified its contract documents, by implementing a scale and tailoring the requirements for submission based on the complexity of the projects. The more complicated and complex the project the more detailed the contract document and requirements needed for submission. The revised contracted documents were submitted to the Office of Procurement Regulator (OPR) for review and feedback. EPOS's Legal Officer indicated that OPR gave amendments to the contract documents' evaluation criteria which were accepted, with revisions to be made by the company's Procurement Officer.

Recommendations:

- **EPOS should submit a status update on initiatives taken to improve the clarity and simplicity of its contract documents and the revisions to the evaluation criteria proposed by the OPR to Parliament by September 09, 2022.**
- **EPOS should submit a status update on finalizing the special handbook and guidelines in line with the OPR's model**

7. Quantifying the Achievement of Strategic Objectives

EPOS could not adequately measure the success of its strategic objectives due to a lack of key performance indicators. EPOS identified the issue during the execution of Strategic Plan for the period 2017 to 2020. EPOS' Managing Director stated that this issue was being addressed via the company's new Strategic Plan for the period 2021 to 2023. It was further stated that while a numeric measurement was not used, EPOS measured the achievement of objectives based on the level of improvement to the quality of life of residents conveyed via anecdotal feedback. It was also stated that the new Strategic Plan once approved, would focus on a Balanced Scorecard Methodology with more target-oriented goals and key performance indicators.

Recommendation:

- **EPOS should submit a status update to Parliament by September 09, 2022 on the development and inclusion of quantitative indicators to measure progress on achieving strategic objectives and outcomes outlined the new Strategic Plan for the period 2021 to 2023, i.e. subsequent to approval by the company's Board of Directors.**

8. Documentation of Project Evaluations

The Managing Director of EPOS stated that while the company conducts project evaluations on an ongoing basis, the company does not have a formal way of documenting the evaluations. Projects were evaluated based on the time, budget, quality, contractor performance and community satisfaction. The Managing Director informed

the Committee that an operations procedures manual was currently being finalized to properly and formally document project evaluations so that a standard could be implemented.

Recommendation:

- **EPOS should submit a status update on the development and implementation of an operations procedure’s manual to properly and formally document project evaluations to Parliament by September 09, 2022.**

9. Integration of Risk Management Recommendations

EPOS showed an inability to properly integrate risk management into the company’s planning and decision-making processes. This was evident by EPOS rating its ability to do so on a scale of one to five, as two. EPOS’ Managing Director indicated that this was a fair assessment given that it was based on the company’s response to recommendations given in a risk assessment conducted by its Internal Auditors. An annual risk assessment was conducted by the Internal Auditors and each functional area of EPOS’ activities was audited, risks identified, with recommendations made for addressing these risks. EPOS’ management accordingly responded and took corrective action. Most of the recommendations given included the development and implementation of policies and internal control measures for each functional area of EPOS’ activities. This was stated as an ongoing exercise as each year, recommendations for more policies and the internal controls were given. The Managing Director assured that once all policies and internal controls were developed, improved integration would soon follow and in turn, an improved risk integration rating.

Recommendation:

- **EPOS should submit a status update on the risk integration of the internal auditors’ recommendations to each functional area of the company’s activities as well as a timeline for the implementation of same to Parliament by September 09, 2022.**

10. Outsourced Internal Audit Function

The position of Internal Auditor is not a position on EPOS' organisational structure therefore, EPOS does not have an Internal Auditor. The Internal Audit function was outsourced to PricewaterhouseCoopers at an annual cost of \$295,000 as of December 31, 2019. The position of Internal Auditor was one of the critical positions that requires approval from the HRAC to be introduced onto the organisational structure. EPOS submitted a job description and proposed terms and conditions to the HRAC in October 2018. EPOS continues to await a decision from the HRAC in respect of filling the vacant position of Internal Auditor and its review of proposed terms and conditions of employment. Following the conclusion of the public hearing, the Committee requested that the MHUD provide an update from the HRAC on the status of obtaining an Internal Auditor for the EPOS. In a written response from the MHUD, it was stated that "Further communication from the HRAC will be held in abeyance pending submission by the EPOS of a Board Approved Organisational Structure. This Structure is currently receiving the attention of the Chairman of the Board."

Recommendations:

- **EPOS should provide a status update on the approval of its organisational structure to Parliament by September 09, 2022 ; and**
- **MHUD should submit a status update on approval of an Internal Auditor on EPOS' organisational structure to Parliament by September 09, 2022.**

11. Strategic Plan Tendering Process

EPOS engaged a consultant (Definitive Management Solutions via Antonia Ferrier) at a cost of \$192,900 to assist in updating its Strategic Plan for the period 2021-2023. EPOS' Managing Director stated that this was the first time the company outsourced the preparation of a Strategic Plan for the company. Prior to the engagement with Definitive Management Solutions, EPOS' previous Strategic Plan was developed inhouse. Definitive Management Solutions a firm incorporated on June 20, 2018, was engaged after

a sole select tendering process. According to the Ministry of Finance' Presentation on Tender Procurement Policies and Procedures ⁸, "Sole Tendering occurs when only one firm is invited to submit a bid. There must be proper justification. This may happen:

- During an emergency/disaster when immediate services are required.
- As a result of a Technical Agreement and other cooperation between the Government of Trinidad and Tobago and a foreign country."

EPOS' Managing Director informed the Committee that after becoming aware of Definitive Management Solutions' work in relation to the Balances Scorecard Methodology, the firm submitted a proposal which EPOS accepted.

Recommendations:

- **EPOS should supply an explanation on why sole tendering was the preferred procurement process used to select Definitive Management Solutions as the consultant engaged for a critical document such as the company's Strategic Plan, given that the Balance Scorecard Methodology is not unique to the selected company by September 09, 2022.**
- **Going forward, if the need arises to outsource consultancies using sole select tendering, EPOS should verify with the OPR on the conditions necessary to justify/satisfy a sole select tendering procurement process until EPOS' special handbook and guidelines are finalized with the OPR.**
- **EPOS should provide an update to Parliament by September 09, 2022, on actions to be taken to address the delays in the preparation of the strategic plan going forward.**

12. Latrine Removal Programme

To achieve its strategic objective of Environmental Sustainability and improving the quality of life to residents in East Port of Spain, EPOS' Latrine Removal Programme's aim was to reduce the number of pit latrines and provide residents in need with flush toilets

⁸ <https://www.finance.gov.tt/wp-content/uploads/2014/05/Presentation%20on%20Tender%20Procurement%20Policies%20and%20Procedures%20-%20Indrani%20Rampersad%20April%202014.pptx>

and showers in their homes. EPOS' Managing Director stated that this initiative began in 2014 after the 2010/2011 Population and Housing Census revealed that two thousand, six hundred twenty-one (2,621) households in East Port of Spain used pit latrines for the disposal of sewage. The company to date has replaced four hundred and nine (409) such latrines with another fifty (50) scheduled for removal and replacement in fiscal year 2022. The estimated cost and timeline for the total eradication of pit latrines in East Port of Spain could not be discerned and was dependent on the resources allocated to EPOS annually.

Endorsement:

- **The Committee commends EPOS for the implementation of its Latrine Removal Programme and the other activities the company undertakes to improve the general quality of life for residents in the East Port of Spain area.**

Conclusion

While there have been notable improvements in operations of the EPOS, some key areas require further improvement. The advent of the Covid-19 Pandemic has resulted in the following:

- stalled the progress of development programmes projects in East Port of Spain. The execution of EPOS' social and economic development programmes and Infrastructure Development Fund projects were stalled due to untimely disbursed funds and reduced allocation.
- Rising construction costs have caused contractors to request EPOS to absorb the burden of the cost overruns caused by increased cost of raw materials.
- Slow risk management integration despite the development of many policies and internal controls.
- The Company faces critical human resource challenges as persons constantly leave for better compensation packages and the fact that qualified persons reject EPOS' compensation packages.

Attempts to rectify the human resource issue by having a revised organisational structure and compensation packages approved by the HRAC has left the company awaiting a decision for the past two (2) years. Critical positions that presently needed such as a Chief Technical Officer and Internal Auditor cannot be filled as a result of the pending decision of the HRAC. Because of this, EPOS outsources its internal audit needs at an annual cost of \$295,000 to PwC.

Approval was given to EPOS by MHUD to hire an Accountant and Procurement Officer which allowed for the implementation of financial policies and procedures to address previous challenges and standardize its procurement processes in keeping with guidelines from the OPR. This however didn't stop EPOS from sole selecting a newly established firm to develop its Strategic Plan. The issue of the outstanding financial statements is a recurrent theme amongst statutory authorities and state enterprises.

While all issues discussed in this Report are important, perhaps none are more basic than those of the on time submission of financial statements and the approval of the Strategic Plan which – as discussed earlier – the organisation is not fully equipped to pursue its key goals.

Accordingly, the Committee awaits the submission of responses to the recommendations contained within its Report into the audited accounts of EPOS.

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

.....
Mr. Wade Mark
Chairman

.....
Mr. Rushton Paray, MP
Vice-Chairman

.....
Ms. Amrita Deonarine
Member

.....
Ms. Renuka Sagrarsingh-Sooklal
Member

.....
Mr. Fitzgerald Hinds, MP
Member

.....
Mrs. Laurel Lezama- Lee Sing
Member

.....
Mr. Keith Scotland, MP
Member

.....
Mr. Stephen Mc Clashie, MP
Member

Appendix 1: Minutes of Meeting

**THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE -
SECOND SESSION, TWELFTH PARLIAMENT
MINUTES OF THE NINTH MEETING HELD VIRTUALLY ON
WEDNESDAY, MARCH 02, 2022 AT 9:34 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
Ms. Khadija Gonzales	-	Parliamentary Intern

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 9:34 a.m., the Chairman called the meeting to order and welcomed those present.

THE EXAMINATION OF THE MINUTES OF THE EIGHTH MEETING

2.1 The Committee examined the Minutes of the Eighth (8th) Meeting held on Wednesday February 2, 2022. Dr. Nyan Gadsby-Dolly was excused from the meeting.

- 2.2 There being no omissions or corrections, the Minutes were confirmed on a motion moved by Mr. Rushton Paray and seconded by Ms Amrita Deonarine.

MATTERS ARISING FROM THE MINUTES OF THE EIGHTH MEETING

- 3.1 With reference to item **4.2(ii), page 2**: the Chairman informed Members that the Secretariat wrote to the Ministry of Finance -Investments Division requesting a status update on the outstanding audited financial statements of the entities under the purview of the Committee, with a deadline of one (1) week.. The response was received by the Secretariat on February 05, 2022 and uploaded to the rotunda (e-repository).
- 3.2 With reference to item **11.2**, page 5: the Chairman informed Members that questions for additional information were sent to the Ministry of Finance - Investments Division, Ministry of Education and National Schools Dietary Services Limited (NSDSL) with a deadline for response by 22 February 22, 2022. By email dated February 17, 2022 the NSDSL and the Ministry of Education requested an extension to February 28, 2022. The responses remain outstanding. The responses from the Ministry of Finance - Investments Division were uploaded to the rotunda (e-repository).

PRE-HEARING DISCUSSION RE: AN INQUIRY INTO THE AUDITED FINANCIAL STATEMENTS OF THE EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED (EPOSDCL) FOR THE FINANCIAL YEARS 2012 AND 2013

- 4.1 The Chairman reminded Members that the purpose of the virtual public hearing was to examine the Audited Financial Statements of the East Port of Spain Development Company Limited (EPOSDCL) for the financial years 2012 and 2013.
- 4.2 The Chairman invited Members to review the Issues Paper based on the written submission received from the EPOSDCL.
- 4.3 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 EPOSDCL from 2012 and 2013. Members discussed the issues of concern and the general approach for the public hearing.

SUSPENSION

5.1 There being no further business for discussion in camera, the Chairman suspended the meeting at 9:59 a.m. to reconvene in public.

AN INQUIRY INTO THE AUDITED FINANCIAL STATEMENTS OF THE EAST PORT OF SPAIN DEVELOPMENT COMPANY LIMITED (EPOSDCL) FOR THE FINANCIAL YEARS 2012 AND 2013

6.1 The Chairman called the public meeting to order at 10:12 a.m.

6.2 The following officials joined the meeting:

East Port of Spain Development Company Limited (EPOSDCL)

- Dr. Deborah Thomas-Austin - Chief Executive Officer
- Dr. Jeffery Reyes - Director/ Chair of Tenders Committee
- Mr. Anthony Ferguson - Director/ Chair of Audit Committee
- Ms. Nissa Hosten-James - Manager, Finance and Administration
- Ms. Derriann Charles - Legal Officer/ Company Secretary
- Mr. Allan Cunningham - Consultant (Projects Unit)

Ministry of Housing and Urban Development

- Ms. Clarie Davidson-Williams - Permanent Secretary
- Mr. Michael Byng - Assistant Programme Director
- Ms. Ann Marie Francis-Charles - Operational Research Officer III

Ministry of Finance -Investments Division

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

6.3 Key Issues Discussed:

1. The status of the outstanding financial statements;
2. The challenges faced by EPOSDCL in addressing the delays in the completion and submission of financial statements;

3. The reasons for the lack of staffing in the assistance of record keeping;
4. The initiatives implemented to address the current staff shortage;
5. The total number of staff hired to assist with the internal audit documentation;
6. The reasons and total cost of outsourcing the internal audit function;
7. The strategic mechanisms in place to assist the development of the youth (more particularly in areas of financial assistance and counselling);
8. The audited findings of the current and past young persons within the Company's existing programmes;
9. The consistent errors in the written response submitted by the EPOSDCL;
10. The impact of COVID-19 on the operations of the EPOSDCL;
11. The mechanisms used to improve the efficiency levels of both the EPOSDCL and MHUD;
12. The project management challenges encountered by EPOSDCL;
13. The engagement of EPOSDCL with communities and relevant stakeholders.
14. The length of time taken to disperse funds which results in delayed projects.
15. Inadequate funding for the social and economic programs for East Port of Spain to meet the needs of the community.
16. The absence of an Internal Audit Unit and Internal Auditor at the EPOSDCL;
17. The initiatives proposed by MHUD to achieve its short-term objectives to address the impact of COVID-19;
18. The existing mechanisms in place to assist in the achievement of MHUD and EPOSDCL's current goals and objectives;
19. The rationale for the choosing of Definitive Management Company to design the strategic plan of EPOSDCL via sole selection;
20. The reasoning for EPOSDCL implementing a three-year strategic plan rather than a five-year plan;
21. The reasons for contracting internal audit services rather than establishing an internal audit unit;
22. The estimated cost of outsourcing the internal audit services for EPOSDCL;
23. The manner in which the government grants were diffused within the operations of the EPOSDCL;
24. The community impact of EPOSDCL as at February 2022;
25. The completion and availability of the 2023 strategic plan of EPOSDCL;
26. The current operations and anticipated actions of EPOSDCL with international agencies;
27. The provisions and initiatives in place to assist small contractors;
28. The reasons for the lack of quantitative documentation of current programs;

29. The rationale for the delay in the population census to be conducted by the EPOSDCL;
30. The initiatives in place to improve the management strategies of MHUD;
31. The initiatives for the execution of the youth outreach programmes;
32. The status of the implementation for the fraud policy;
33. The status of the past fraudulent activities (misappropriation of funds) experienced by the EPOSDCL and its proceedings in the courts;
34. The percentage of families in use of latrine systems in East Port of Spain;
35. The percentage of community members that has benefitted from the construction of new flush facilities;
36. The EPOSDCL's total budgetary allocation on projects;
37. The numerical figures of the employed and unemployed citizens of East Port of Spain;
38. The timeline for the finalization of the strategic plan of EPOSDCL;
39. The mechanisms in place to eradicate the pit-latrine system out of the communities of East Port of Spain; and
40. The timeline in which the lack of staff has impacted operations of EPOSDCL.

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

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

SUSPENSION

- 8.1 At 12:59 p.m., the Chairman suspended the public meeting to resume in camera for a post-mortem discussion with Members only.

POST-HEARING DISCUSSION

- 9.1 At 1:00 p.m. the Chairman sought Members' views on the public hearing. A discussion ensued.
- 9.2 The Committee agreed that additional questions would be sent to the EPOSDCL and the Ministry of Housing and Urban Development.

[Please see Appendix 1]

ADJOURNMENT

10.1 There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned to April 6, 2022 at 9:30 a.m. The committee will conduct an inquiry into the Audited Financial Statements of the National Entrepreneurship Development Company Limited for the financial year 2017 and follow-up on the Implementation of the Recommendations in the Committees' Tenth Report, 11th Parliament.

10.2 The adjournment was taken at 1:09 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

March 04, 2022

ADDITIONAL INFORMATION

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

Request for Additional Information - Questions to the EPOSDCL

Additional Information arising from the Public Hearing

Provide the following information:

1. A copy of the contract with PwC to the Committee for the audits done in 2019, 2020 and 2021.
2. The date of incorporation of Definitive Management Solutions Limited.
3. A detailed breakdown of expenditure of all projects undertaken by EPOSDCL from 2020 to 2021.
4. The number of washroom facilities completed by EPOSDCL from 2015 to 2022.
5. The number of households who use latrines from 2015 to now and a projected timeline of the completion of this project of replacing latrines with proper washrooms facilities.
6. A copy of the contract with the new contractor for the Point Present Park Pavilion project.
7. A breakdown of the cost of \$192,000 for the Strategic Plan.
8. An update from the December 2021 internal audit report on the outstanding projects listed in the June 2021 report.

Additional Questions Arising from the Written Submissions

Issue: Status of Outstanding Financial Statements (Pgs. 1-2)

Based on Response to Question 4

1. When can the Committee expect the audited financial statements for the years 2014 through 2017 to be submitted to the Parliament?
2. Did the auditors begin the field work for the financial statements for the year 2019 on 9 August 2021? What is the status of the audited financial statements for the year 2019?

Issue: Strategic Plan (Pgs. 2-5)

Based on Response to Question 7

From the TOWS Matrix provided:

1. Does the \$1,539,290 for Project Development expense go towards any of the items in the TOWS Matrix?

Expenditure:

Administrative charges	14	561,617	846,499
Advertising and public relations		89,266	100,078
Depreciation		223,048	250,461
Directors' fees and allowances		599,671	563,945
Professional fees		325,690	263,410
Property expenses		622,512	598,327
Project development expense		1,539,290	2,455,157
Staff related expenses		<u>3,244,412</u>	<u>3,092,664</u>
Total expenditure		<u>7,205,506</u>	<u>8,170,541</u>

Based on Response to Question 8

1. How does EPOS assess the indicator of improved quality of life of residents?
2. How does EPOS assess the environmental sustainability indicators?
3. What approach was taken to monitor the key performance indicators?
4. How were the staff related expenses being used to achieve this 100% human resource adequacy for Operational Efficiency?
5. Was there a specific timeline of achievement for these measures?
 - a. If so, what is it?

Issue: Human Resources (Pgs. 5-13)

Based on Response to Question 1

1. Has the company sought any alternative training providers who would be able to offer suitable training programmes for the company's Projects Staff in the areas of Construction and Site Supervision?
 - a. If yes,
 - i. who were selected,
 - ii. when was the training conducted,
 - iii. how many staff members participated; and
 - iv. what was the total cost incurred

Based on Response to Question 4

1. How does the company identify whether both behaviour expectations and performance goals or work outcomes were realised after staff received training?
 - a. Provide an example.

Based on Response to Question 13

1. What uncertainty over its future befell the company in 2012?
2. What caused the company's failure to receive operational funding in 2011 and 2012?
 - a. Was this issue brought to the line ministry's attention?
 - b. If yes, what assistance did EPOS receive from the MHUD?
3. How many members of staff left the company in 2011 and 2012 because of the uncertainty over the company's future and its failure to receive operational funding over the two years?
 - a. How were operations impacted by this significant turnover?

Based on Response to Question 16

1. Why did the Finance and Administration Division's staff costs spike in 2018?
2. What were the reasons for the above average Technical Services staff costs in 2015 and 2016?

Based on Response to Question 17

1. What happened in 2018 to cause a 32.6% staff turnover rate?

Based on Response to Question 19

1. How many persons with disabilities are working at EPOS?
2. Does this policy include the implementation of infrastructure to ensure means of access for persons with disabilities? (to ensure that the policy is carried out efficiently, effectively and economically)

Issue: Human Resources (pgs 13-17)

Based on Response to Question 5

1. What is the status of the Contracts Register?

2. Why was a Contracts Register and a list of Registered Contractors not envisaged prior to now?
3. What is the procedure to adding Contracts and Registered Contractors to the list?
 - a. Are there any requirements that must be met?

Based on Response to Question 6

1. Why does EPOS provide training to its Contractors and their staff via the company's Construction Skills Training Programme?
2. What forms of community engagement does EPOS practice?
 - a. Has this positively deterred crime and violence on projects sites like vandalism or threats to contractors/workers?
3. Provide the instances when the TTPS were engaged for projects.
 - a. If yes, how much does EPOS pay the TTPS annually for its services?
4. Does EPOS compare service fees between the TTPS and other security companies before engaging the TTPS?

Based on Response to Question 7

1. EPOS indicated that it does not have the investigative capacity to verify the legitimacy and technical capabilities of its contractors prior to awarding them contracts. Given that that EPOS indicated that one of its major project challenges is the 'Low level of skills among contractors and workers':
 - a. Shouldn't the company see it fit to acquire the investigative capacity to verify the technical capabilities of its contractors prior to awarding them contracts seeing that it then has to provide the Contractors and their staff via the company's Construction Skills Training Programme?
2. How does EPOS check these documents to confirm veracity?
 - a. Is there a legal or management team dedicated to confirming and evaluate this?

Based on Response to Question 9

1. Has the Operations Committee been submitting reports monthly?
 - a. If not, how many reports have been submitted thus far?

Based on Response to Question 11

1. EPOS indicated that formal project evaluations were not undertaken by the company. As a project management company, executing projects on behalf of the state using taxpayers' monies shouldn't project evaluation play a major role in the company's work?
 - a. How does EPOS determine any short-falls with projects if formal project evaluations were not completed?
2. Without formal project evaluations, how does the company know whether value for money is being prioritized on the work sites?
3. Does the company do site visits or conduct spot checks during and after projects were completed to ensure quality work was done by its contractors?
4. What relationship does EPOS have with its contractors that it has to introduce programs to improve the skills and capabilities of its contractors?

Based on Response to Question 12

1. What was the international best practice being used?

Based on Response to Question 14

1. How often does EPOS's Safety Officer visit project sites to ensure compliance with health and safety policies?
2. How often does the Safety Officer conduct tool-box meetings with project personnel and EPOS Projects staff?

Issue: Procurement Practices (pgs 18-20)

Based on Response to Question 5

1. What percentage of the contractors that work with EPOS are not from East POS?
2. How does EPOS encourage its suppliers who are unwilling to deliver to projects sites in East POS to do so?

Based on Response to Question 4

1. Does EPOS accept all recommendations made by its Internal Auditors?
 - a. If no, when were recommendations not accepted?

2. How does management track the implementation of corrective actions to ensure the same risks do not reappear in the next year?
3. When will the decision to have a fully integrated enterprise-wide risk management strategy be taken?
4. What oversight mechanisms were implemented in the interim to handle risks when they occur in real time or risks identified before the Internal Auditor's annual risk assessment?

Based on Response to Question 6

1. Having rated the integration of risk management into the company's planning and decision-making processes as a 2 on a scale of 5 where 1 = Poor, 2 = Fair, 3 = Good, 4 = Very Good, and 5 = Excellent
 - a. What will be done to better integrate risk management into the company's planning and decision-making processes?
 - b. How will this integration be tracked and who will be tasked with this responsibility?

Based on Response to Question 15

1. Kindly provide an update on the status of approval of the Financial Policy and Procedures.

Issue: Income and Operational Efficiency (pgs 24-25)

Based on Response to Question 3

1. Who was the corporate sponsor EPOS received a donation from for a play park project in one of the communities under its purview?
 - a. Where is the play park located?
2. Was the play park project completed?
 - a. Is it still up to operational standards?

Based on Response to Question 5

1. Who were the recommendations to increase Management fees made to?
2. What were the specific recommendations made?

3. When were the recommendations made?
4. Did EPOS receive any feedback to its recommendations?
 - a. If yes, what feedback was received?

Request for Additional Information - Questions to the Ministry of Housing

Additional Information arising from the Public Hearing

1. Provide whether there were any short to medium term plans for the construction or development of housing projects for East Port of Spain and if so, detail them.
2. Provide an update from the Human Resources Advisory Committee on the status of obtaining an Internal Auditor for the EPOSDCL.

VERBATIM NOTES OF THE NINTH VIRTUAL MEETING OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE HELD (IN PUBLIC) ON WEDNESDAY, MARCH 02, 2022, AT 10.00 A.M.

PRESENT

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

ABSENT

Mr. Rushton Paray	Vice Chairman
Mr. Fitzgerald Hinds	Member
Dr. Nyan Gadsby-Dolly	Member

EAST POST OF SPAIN DEVELOPMENT COMPANY LIMITED (EPOSDCL)

Dr. Debra Thomas-Austin	Managing Director, East Port of Spain Development Company Limited
Dr. Jeffrey Reyes	Director/Chair of Tenders Committee
Mr. Anthony Ferguson	Director/Chair of Audit Committee
Ms. Nissa Hosten-James	Manager, Finance and Administration
Ms. Derriann Charles	Legal Officer/Company Secretary
Mr. Allan Cunningham	Consultant (Projects Unit)

MINISTRY OF HOUSING AND URBAN DEVELOPMENT

Mrs. Claire Davidson-Williams	Permanent Secretary
Mr. Michael Byng	Assistant Programme Director
Ms. Ann Marie Francis-Charles	Operational Research Officer III

MINISTRY OF FINANCE - INVESTMENTS DIVISION

Ms. Chintamani Sookoo

Director, Social and Economic
Transformation (Ag.)

Mr. Suresh Dan

Senior Business Analyst (Ag.)

Mrs. Takiyah Gordon

Business Analyst (Ag.)

Mr. Chairman: Good morning to all and welcome to, particularly, our officials from the Ministry of Finance Investments Division, the Ministry of Housing and Urban Development and the East Port of Spain Development Company Limited. My name is Sen. Wade Mark, Chairman of the Public Accounts (Enterprises) Committee.

The Committee of Public Accounts (Enterprises) has a mandate to consider and report to the House on the following. 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, finally, 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 East Port of Spain Development Company Limited for the financial years 2012 and 2013. The Committee is desirous of hearing the challenges being faced by the key stakeholders at the East Port of Spain Development Company Limited in an attempt to determine some of the possible solutions to these challenges.

The role of the Committee is to help the East Port of Spain Development Company Limited to improve its delivery of services in an efficient, effective and economic manner. There will be a delayed broadcast on the Parliament's Channel 11, YouTube Channel *ParlView* and Radio 105.5 FM. Participants are advised that their microphones should remain muted until recognized by the Chair. May I at this time ask members of the Public Accounts (Enterprises) Committee to kindly introduce themselves at this time? Members
[*Introductions made*]

Mr. Chairman: All right. Is there anyone else from our Committee? If not, I will kindly ask the representatives from the following agencies, entities, Ministries, to introduce themselves starting with the Ministry of Finance Investments Division. Representatives of the Ministry of Finance, Investments Division, you can now introduce yourselves.

[*Introductions made*]

Mr. Chairman: Can I invite members of the Ministry of Housing and Urban Development officials from that Ministry?

[*Introductions made*]

Mr. Chairman: Thank you. Any other members from the Ministry of Housing and Urban

Development or just three of you? Okay. And, finally, let us go to the officials representing the East Port of Spain Development Company Limited.

[Introductions made]

Mr. Chairman: Thank you. Is there anyone else or just those three persons, Debra?

[Introductions made]

Mr. Chairman: All right, if there is no one else, may I, at this time, invite the Permanent Secretary, Ministry of Finance, Investments Division, to make a brief opening statement. Is it the Permanent Secretary or the person who is heading that Investments Division team today? Would you be kind enough to make a few brief opening remarks? You are welcome at this time.

Ms. Sookoo: Sure. Good morning Chairman and members of the Committee. Thank you for the invitation to the Committee. The Investments Division of the Ministry of Finance is responsible for executing government's investment policy. Its mandates include oversight, monitoring and where necessary the rationalization of government's equity holding in state enterprises. The division acts on behalf of the Minister of Finance Corporation Sole and carries out the corporate functions through the representation of the Minister at shareholders' meeting, establishment of new enterprise and rationalization of investments portfolio of the shareholders. Thank you.

Mr. Chairman: Thank you. May I invite the Permanent Secretary, Ministry of Housing and Urban Development, to make a brief opening statement?

Mrs. Davidson-Williams: Good morning, Chair again, members of the Committee. The Ministry of Housing and Urban Development and its implementing agencies, including the East Port of Spain Development Company Limited, are committed to improving the physical and socioeconomic conditions of citizens, through public sector investments, particularly, for those in the low to low-middle income groups as articulated in Theme I of the National Development Strategic Plan, *Vision 2020*, which is "Putting People First: Nurturing Our Greatest Asset".

The East Port of Spain Development Company Limited, or EPOS, receives funding from the Ministry under the Consolidated Fund for its social programmes, and under the Infrastructure Development Fund for its physical infrastructure projects. The delivery of these projects is focused on improving the communities of East Port of Spain and environs which goes from Charlotte Street to the west, to Morvant Junction to the east, Belmont to the north and Sea Lots to the south.

The vision of EPOS is well aligned with the proposed plan for the development of the wider metropolitan district of Port of Spain and environs as a vibrant, resilient and sustainable city in keeping with the philosophy of the UNDP's Sustainable Development Goals, Goal 11 which is to, "Make cities and human settlements inclusive, safe, resilient

and sustainable”.

The East Port of Spain Development Company Limited, is well positioned as a major player in achieving this objective. In so doing, a revised strategic plan has been prepared for the period 2021 to 2023, and it is currently before the board for consideration. This is to ensure that the company’s key performance indicators are aligned with its mandates and focus and will provide a comprehensive and integrated approach to the development of communities of East Port of Spain and environs. The Ministry continues to play a monetary role, and has noted that the company has taken steps to implement various measures to mitigate any event or action that will bring the organization into disrepute and, at the same time, aid in strengthening existing policies and systems for transparency and accountability.

Chairman, today EPOS has completed and submitted its audited financial reports for the period 2014 to 2017. The reports for 2018 and 2019 are almost completed, while the auditors have given April 2022, to begin the 2020 report. It has also engaged a qualified accountant as a Manager for Finance and Administration and an accountant to implement financial policies and procedures to address previous challenges of separation of duties with its requisite checks and balances. It has also standardized its procurement processes in keeping with guidelines from the Office of the Procurement Regulator, improved its reporting commitment for timely submissions of mandatory reports for compliance and good governance. While there is still much to be done, the Ministry of Housing and Urban Development continues to support the work of EPOS.

Chairman and members, the team from the Ministry is here today, at the disposal of the Committee, to assist in providing clarity on matters relating to the audited financial reports for 2012 and 2013 as requested and looks forward to your recommendations to assist the company and the Ministry in delivering our mandate. Thank you, Chairman.

Mr. Chairman: Thank you, Madam Permanent Secretary. And, finally, may I, on behalf of the Committee invite the Managing Director of the East Port of Spain Development Company Limited to make a brief opening statement.

Ms. Thomas-Austin: Thank you, Chairman. The East Port of Spain Development Company Limited was incorporated in September 2005, and mandated by the Cabinet to develop and redevelop East Port of Spain to improve economic, social and physical conditions. The PS outlined the area of jurisdiction of the company. I would say that it covers over 6,000 acres and a population of approximately 76,000 persons according to the 2010/2011 Population and Housing Census. We also straddle two local government areas, that would be the part of the Port of Spain Corporation and part of the San Juan/Laventille Regional Corporation and we straddle four constituencies: Port of Spain South, Port of Spain North/St. Ann’s West, Laventille East/Morvant and Laventille West.

So, the company's mandate vests us with the responsibility to design and execute a comprehensive development strategy for urban regeneration of East Port of Spain, and this involves staged development that would see the remediation and development of physical infrastructure, which together with targeted social and economic initiatives would ensure an improved and enhanced living condition for the people of East Port of Spain while also stimulating socioeconomic growth and human capacity development. Our vision of a transformed East Port of Spain is a vibrant cultural centre, an innovative and resilient economic engine and a network of sustainable and desirable communities of choice. EPOS fulfils its remit of creating sustainable community development through its core business activities of comprehensive and integrated development planning, community engagement and project identification, conceptualization and implementation.

We are pleased to highlight three things that we feel we have accomplished in the last few years, and one has been referred to by the Permanent Secretary, which is that EPOS has aggressively sought to improve its compliance with respect to audited financial statements, and as the PS reported, we have submitted audited financial statements for 2014 to 2017 to the Ministry of Finance, and we are currently reviewing the first draft of the 2019 statements and the second draft of the 2018 statements, and the auditors are scheduled to come in in April of this year to start the 2020 audited statements.

We have ramped up our internal controls as we have progressed our internal audit work plan and we are working consistently to implement the recommendations from the internal auditors. We monitor compliance through quarterly internal audit reports which have been submitted to the line Ministry and the Ministry of Finance up to December of 2021.

EPOS is also pleased to have prepared and rolled out a number of policies, for example, a fraud policy, whistleblowing policy, updated our HR policies and procedures and completed financial policies and procedures. We also have in place health and safety policies and, of course, COVID-19 protocols. We are currently finalizing an operations manual to clarify and document procedures and improve compliance and provide for quality control. We are also in the process of finalizing the special handbook and guidelines in line with the OPR's model.

We look forward to our interactions with the Committee this morning and to receiving your recommendations for how we may move forward. Thank you.

Mr. Chairman: Thank you, Managing Director. Thank you very much. Okay. At this time, we will commence our formal enquiry into the statements that have been sent to us but, in doing so, may I say from the outset, in looking at the responses that have been submitted by the East Port of Spain Development Company Limited, you had

inescapably referred to events taking place or events that had taken place in the period 2015, 2016, 2017, 2018, 2019, 2020 and even up to 2021. So, based on your responses to our queries and enquiries, members would be at liberty to refer to those areas that you have shared with us as it relates to matters arising outside of the ambit of your financial audited statements for 2012 as well as 2013. So I put you on notice, very early, that members would be actually addressing some of those areas that you would have raised in your responses so that the members and by extension, the Committee, would have a better clarification as to the challenges faced or being faced by this very important entity known as the East Port of Spain Development Company Limited.

May I, before I invite to colleagues to raise questions, I would like to ask the Permanent Secretary and later on, the Managing Director, if they can both elaborate on the challenges facing this company as it relates to addressing the almost inexplicable at times, but worrying delays in completing financial statements and submitting same to the Ministry of Finance and through the Finance Ministry to the Parliament, so we, at the level of the Public Accounts (Enterprises) Committee, would have access and sight of these financial statements.

10.25 a.m.

So maybe I can ask the Ministry of Housing and Urban Development, Permanent Secretary, to just elaborate and further clarify in the interest of our Committee and by extension, the listening public, as to what went wrong and how soon do you believe the Parliament would be able to have sight of the 2014, '15, '16, '17 financial audited statements as well as '18, '19, '20 and, of course, 2021 audited financial statements.

So I start with the Permanent Secretary, Housing and Urban Development, and I would then ask the Managing Director of the East Port of Spain Development Company Limited to elaborate, clarify and at the same time let us know how we can help you, the company, improve on this dismal record of performance as it relates to submission of your financial audited statements which is in complete violation of the *State Enterprises Performance Monitoring Manual*. So, Madam Permanent Secretary, the floor is yours.

Mrs. Davidson-Williams: Thank you, Chairman. And, Chairman, I would like to begin to identify the key issue of staffing for the East Port of Spain Development Company in addressing the audited reports. Over the years the East Port of Spain Development Company has been starved, if you want to put it that way, for staff. Our request for a structure for the company has been engaging the attention of the Human Resource Development Company and that has been outstanding for quite some time. It has been a major issue because at one time the accounting records, as the Committee would have identified in its last sitting, we would have lacked the necessary checks and balances because of the separation of duties.

Over the years we would have made some strides. We would have been able to engage two persons, management—finance management and administration personnel who would manage the finances and who would assist with developing these reports. We would have also established the auditing committee for the board—at the level of the board who will assist in providing this necessary support. So I would say, Chairman, merely because of the staffing issues that we would have had would have accounted for those outstanding reports. Of course, funding was always a challenge as well in terms of engaging the correct personnel at the correct skills level with the capacity needed for that purpose.

As I indicated, we would have engaged some additional persons who would have helped and this is where you would have seen the move to have those reports sent for auditing and we are almost completed to 2020. Thank you, Chairman.

Mr. Chairman: Yes. Madam Permanent Secretary, could you indicate in your efforts to address the severe staffing shortage in that particular company as well as the funding—could you share with this Committee what concrete measures were taken to address these shortages, both in terms of funding and staffing and how were these concrete measures manifested? Can you share with this Committee who you would have written to and when and what were the reaction of those entities to your request as the line Ministry with responsibility for this company? Could you elaborate and share with this Committee?

Mrs. Davidson-Williams: Sure, Chairman. Before coming into office, the previous sitting Permanent Secretary would have held discussions with the HRC in an effort to put forward the Ministry's position for a staffing structure for the company. A series of discussions would have been held and we—those were not completely addressed. Over time and since I would have taken office, the company would have given the change in the economic conditions, the change in scope. We would have begun a new strategic plan which would speak to a more current and more resilient staffing structure and that, right now, is being considered by the board.

However, we would have gone ahead with additional funding received from the Ministry. We would have made requests for regular subventions and based on the funding received, we would have been able to engage some critical staff that we felt necessary to move forward with in order to meet basic standards. So those are some of the concrete measures we would have taken and the successes that we have so far.

Mr. Chairman: You did indicate that you had employed—is it one or two personnel within that company in order to address those outstanding financial audited accounts? Could you tell this Committee how many new members of staff, given the funding that the Ministry would have received, and through the Ministry, funnel that funding to the

East Port of Spain Development Company in an effort to address that matter or that issue of getting those financials updated so that you can meet your obligations to the Parliament and to satisfy what exists in the *State Enterprises Performance Monitoring Manual*—how many persons were employed and their occupational titles in an effort to address these challenges? Can you share with this Committee?

Mrs. Davidson-Williams: Thank you, Chairman. The company would have engaged a qualified accountant as a manager, finance and administration and an accountant, a qualified accountant in order to address the accounting issue. I would like with your permission, Chair, to engage Dr. Thomas-Austin who can give us some more specifics on this matter if that is okay with you.

Mr. Chairman: Yes. Let us hear Dr. Thomas. Yes.

Dr. Thomas-Austin: Sure. Thank you, PS and Chairman. So in terms of staffing what we would have done, as the PS indicated, we engaged the services of our manager, finance and administration in 2017, and that person is a qualified accountant but we also engaged, subsequently, a separate accountant. So we have another accountant on staff and we also have an accounting assistance who assists that unit. So once those changes were made and they had the appropriate oversight at the level of the board, we have been able to step up and make the changes that were necessary to ensure that the financial statements are ready.

So statements are produced on a monthly basis and presented to the board and we are in a position—as soon as our auditors are able to schedule us, we are in a position to respond to them and to provide all the necessary information to commence the audits. So at this time we have addressed that problem.

Mr. Chairman: All right. Well, I have a number of other questions but I know my colleague, Mr. Scotland, did indicate he has another pressing engagement and I would like, before he attends to those matters, to offer him the opportunity to intervene at this time so he himself can seek clarification or to ask the appropriate questions relevant to the accounts that we are examining and also taking into account current matters that were made available to us by the Committee—by the company, I should say, for the period subsequent to 2013, ending in 2021. So, Mr. Keith—Mr. Scotland, the floor is yours.

Mr. Scotland: Thank you very much, Chairman, for your kind accommodation. East Port of Spain Development Company, I want to focus on the youths. How has the East Port of Spain Development Company—or have you done an audit as to how many young people—when I say “young people”, I mean ages 18 to say 35 within your catchment area. Have you done an audit? I noticed that you said you serviced about 76,000 people, I listened. Have you done an audit of out of those 76,000, how many are young persons?

Dr. Thomas-Austin: We would have that information—Mr. Scotland, thanks for your

question. We would have that information coming out of the population and housing census that is undertaken and so that would give us very detailed information. That is the only comprehensive data collection exercise that is undertaken nationally that will give us accurate data for every household in the area. And so, yes, we have that information by age group.

Mr. Scotland: Right. Chairman, through you—so I want to continue with this questioning. Having that information at hand or available, is there any strategic plan by the East Port of Spain Development Company that caters for and addresses specifically assisting the young persons in your catchment area on developing themselves? And when I say “developing”, I do not want to be nebulous, I want to be specific: job opportunity; self-esteem; elevation of themselves, economically and financially through effort and, of course, some assistance.

Dr. Thomas-Austin: Yes. So, many our initiatives are directed at the young people of East Port of Spain. All our initiatives are directed at the population of East Port of Spain. And so, for instance—let me quote a few—we have a youth entrepreneurship programme which is a programme that we do on an annual basis that targets persons in the region of about 16, 17, up to about 25, and we introduce them to all sorts of entrepreneurial skills and opportunities. Within all our programmes we do try to introduce some of the life skills in terms of self-esteem, conflict resolution. Those become an integral part of the programme. So we have the youth entrepreneurship programme.

We have done a number of vocational training programmes that are of interest to young people, whether it ranges from focusing on culture and the arts, like our spoken word programmes. We have agriculture programmes. They are involved in construction skills training programmes, other kinds of skills training initiatives. And I think more than anything we encourage our contractors who are usually themselves from east Port of Spain to engage a percentage of their labour from within the communities that the projects are being held in so that we ensure that the young people get work as well. And then there are a number of sports and other cultural initiatives that we are involved in that target the youth.

Mr. Scotland: Chairman, through you, can I ask then that the East Port of Spain—East Port of Spain, Chairman, I ask, through you, liaise—because we are very much interested and warmed to the idea of the development of the—so is the Chairman and all members of this Committee, the gainful employment of time of the young people in East Port of Spain. Can I ask that at least after this meeting, through the good and efficient staff of this Joint Select Committee, that you liaise with my office so we can have some synergies? That is the first thing. Chairman, may I ask, through you, what has the impact of COVID-19 have on your operations? And I ask this also for the Ministry of Housing and Urban

Development, what has been the impact of COVID-19?

Dr. Thomas-Austin: Can I respond? Yes. Specifically, COVID has affected us. We have had at least one member of staff who has tested positive, so we had to deal with that. We have had staff members who have had to be on quarantine because of exposure to COVID-19. And so with our existing human resource challenges, that has posed a particular problem for us when people are off for a couple of weeks because of quarantine.

We have also had to make some arrangements with existing staff to allow for work-from-home arrangements, especially during 2020 and 2021, when schools were closed and parents with young children who were primary school age and who were not at school and could not take them to day care because those facilities were also closed, we had to arrange work-from-home arrangements to allow those parents to share responsibilities for their children.

One of the ways in which it has affected us as well is in the cost of our development projects. So with the increases in the price of materials and the difficulties with the supply chain, that has affected our contractors and their ability to deliver their projects on time and within budget. They have had to incur some additional costs, some of which they have approached the company to bear. So those are the ways in which primarily that COVID-19 has affected us.

I should also say that in terms of the communities that we serve, the residents of East Port of Spain themselves have been affected and the company has sort to reach out to those residents to try to provide some social protection and support.

Mr. Scotland: Chairman, through you again, you are aware—and this also goes to the Ministry of Housing and Urban Development and East Port of Spain that there is in train the revitalization of Port of Spain project. How does the East Port of Spain Development Company see itself aligning with that plan?

Dr. Thomas-Austin: We see ourselves very much aligned with it. As I said, based on the mandate of the company our work is really the transformation and the regeneration of East Port of Spain. That is the mandate that the company has been given and so we see ourselves very much aligned in terms of the geographical area that we cover, the development strategy that the company has articulated for East Port of Spain which is reflected in a development plan for East Port of Spain. And we do a lot of collaboration with other agencies working with—whether it is planning agencies, the Roadmap to Recovery Committee with the MPs and councillors in the area in terms of what that strategy for regeneration is and how it fits into—how East Port of Spain Development Company can fit into it.

So we certainly have done some work in identifying an overall strategy and specific

development initiatives that could further the regeneration of East Port of Spain.

Mr. Scotland: Chairman, again, through you, to the Ministry of Housing and Urban Development and maybe to East Port of Spain, is there any short to medium term plan for the construction or development of housing – housing projects for East Port of Spain? The Committee is very much interested in knowing of this and what are they?

Mr. Chairman: Yes. May I ask the Permanent Secretary of Housing –

Mr. Scotland: Yes, please.

Mr. Chairman: – and Urban Development to assist in clarifying that.

Mr. Scotland: Thank you, Chair.

Mrs. Davidson-Williams: Thank you, Chair. And, Chairman, if I may just step back to the question with regard to the impact of COVID first on the Ministry. Like other Ministries, COVID has impacted our productivity and capacity to deliver as persons became positive or contact with positive persons. It would have affected our productivity. It would have affected our ability – the ability of our project team to visit and do their regular monitoring of projects, et cetera, and certainly it would have slowed down the construction sector to impact on us. With regard to housing in the Port of Spain area, there are considerations for improvements in the housing stock in the area but, Chairman, I would not have those specific information. That would mainly reside with the Housing Development Corporation and if it pleases the Committee, we can provide that at the later date.

Mr. Scotland: Chairman, would you require it at a later date in writing, Chair?

Mr. Chairman: Yes. I would like to ask the Permanent Secretary if she can submit in writing to this Committee those programmes and plans as she outlined earlier. So could you submit, Permanent Secretary, in writing to this Committee so that the Committee could be apprised of your plans and programmes?

Mrs. Davidson-Williams: Certainly, Chair.

Mr. Scotland: Chairman, I go to the script and under the responses that we looked at, the efficiency of East Port of Spain – and I want to direct it also to the Permanent Secretary. What can you tell this Committee, in your view, can be done to make both Ministry and the East Port of Spain Development Company more efficient in its operations, particularly now that we are facing very stringent economic times and we are still in a time of uncertainty as it relates to this global pandemic? What can be done to improve your efficiency? Chairman, that piggybacks on one of the areas that you were making an enquiry into.

Mr. Chairman: Yeah.

Mrs. Davidson-Williams: Thank you, Member. Chairman, I would like to suggest that in our activities, the East Port of Spain and the Ministry certainly can work closer together

in order to improve delivery. And I say “closer” in terms of our projects. We have already started those arrangements where we have more frequent meetings in order to align the work of the Ministry and the East Port of Spain Development Company. And I say that with regard to our project units and have a closer collaboration with the project unit of the Ministry and the team at East Port of Spain Development Company to ensure that we provide the necessary support and we know beforehand some of the projects that are being implemented or that we share information with regard to other agencies. Because what we would have recognized is that other agencies, even under the Ministry, may have other activities and programmes within east Port of Spain area that may also impact on what is being done by the East Port of Spain Development Company. And therefore, we have been engaging further conversations and increase our collaboration to ensure the synergy is created between all our agencies and to facilitate a better delivery of our services.

Mr. Scotland: Chairman, I have one more question. I do not wish to hog your Committee’s time but if all goes well and others ask you are—and I will stay on, Chairman, this is a very important meeting. I will make arrangements for my other commitments. This is a very important meeting. Can I ask the East Port of Spain Company and maybe also the Ministry, what plans do you have in place in meeting your management goals and objectives? And I say this because I hear you with your plans and the projects that you have and the initiatives, but if you understand the ethos of East Port of Spain—because of several factors sometimes you may have to go into these communities; go into. So you have your offices there, you have your headquarters and you have these plans but with some of them—so, for example, Chairman, in the vaccination programme, I had to go into the community, take the CMO, take the doctors and go into Sea Lots, go into the areas and meet the people. It is in that context that I ask—it is really two questions in one, what plans do you have to improve your management strategy that you achieve your goals and do you have plans to come out of where you are and reach the people so these projects can reach and touch and affect lives? Two questions.

Dr. Thomas-Austin: Thank you, Mr. Scotland. In terms of our management strategy, we are very, very much involved in ensuring that we adopt a participatory approach; that we are engaged with the communities; that we have our staff working on different ways of measuring our effectiveness, measuring our performance; monitoring that, and through our new statistic plan we would be doing a lot more in terms of dealing with those kinds of issues. I think getting out and engaging the communities is one of the strong points of the East Port of Spain Development Company. We have been doing this for a number of years. So in the preparation of our development strategy, we would have

gone into each and every community of East Port of Spain and met with residents on more than one occasion to understand their issues, their challenges and to hear from them what they would like to see happening in their communities.

They are the ones who report to us on the projects and initiatives that they would like to see, the social and economic programmes and the other kinds of initiatives that they would want to participate in. So we engage with them. We have community working groups, we go out and meet with the people. Our staff is on the ground all the time, every day in the communities of East Port of Spain. And we hear back from people and those are the initiatives that we try to implement for their benefit at their request.

So our strategy is really one of engaging and collaborating and partnering, not just with the residents and the groups within the East Port of Spain area but with other stakeholders who are active in the area and who also have a mandate to carry out development initiatives that will support the people of East Port of Spain.

Mr. Chairman: Yeah. Mr. Scotland?

Mr. Scotland: Chair.

Mr. Chairman: All right. So can I proceed and I will come back to you?

Mr. Scotland: Chair, I wish to thank you very kindly. And I am on, I am not leaving.

Mr. Chairman: Yeah. Thank you very much, Mr. Scotland. May I ask—and I will come back to it, but I just want to put both the Managing Director and the Permanent Secretary on notice that we will need some clarification as we proceed. For example, Mr. Scotland raised the issue of the impact of your programmes and your plans, particularly on the young people in the Port of Spain east community. And I do not think that we have gotten the answer in the way that is desirable, in the sense that what impact—and that is in concrete terms—your projects and plans have had on these young people in particular in the Port of Spain east area? And you refer to the 2010 population census. Now, we are now in 2022, and as you are aware, Managing Director, every 10 years under our laws we are supposed to conduct a population census. So the 2010 census is dated and if you are working on 2010, it would not reflect 2020, 2019 reality, and more so as we go into 2022 period. So that is another area I would like us to get some answers on as we come back to you a little later.

I would like to ask Mrs. Sagrarsingh-Sooklal who indicated she would like to raise one or two areas before she moves onto another commitment to come in at this time. Mrs. Sagrarsingh-Sooklal.

10.55 a.m.

Mr. Chairman: I would like to ask Mrs. Sagrarsingh-Sooklal, who indicated she would like to raise one or two areas before she moves on to another commitment, to come in at this time. Mrs. Sagrarsingh-Sooklal.

Ms. Sagrarsingh-Sooklal: Thank you, Chair. Pleasant good morning and welcome again to all present. My line of questioning to those present, the East Port of Spain Development Company, in particular is really as it relates to project management and, if time permits, and of course subject to the permission of the Chairman, a few questions on the procurement processes currently practised within the company.

Now, I want to applaud firstly member Scotland for dealing with the issue of how projects in particular, community outreach projects is how I would refer to it, projects that, of course, seek to develop especially and focus on the youths in the area. Let me also, based on the information that has been provided for the public record, applaud the East Port of Spain Development Company, at least based on the oral submissions that you made here today, relative to projects that you have already started to reach out to the community, because as I am sure is the case with all of the members on this Committee, critical is a project that has an impact and that can truly assist in the development of our people in this particular area, in the East Port of Spain area.

Now, coming out of what was made in the oral submissions, I know member Scotland would have asked the question about – in essence he would have asked what else or what might be your recommendation relative to support that you may require in order to assist you in being able to deliver your mandate. I know we heard from the Ministry as per areas that they may probably require bolstering. To the East Port of Spain Development Company, I too would want to hear from you all – you know, when we look at the area of plant, machinery, people, processes – what recommendations can you make for our consideration that you may require in order to be able to bolster your processes, and truly be able to allow you to be positioned to help the communities, and to help with the young people and people generally in these communities?

Because certainly I would want to hear, and I am sure based on the recommendations you made it would certainly be something that as a committee we can consider, and then make a recommendation thereafter.

Mr. Chairman: Who would you like to answer that question, Mrs. Sagrarsingh-Sooklal?

Ms. Sagrarsingh-Sooklal: The Managing Director, Chair, of the East Port of Spain Development Company, respectfully. She may answer.

Mr. Chairman: Okay, thank you. Managing Director please.

Dr. Thomas-Austin: Sure, Chairman, thank you, and thank you to the member for the questions as well. I am going to try and figure out where to start, because there were a number of issues raised.

In terms of our recommendations, the PS would have outlined some. We have identified definitely the need for staffing. We have done a comprehensive review of the organizational structure of the company, appreciating the fact that the structure that we

had at the startup of the company needs some tweaking as we move forward, and so we have looked at that. We have a number of gaps, especially in the professional and technical side of the company's operations, and at the management level. So we need to fill those gaps. The PS would have outlined some of the challenges in addressing that, one of which would be getting the approval for some positions, new positions and also getting approval for revised terms and conditions of employment, because we have found that is a stumbling block for us as we try to recruit. The current compensation package is not attractive. It is not competitive, and that presents a challenge.

As you may appreciate, that there are certain challenges for some people working in communities like East Port of Spain where we have to be on the ground, and that is essential for our company. So we want to make sure that we engage people who are comfortable being out on the ground, and can do that. So our human capital, our organization structure and staffing is an area that we need support with.

We have made recommendations. The PS has indicated that some of the recommendations are with the Board and some with the Ministry, in terms of a revised organization structure and compensation package. So we are looking at that aspect of it. We also have some challenges with respect to rolling out our development programmes, and part of that has to do with the funding mechanisms for development projects. I will split that between our IDF, Infrastructure Development Fund, and the projects associated with that, and separate that from the socio-economic programmes, the social and economic programme for East Port of Spain, which is an area where a lot of the initiatives you and member Scotland are asking about fall, as we try to get the youth engaged in productive activities and so on.

So, it is not just an issue of the absolute level of funding, it is an issue of the disbursement of funds and the time it takes to disburse funds, because it means our projects get delayed, and then the small contractors, who are most of the contractors that we hire, cannot carry the financial burden of the projects while waiting on funds to be disbursed, and so that impacts us as well.

In terms of the social and economic programme for East Port of Spain, that is an area where the funding is not necessarily adequate to meet the needs of the communities, and that funding has been reduced somewhat this financial year. So there we are looking at the kinds of human development programmes, capacity building programmes, skills training programmes, all of those are things that we do in the communities to support the young people. We do some of those initiatives on our own, in terms of identifying the programmes through our work with the communities and what they have identified, and bringing in the necessary facilitators to deliver on those programmes. But we also seek to partner with other agencies of the State, and other agencies as well in the private sector

or the NGO sector, to assist in delivering those programmes.

So, for instance, right now we are collaborating with the Adult Literacy Tutors Association to address problems of literacy in some of the schools, which really are affecting the youth, and to make sure that they have the best chance possible to succeed. So we are working with them on that. Other initiatives like we have been assisting schools to make sure they have Wi-Fi, to make sure they have devices for children who need to be able to connect online. We are supporting those kinds of initiatives as well. We look at activities like sport and culture as opportunities and tools for social and economic development, especially for young people, and so the refurbishment of recreation grounds and facilities where young people can engage in productive and constructive recreation activities, that is important.

We have been asked about the impact that our programmes have on young people as well. We support parents, especially in this COVID-related time, because we have homework programmes that we can provide support, a place for students to be in our impact centres, obviously meeting all the COVID guidelines and so on, and to make sure that they have that academic support as needed.

We have been able through the COVID period as well to make sure that we transfer our programmes to a virtual format. So while we may not be able to gather in person, it has not prevented us from reaching out and providing for the needs of the people, because we have been able to do it through virtual programming. So I hope that addresses some of your questions. If I have omitted anything, I would be happy to –

Ms. Sagrarsingh-Sooklal: Thank you most sincerely for that intervention. Now, let us turn to our small contractors or contractors that the East Port of Spain Development Company would usually deal with. So for the benefit of the listening public – of course, you all would have submitted your written submissions, and on page 19 of that submission in answer to question 5, when asked what are some of the challenges experienced while executing East Port of Spain Development Company procurement processes, one of the areas that you would have identified is the low level of technical skills among some contractors and workers.

Now, what I want to know is, firstly I want to ask, what are some of the common tender requirements which our small contractors from these areas that they usually fail to meet? That is the first question and, two, because of the level of outreach that the East Port of Spain Development Company has already embarked upon, can you clearly just identify – once these shortcomings of our contractors are identified, what mechanisms are put into place to ensure that we now equip them? And I love what you said, because it is actually a part of my notes, what technical skills have been put into place, or what systems have been put into place to ensure our small contractors now have a fighting

chance to be able to qualify legally for these contracts and, of course, let the benefit of these contracts redound to the persons and residents of these areas?

Dr. Thomas-Austin: So in terms of the tender requirements, what we have found over the years is many of the contractors are not familiar with the procurement process. They may not be able to submit a comprehensive tender with all the information that is required. They fall down sometimes with compliance requirements, because they are required to have the BIR certification, VAT registration where appropriate, and all those other issues, financial statements from their financial institutions, et cetera. We have found different ways of supporting them, so let me identify a few.

Over the years we have done three sets of contractor training programmes, where we collaborated at the time with NEDCO to deliver contracts. So whether it is in procurement processes, HR management, you know, different aspects of submitting a proper tender, financial planning, we have introduced the contractors. So, over the years we have trained at least 75 contractors in those areas, yes, and we are, in fact, right now working with a number of service providers to organize another such training programme. So that is one way of ensuring the contractors have the required skills.

We also have been running, for the last few years, a construction skills training programme, where we look at the kinds of skills the contractors need their workers to be proficient in. So whether it is carpentry, masonry, plumbing, electrical work, heavy equipment operating, we have been running courses in that, facilitated by MIC and NESC, National Energy Skills Training Institute. So they provide the facilitation for those programmes and those are available to the workers and people within the communities.

Mrs. Sagrainsingh-Sooklal: Great, and the reason why I asked that is because we understand the more technical a contract or scope of work becomes, and let us say someone cannot qualify, what you would find is that, of course, contracts going to particular persons, one particular company. The purpose, to my mind, is that you want as many persons as possible from the community to be able to benefit from these contracts and, of course, clearly providing them with the technical skills, one, to be able to firstly qualify for the contract and then, of course, any further and additional support required in the execution of the contract certainly will benefit them. Right?

Dr. Thomas-Austin: That is another area, if I can add, why it is critical for us to make sure that we plug those HR gaps within our organization at the professional and technical level, because we understand our developmental role, not just developing physical infrastructure, but human development as well. So, we need to be able to support those contractors as they carry out the work, to help them with some of the organization and technical areas where they may not be proficient, so that they can execute the programmes. So it is critical for us that we have that technical support on staff to be able

to provide support to contractors as well.

Ms. Sagrarsingh-Sooklal: Thank you for that. Now, if I may turn to page 16 of your submissions, and this is in response to question 11. Now, a question was asked –since we are on the point of the contracts –how frequent were project evaluations conducted by the company and what were the lessons learnt. In response to that question, of course, you would have listed what was learnt: The need to improve contract documents, to improve clarity and conditions, and a whole list was given in your written submissions. Now, with respect –and I am not sure that you would be positioned to answer this or probably your legal –but with respect to the contract documents, given its current form, what exactly in these contract documents you all believe that still requires the improvement alluded to in that page 16 of your submissions?

Dr. Thomas-Austin: We made some changes to the contract document to make sure that some of the requirements are clearer. To make sure that we have updated our health and safety policies with respect to what we expect of contractors in the field. What are the requirements for submission, documents that they are required to be submitted with their tender and so on. So those are some of the things that we just made some changes to make it more comprehensive, more relevant to the need. We also have to be able to simplify some of our contract documents, because we have different levels of projects. So, the more complicated comprehensive type development projects require a certain level of detail in the contract document, that may not be required for some of the smaller projects that we do. So we are trying to tailor the contract document to the level and scale of the projects that we do as well.

I would also open the floor too in case our legal officer wants to add anything or our project consultant, in terms of the work that was done on those documents.

Ms. Charles: Thank you, MD, and through you Chair, I would just add that we would have recently engaged an exercise where, in collaboration with the Office of Procurement Regulator, we would have provided a precedent of our contract documents for them to review and give us any feedback on ways in which we can improve.

I know they did highlight that they felt it was the standard form that we were using, and that we could possibly, the way in which we set out the evaluation criteria, that we could make some amendments in that area, and the procurement officer is currently reviewing that particular aspect of the contract. But for the most part, they did indicate that it was the regular contract form and they were satisfied.

Ms. Sagrarsingh-Sooklal: Thanks for that intervention, Ms. Charles. You know, this is just my personal opinion, and I think as a lawyer –I am an attorney-at-law, and I know in the past sometimes, of course, based on the changing of laws and all of that, we are required, of course, and more so you are required, to look at your contracts, review your

contracts, the terms of your contracts, all of that. But sometimes in doing so, the flip side or the negative side of that is that you may have smaller contractors believing that what it does is simply complicate the processes, and it makes it even more difficult for them to now be able to qualify for these contracts. More so, sitting in the Ministry that I sit in now, you understand when people, for example, they come to register a company, they hold their head and they bawl, because especially if you are looking at a small contractor who never did this before, and now understanding with all these regulations and the changes, the procurement regulations, the procurement legislation, everything that is now happening, you find that small contractors may now feel disenchanting in the whole process.

Respectfully, I think what is necessary as well is for our smaller contractors, because a part of the education and outreach process is to also remind them that we are bolstering and changing the look and increasing certain requirements in the contracts. Not to make it difficult for you, but to simply be able to allow you to truly be able to develop your company, and also take your company to a different level.

Why I am saying this is because I personally have seen, and I am sure you would have seen in your experience, that in the thrust to improve systems, we have the small man feeling as if, well, I could never qualify for that contract again, or because my company is not registered, or I do not have all the paper work in place. I think it is always critical, especially as it relates to small and medium contractors, to let them know that these systems are not being put into place as a punitive measure, or to prevent you from having access to the contract, but it is really with respect to allowing and assisting you in, of course, developing the manner in which you conduct your business. To that end, of course, that is where I have to again applaud the East Port of Spain Development Company for the community outreach, and the way in which you go out there and, of course, assist the contractors, the small contractors with the assistance, of course, that they would require in allowing them, of course, to qualify for these contracts and, more so, understand the importance of putting their house in order, for want of a better word. Now, what I want to know – Chair, do I still have some time to continue or – ?

Mr. Chairman: If you could just pause for a moment so I can go to Amrita and then Mrs. Lezama-Lee Sing, and we can come back to you.

Mrs. Sagrarsingh-Sooklal: Thank you, Chair.

Mr. Chairman: Ms. Amrita Deonarine.

Ms. Deonarine: Thank you Chair. Good morning again to all members before us. I honestly believe that the work that you all are doing is beneficial to the vulnerable population in East Port of Spain, and I therefore applaud you all for your hard work. But as a follow-up to one of the questions that was asked by member Scotland and then asked

again by the Chair, I still find that I have not received a clear answer as to what is the impact that you all have by conducting these very, very important projects to the population of East Port of Spain? So I would like to ask the question in a different way. Now, I am looking at your written submissions, and I am seeing that you had a strategic plan that was recently concluded for the period of 2017 to 2020. The first thing I want to ask is then: Which of those objectives were fully achieved, or to what extent these objectives were fully achieved? For the listening public, let me just state what these objectives were. The strategic objectives were, one, sustainable development; two, safety and security; three, economic development; four, environmental sustainability and, five, operational efficiency.

So my question is: With respect to these strategic objectives, to what extent these objectives were fully achieved for the period 2017 to 2020?

Dr. Thomas-Austin: So thanks for the question. Some of those issues are being addressed as we do the roll out of the new strategic plan. Certainly one of the things that we found is that we needed to be more specific in terms of our measurement, how we would measure success in these areas. But let me just say that in terms of sustainable development, one of our contributions to achieving that objective is making sure that we have in place, or have prepared, a sustainable development strategy for East Port of Spain, that the work that we do contributes to improving the quality of life of residents. We measure that in terms of providing services and facilities that people did not have before, or improving on infrastructure in areas where infrastructure was deficient or needed to be addressed.

So, while we may not have a numeric measurement for it, we can certainly point to the ways in which we have improved the quality of life of the residents, the ways in which we have increased sustainability. We have aligned some of our projects to the sustainable development goals, particularly let us look at our Latrine Eradication Programme, which is aligned to SDG 6, in terms of water and sanitation, and providing facilities to improve the dignity and quality of human life of residents. That is one of the projects that also contributes to safety, because the data shows us that a number of women and girls are subject to sexual and physical assault while using public external latrines at night. So by putting in the toilet facilities closer to their homes, or integrating it into their homes, we are contributing to safety and security there.

Our projects are also designed in that way in terms of the use of recreation facilities. We make sure that they are adequately lit. We provide safe and access routes for persons getting through east Port of Spain and using the facilities that we have.

In terms of economic development, the fact that we engage contractors from East Port of Spain, and they in turn engage labour from within the communities, it is boosting

economic development. Our women's entrepreneurial development programmes, our youth entrepreneurship programme, all those programmes that develop those skills in entrepreneurship, and create opportunities for the residents of East Port of Spain to earn an income through the use of the skills with the work of the company or elsewhere, then that is another way in which we are contributing to economic development in the area. Environmental sustainability through our LEP programme, also looking at ways of building resilience. With respect to areas prone to natural disasters, in particular flooding, so we have looked at our drainage programmes. We have a sustainable water management programme that makes sure that households are able to channel water into storage tanks, and then to be able to direct that away from the property. Something that was contributing to a lot of erosion around homes and on the difficult terrain in East Port of Spain. So there are a number of initiatives that we have used, and we think that they are ways in which we have contributed to achieving those strategic objectives.

Of course, internally, while we are still trying to achieve our human resource adequacy, that there are a number of things that we have done to improve efficiency within the company. I have spoken about the policies and procedures, operating procedures manuals, aligning our procurement policies with the OPR, and we are trying to do a lot more work in terms of building a monitoring and evaluation capability for the projects for our own internal activities.

Ms. Deonarine: Thank you so much for your response. So then, therefore – because this is beautiful work that you all are doing, and may very well be having a tremendous impact on the East Port of Spain population, but what I am hearing from you is that there is not any intention to quantify what you all are doing. Is that it?

Dr. Thomas-Austin: No.

Ms. Deonarine: I ask that because I am looking at your strategic objective of economic development, and I see that you say here as one of the sub indicators or the performance measure, is 15 per cent reduction in poverty per year. If you are quantifying your performance measure, then your outcome indicators need to also be quantified. So how come we do not have a quantification to those indicators?

Dr. Thomas-Austin: So, I am not saying that we do not intend to quantify. In fact, once the new strategic plan is approved, you would see that the gaps are made up there. So the new strategic plan focuses on using a balance score card methodology, and so that would be much more targeted in terms of measuring performance and developing the performance indicators and measures. So that was one of the deficiencies in the strategic plan up to the 2020 period, but it is something that is being addressed in the new strategic plan.

Ms. Deonarine: I think this is very important, because if it is you are targeting 15 per cent

reduction in poverty per year for the period between 2017 to 2020, you should have cumulatively achieved 60 per cent reduction in poverty in that area.

Now, I hear that you are going to eventually quantify these indicators, your work to get measurable outcomes going forward, but I also saw in your written response you indicated that no formal project evaluations are currently done. Even though you all pay attention to the key lessons learnt from each project that you all implement and complete, there is no formal contract evaluation that is done. Could you tell me why?

Dr. Thomas-Austin: Sure. So let me say that is one of the lessons learnt. That we have realized that the language used in responding to that question was a little bit misleading, and so we take responsibility for that. We do conduct evaluations. So we do look at our projects to determine whether they are completed within time and within budget, and we do look at quality and so on. We evaluate the work of our contractors. We do have a formal contractor evaluation format that we use.

I guess the point that should have been made there, it is not documented necessarily in a particular way, but that is something that we are working on to achieve, because we are in the midst of finalizing an operations procedures manual that will document formally those project evaluations. So we do look at time and budget. We do look at quality issues. We look at the performance of contractors. We look to make sure that – it is something that we are working on to reintroduce, but we actually did surveys within the community to ensure community satisfaction with the projects that were delivered.

So, it was a bit of an error on our part in terms of the way that question – the wording used to respond to that question – but we are evaluating the projects that we undertake. I can also invite one of the members of the team to expand further on that if necessary.

Ms. Deonarine: Yes, because what the project evaluation should include also is the impact on the beneficiaries, and if as you say you are conducting evaluations of the projects, then you would also be conducting an evaluation of the impact of the project, not necessarily only time and scope and the performance of the contractors, but also the impact of the deliverables of the project on the population. I believe that you have scope for making that project evaluation a little more comprehensive, so that you have indicators that will be measurable and also targeted.

Dr. Thomas-Austin: Yes.

Ms. Deonarine: Let me continue on this strategic plan. Now, I saw that a consultant was hired to conduct the 2021 to 2023 strategic plan. Is that correct?

Dr. Thomas-Austin: Yes, that is correct.

Ms. Deonarine: When are we carded for that strategic plan to be completed?

11.25 a.m.

Dr. Thomas-Austin: The document is finished. As the PS indicated, it is currently with

the board for approval.

Ms. Deonarine: Okay. I also saw that you mentioned that the cost of the strategic plan was \$192,900. Is that the standard fee that you all paid for a strategic plan? Is it significantly more than the previous one? And could you give us a breakdown as to how this \$192,900 is distributed in terms of deliverables for the strategic plan?

Dr. Thomas-Austin: All right. So I will ask the finance manager to address the details of that question. But just to say, this is the first time we have engaged an external consultant to assist with that. Previously it was done internally and the exercise that we did was not just for the preparation of the strategic plan. As part of that, we were doing a comprehensive re-evaluation of our organization's structure and staffing requirements. So all of that would have been included in the cost. It was not just the strategic plan and the balanced score card methodology. But, Nissa, if you are able to provide some additional details on the breakdown of the cost.

Ms. Hosten-James: You will have to give me a few minutes to find the invoice so I can give you a breakdown. I do not have it on me at the moment.

Dr. Thomas-Austin: Or we can submit it subsequently.

Ms. Deonarine: Yes. Yes. You can submit it in writing, please.

Ms. Hosten-James: Okay.

Ms. Deonarine: So in your written submission, let me continue. You all provided us with a SWOT matrix that highlighted your strengths, weaknesses, threats and opportunities. So I saw, just one thing I want to point out in the area of weakness. I saw that one weakness identified is that, the ability to attract international development agencies to fund development programmes and projects. Could you elaborate on that weakness, please?

Dr. Thomas-Austin: The ability to attract, as a weakness – sorry?

Ms. Deonarine: Yes. As a weakness on page 4 of your submission, number seven.

Dr. Thomas-Austin: Yeah. I think what was meant there is we do have interest from international development agencies. I think one of the challenges for us is that EPOS as an entity cannot engage directly with them. We have to do it through – with the approval of the Ministry of Finance, if I am not mistaken. And so we have had approaches through the Caribbean Development Bank, through some of the UN agencies to do work with us. And we have worked with the IDB. That was one successful initiative. But I think what we are referring to there is the fact that it is something that requires the approval of central government to facilitate some of those initiatives.

Ms. Deonarine: Okay. So through your interaction and assistance from international agencies, was it at any point assisting with the disbursements or the funding issues that you all experienced?

Dr. Thomas-Austin: No. No. So, for instance, with the IDB, they worked with us specifically on a project to produce designs for the restoration of Port Picton. They were also involved in other work that we were doing and they would have collaborated with the ETH university in Switzerland and I do not remember the other school out of the US, to come in and look at some of the community engagement initiatives, some of the urban-regeneration initiatives that we had done and to participate in generating other ideas and solutions for some of those challenges. But not in terms of disbursement of funds. They would have funded the specific initiative that they were involved in.

Ms. Deonarine: Okay. All right. Thank you. Now let me move, before I pause for member Lezama-Lee Sing, let me – I want to move to page 22 of your submission which speaks to your risks, the strength of your risk-management initiatives. And I see that first you indicated that, you know, you would rate from between one to five, with one being poor and five being excellent, you would rate your overall strength of your risk management initiatives as five. But then when we asked you about your integration of risk management into the company’s planning and research and making process, you rate that as two which is poor. Could you elaborate on this please?

Dr. Thomas-Austin: So two is fair and I think what we are looking at, because we have now rolled out our internal audit process, the risk assessment has been done by the internal auditors so we are clear on what the level of risks are. What we are working towards is to making sure that we are now integrating those more fully into the work of the company. So the recommendations of the auditors are being implemented and we have seen that through some of the policies and so on that have been introduced, policies and internal control measures that have been introduced. So I think, for us, one of the challenges was the fact that we were looking at 2012/2013 financial statements and we were required to state what was the position at that time and then mindful of the fact that certain other activities have taken place in the intervening period, so we are straddling both. Yes? So that would be my response. That integration is an ongoing process and as we develop the policies and the internal controls, we are in that process now of integrating that into our operations in a much stronger way.

Ms. Deonarine: Okay. And do you have a timeline to fully capture all of these?

Dr. Thomas-Austin: It is an ongoing process. We, you know, have completed internal audit reviews of the operations of many of the – operations of the company and we have just started another audit work plan period that covers 2021 to 2023. And so we are starting to roll out that and audit other aspects of the company’s operations which will lead to recommendations for improvement that would then be implemented. But those recommendations are monitored by the internal auditor in terms of an audit-tracking mechanism and they report quarterly on our progress with respect to implementation of

those recommendations.

Ms. Deonarine: Are any one of these recommendations to hire an in-house internal auditor? Because I saw that, correct me if I am wrong, I saw that right now it is outsourced.

Dr. Thomas-Austin: Yes. So that was a recommendation that we would have had made to the company back in 2019 and we have sought to implement that. That is one of the matters is before the HRAC because it was not a position that was on the original organization's structure and therefore, we would have to have the approval of the HRAC to introduce that position and to agree to terms and conditions. And so job description would have been sent and proposed terms and conditions would have also been submitted.

Ms. Deonarine: Okay. How long were these submitted? And in whose hands are these with? Is it the Ministry of Finance?

Dr. Thomas-Austin: These are with the HRAC since 2018, October 2018.

Ms. Deonarine: Okay. So how soon should we expect a response to this? Because 2018 to now –

Dr. Thomas-Austin: It was referred to the Ministry of Finance on that matter because I –

Ms. Deonarine: Okay. Could the Ministry of Finance, could you assist us please?

Member: Ministry of Finance.

Ms. Sookoo: Yes.

Mr. Chairman: Yes. The Ministry of Finance.

Ms. Sookoo: Through you, Chair.

Mr. Chairman: Yes.

Ms. Sookoo: Yes. Through you, Chair, the proposal that they refer to is with the Human Resource Advisory Committee which is separate from the Ministry of Finance. It is a ministerial committee, so we were not able to give any timeline on when this would be – when feedback would be given on this.

Ms. Deonarine: Okay. So could I ask the question then, who could ask for an update? Who could, at least, request an update? Is it East Port of Spain? Is it the Ministry of Housing and Urban Development? Or is it the Ministry of Finance? Because this is with the HRAC since 2018, so we should, at least, be in a position to ask for an update as to where the decision is on this.

Ms. Sookoo: Okay. So the mechanism that the Human Resource Advisory Committee has in place is that, all the proposals have to come from the entity through the line Ministry. So the line Ministry should be the one to follow through on this matter.

Ms. Deonarine: Okay. So if the PS in the Ministry of Housing and Urban Development, through you, Chair, could you assist us in answering this question please?

Mr. Davidson-Williams: Yes. We would have sought an update and we were told that it is still under consideration. We will seek further update on that matter and we could always provide that in writing at a later time.

Ms. Deonarine: Okay. Thank you. Chair, I will pause now.

Mr. Chairman: Yeah. Before I ask member Lezama-Lee Sing to come in, madam Permanent Secretary Ministry of Housing and Urban Development, as well as the Permanent Secretary in the Ministry of Finance Investments Division, can you indicate to this Committee what is the mandate, as far as you are aware, of the HRI – is it the Human Resource Advisory Committee? What is the mandate of this committee? What? I am a bit not too clear as to the role of that committee re the decision to establish an internal audit function. I am not too clear. So could someone clarify it for me? What is this HRAC about? What is its mandate? And if both the Ministry of Finance Investments Division, as well as the Ministry of Housing and Urban Development could clarify for this Committee?

Mr. Davidson-Williams: Thank you, Chair. While I cannot speak directly on behalf of that committee, I would say that the committee is responsible for assessing and making recommendations on the increase in staffing and organizational structure for government agencies. The recommendations from that committee is what will be appended to the relevant Cabinet note in order to give credit to the request from the Ministry for the increase in staff that is being requested.

Mr. Chairman: Can I ask the head of the Ministry of Finance Investments Division to answer this?

Ms. Sookoo: Yeah. Okay. So through you, Chair, the Government established the ministerial committee and the role of the committee is the revision of pay and other terms and conditions of employment of employees or state enterprises including managerial staff and persons employed on contract. They fall under the purview of the ministerial committee. So proposals of negotiations and salary increases, they are to be approved by this committee.

Mr. Chairman: Yeah. But –

Ms. Sookoo: That is the role of this committee.

Mr. Chairman: Yeah. But the question here is not the increase in the terms and conditions of employment of the staff of the East Port of Spain Development Company. It is the establishment of an internal-audit function which is demanded of them under the State Enterprise Performance Manual document. So how can a company, how a state company function without an internal-audit function? And we are being told that it is dependent upon the approval of a ministerial committee that deals with terms and conditions of employment of staff within the particular entity. I think conceptually we are confusing both issues here. So we need some clarification from the Ministry of Finance, the Ministry

of Housing and Urban Development because where I sit as Chairman, it is very clear to me that an internal audit function is mandated under the State Enterprise Performance Manual document and I cannot see how any committee could be preventing that from occurring within a state entity.

So, I think we need to get some decision from the Ministry of Housing and Urban Development in addressing this matter, working in collaboration with the Ministry of Finance. And I think that our Committee will be writing to the Ministry of Housing and Urban Development, as well as the Ministry of Finance Investments Division to have an internal function established forthwith within the East Port of Spain Development Company. It is clear to us that that is a duty and function of the agency in question to have established so that there can be the relevant checks, controls available to that organization. So I believe that we will have to take action to have this matter addressed. In doing so, may I ask the Ministry of Housing and Urban Development and the Ministry of Finance, what is the cost to the taxpayers on an annual basis to PriceWaterhouseCoopers in outsourcing this internal function? Can the managing director of the East Port of Spain Development Company and the Ministry of Housing and Urban Development guide us on this matter please?

Dr. Thomas-Austin: If I may, Chairman, can I ask our manager of finance and admin to give you that figure?

Mr. Chairman: Yes. We would like to have that now.

Ms. Hosten-James: Again, I will have to double check the invoice. But I think it is an estimate of approximately \$250,000.

Mr. Chairman: And that has been going for how long, Ma'am?

Ms. Hosten-James: They did an audit in 2019/'20 and they will have to start another one this year.

Mr. Chairman: And so in 2019, it was \$220,000. Right?

Ms. Hosten-James: That was '19 and '20. So it was a one-year contract but it spanned two years. So that was 250 for '19 and '20.

Mr. Chairman: So it is \$250,000 for both 2019 and 2020 audit?

Ms. Hosten-James: That is correct.

Mr. Chairman: Do you have a contract to that effect?

Ms. Hosten-James: Yes, we do.

Mr. Chairman: Can you make that available to our Committee?

Ms. Hosten-James: Yes, I will.

Mr. Chairman: All right. The other point I want to raise before I ask my friend to come in, that is, Mrs. Lezama-Lee Sing. I would like to ask the managing director of the East Port of Spain Development Company Limited, you talked about a strategic plan being

developed for a three-year period. Is it 2020 to 2023? Or 2021 to 2023? Is it a three-year strategic plan? Or it is a five-year strategic plan?

Dr. Thomas-Austin: It is three years. It will cover the period 2021 to 2023.

Mr. Chairman: Right. Now remember we are in 2022.

Dr. Thomas-Austin: Yes, we are.

Mr. Chairman: Right. Cool. Now, could you tell us the name of this consultant that was contracted? And first of all, the name of this consultant and how was this consultant selected by the company? Was it by sole select tendering process? Or was it on a competitive-tendering process? Could you clarify for this Committee?

Dr. Thomas-Austin: The company is Definitive Management Solutions and it was a sole select arrangement.

Mr. Chairman: And who are the players in this company that you have mentioned?

Dr. Thomas-Austin: The person that we have been dealing with is Antonia Ferrier.

Mr. Chairman: Antonia. And how long this company has been in existence?

Dr. Thomas-Austin: That is something I would not, I do not recall off the top of my head, when the company started.

Mr. Chairman: So could you explain –

Dr. Thomas-Austin: I can provide that information.

Mr. Chairman: Yeah. Could you explain this company, to this Committee, I beg your pardon, on what basis did the company sole select as opposed to going out for public tendering for a matter of a strategic plan? – given the fact that there are many persons, organizations that can probably produce a plan, maybe for five years and maybe for less, we do not know because we have never attempted. What was the rationale that the company would have used to sole select this consultancy to do a three-year plan as opposed to a five-year plan?

Dr. Thomas-Austin: We would have become aware of the work that the company did and in particular in relation to the use of the balanced scorecard methodology. That was something that we wanted to explore in this instance. And having become aware of that work and seeing, just having a proposal – asked for a proposal to be presented to us in terms of how it would be handled, we made the decision to go with that company. It was never a five-year option because we had a plan that went up to 2017 to 2020 and we needed to prepare for the next strategic plan period which is a three-year period. But we had some delays with COVID situation so were not able to get the document done in 2020 but a draft was produced in 2021 to cover the next period.

Mr. Chairman: But the plan for 2017 to 2019 –

Dr. Thomas-Austin: 2020.

Mr. Chairman: – was done by the same company?

Dr. Thomas-Austin: No. It was done internally. This is the first time that we are outsourcing the preparation of a strategic plan for the company.

Mr. Chairman: So it was done internally in 2017, 2019, 2020. But for 2020 to 2023; 2021 rather to 2023 the company decided to engage this organization that you mentioned on a sole select basis. May I ask the Ministry of Housing and Urban Development, the Permanent Secretary, as well as the Ministry of Finance Investments Division as the oversight body, were you aware of this development? And what is the normal practice in these matters that you would have advised that company that is under your control or that you are responsible for in the context of line Ministry? Is this a good practice to go sole select as opposed to competitive bidding as it relates to value for money? Permanent Secretary, first, and then we will ask the Ministry of Finance.

Mr. Davidson-Williams: Thank you, Chair. Chairman, it is always known to be best practice for us to do a tendering process. But the East Port of Spain would have engaged their process based on their needs and their particular assessment. The Ministry did not get involved in terms of their activities for or in that regard until after the process was completed.

Mr. Chairman: And the Ministry of Finance.

Ms. Sookoo: Chairman, we had some technical difficulty here so could you repeat the question?

Mr. Chairman: No. I am just trying to clarify in terms of the best practice when it comes to the tendering of, let us say, projects, programmes, in this instance we have a strategic plan being tendered for just under \$200,000 and we just wanted to find out, what was the role of the Ministry in this whole exercise? And what advice and guidelines would the Ministry offer to both the East Port of Spain Development Company and the Ministry of Housing and Urban Development as it relates to best practice? Because this one has been done or was done on a sole select basis. Could you guide us on this? I am talking to the Ministry of Finance Investments Division.

Ms. Sookoo: And it does provide guidelines – [*Technical difficulties*]

Mr. Chairman: You have – Ministry of Finance seems to be having some technical problems. All right. We will come back to the Ministry of Finance. May I ask and invite Mrs. Laurel Lezama-Lee Sing to intervene at this time.

Mrs. Lezama-Lee Sing: Thanks very kindly, Chairman, and good morning again to all of the members. I am particularly delighted to have heard the very, very strong introduction by the managing director of East Port of Spain Dr. Thomas-Austin and I think it is critical that that information that you used in your introduction should be widely circulated by the population to have a better understanding of the role and function of the East Port of Spain Development Company. I would like to compliment the organization in the first

instance for the work that it has been doing over the years. And I do recognize, based on the documents that have submitted, that there are in fact a few weaknesses that you would need strengthened as you continue the pursuit of your mandate.

Firstly please, I know Sen. Deonarine, and member Deonarine and Chairman Mark would have spoken to the strategic plan. So I am not going to ask too much more – anything else on that matter, except to say that I look forward to the approval of the strategic plan for the upcoming period and I look forward to getting information as to the achievements of your objectives set out in that strategic plan. I think we all agree that the East Port of Spain Development Company is critical to the constituency. I do not mean the EBC's constituencies. I mean the constituents that you serve and to all of your stakeholders.

Can I ask you in the first instance please, madam managing director, you have spoken about a number of your different interventions and your different community projects, et cetera. Can I ask you, beyond the successes, what is the follow-up plan when you have done these socioeconomic interventions particularly with individuals or groups within your community? Thank you.

Dr. Thomas-Austin: I think for us, one of the things that we would – we see the need to do and that we would like to be able to have the resources to be able to do, and that is the human resources, is in terms of the longitudinal studies that we want to be able to follow some of the participants of our programme for a period of time to see how the participation in the programme has benefited them in the longer term. Initially, we do get feedback from some of the participants coming – how the programme has impacted them; how it has helped them find work; what are the benefits; the impacts it has had. So we are recording some of those but we would like to develop that further, as I said, in terms of a longitudinal study to follow them over a longer period of time.

Mrs. Lezama-Lee Sing: Okay. All right. So basically you do not have information on that at this point in time?

Dr. Thomas-Austin: Anecdotal information, as I said, we would have compiled from participants of the programme. Yes.

Mrs. Lezama-Lee Sing: Okay. Well, I will love to see that because then you can develop that into a best practice as well and then it will be a pilot project for other things throughout Trinidad and Tobago in a wider instance.

And you talked about the human resources. That stood out to me very strongly. You have talked about the need to plug gaps in the HR structure. Sen. Mark, member Mark asked about the internal audits and the necessary things that are needed for that HR situation. But would you say that that is the absolute weakness of the organization at this point in time? That the lack of people, the right people or the lack of actually having the team

members to take part in that process or to fill the gaps?

Dr. Thomas-Austin: It is one of the major challenges that we have at this time because we simply are under-resourced. And as I said, that is evident in the technical and professional areas. And so, to be able to do some of the things that we would like to do, we simply do not have the resources in-house to do that. And for the resources that we have given the work that we are required to do, the resources are stretched, resources are stretched with its attendant challenges in terms of morale and burn out and that kind of thing. So it is a challenge that we face.

Mrs. Lezama-Lee Sing: Okay. Well, I trust that all the relevant stakeholders who are present in this meeting are taking note of this and will – which I am sure the Committee as well will send in writing its request for support for that matter.

I have one other question, please. And I am going to refer to a document that will be the comments from the Ministry of Housing and Urban Development regarding the fraud policy and the whistleblowing policy. That was one of the submissions that we would have received. Now, it is dated November 2019 and we are now in – we are just in March of 2022. Can I ask, has there been any action to correct or amend or treat with the areas of concern that had been highlighted by the Ministry on that policy?

Dr. Thomas-Austin: Yes. We would have received those comments and we would have amended the policy to suit. And the policy would have been approved by the board reflecting the changes recommended by the Ministries.

Mrs. Lezama-Lee Sing: Okay. Well good. I am very happy to hear that. And can I ask, has the policy ever been effected? Meaning, has anyone come forward? Just out of my –

Dr. Thomas-Austin: No. The policy has been rolled out to staff. So staff is aware of the policy and what they can do under the policy. It has not been, as you have said, rolled out in that respect as yet. It has not been effected in that way.

Mrs. Lezama-Lee Sing: Okay. Well that is a good thing, I would say. That should be a good thing. Again, I just want to wrap up by complimenting the East Port of Spain Development Company. I know your work is critical and I do hope that the necessary support is continued to be given to the organization so that you can fulfil its role in repairing, fixing, strengthening, improving the socioeconomic conditions of all of the stakeholders, users, residents, participants in that area. Thank you very much. Chairman, that is it for my first round of my questioning. Thank you.

11.55 a.m.

Mr. Chairman: Thank you very much, Mrs. Lezama-Lee Sing. Before I ask my colleague Mr. Scotland to come back into the exercise, I would like to ask a few areas – or ask a few questions rather, for clarification. Now, Madam Managing Director, I want to take you to page 40 of your submission and I want to refer specifically to government grants

in the context of what you have submitted. Now, as you know government grants are obviously funded by the taxpayers of this country, and therefore we at the level of the Public Accounts (Enterprises) Committee would want to ensure in accordance with our mandate that there is value for money.

Now, I realize that in 2012, according to the information on page 40, your recurrent expenditure was just about \$6.9 million, that was reduced to \$5.1 million in 2013, and as it relates to your capital or development expenditure, it was \$250,000 in 2012, and that was reduced to some \$223,000 in 2013. However, when we look at the breakdown of the grants in addition to the expenditure, recurrent and capital we notice that in 2012 there was a grand total as it relates to government grants of some \$16.3 million. So, whilst the company was allocated in 2012, \$7 million, when we look at the government grants you had something like about \$16 million in expenditure during that period resulting in a loss of some, almost about \$5.7 million or thereabouts. And then when we go to 2013, it went up, expenditure that is, to \$23 million, with a loss of \$11.8 million. What I am trying to clarify here is, could you explain to our Committee what has been the trend for the period beyond that as it relates to government grants, 2014 and beyond, if you can, provide us with those figures? And when it comes to expenditure under projects, capital projects, we had \$8.6 million in 2012 and some \$16 million in 2013.

Madam Managing Director, could you provide this Committee with a detailed breakdown of the actual projects in 2012 amounting to \$8.6 million; 2013, \$16.5 million? And for purposes of clarification, could you explain to this Committee or provide to this Committee, under the grants that would have been given to this company by the Government, what would be your projects, in a detailed way, for '14 to '21? We would like to have some clarification. Would you be in a position to provide us with a summary?

Dr. Thomas-Austin: Yes, Chairman, thank you for the question. And we have to say there is an error, that the tables provided on page 40 are inaccurate, should not be there. That was an error we noted, and I would invite the Manager, Finance and Admin to explain. And this has been pointed out to both the Ministry of Housing and the Ministry of Finance, and MFA, would you like to provide the further clarification, please?

Ms. Hosten-James: Sure, that is not a problem. So, the government grant received in 2012 and '13, as the chairman pointed out, was the money we received for recurrent funding for those years. And as the MD just mentioned, the tables here were incorrectly put into the document, but if I refer to our financial statements and we go to page 5 of the financial statements for 2013, and I do not know if you all have it on hand, you would see a breakdown of the expenditure for those financial years. So we had administrative expenditure for 2012 as \$846,000, that is what we have here, sorry; and

for 2013, \$561,000. So, as I was saying before, this figure here is incorrect, and the list of projects that was done for those financial years, well, is also listed in the financial statement on page 20, you would see the entire listing of the projects for each financial year.

Mr. Chairman: So, are you saying to this Committee that, well, not you per se, Ma'am, but the Managing Director I am directing this question to. Is this the second occasion that you have advised this Committee that there are inaccuracies in this document that we are examining and we would have assumed that what we have before us would have been properly vetted by the company before these submissions would have been made to the Parliament of Trinidad and Tobago. Because our Committee is a subcommittee of the Parliament, and we are dealing with public expenditure. So, I would like to ask the Managing Director, do you think that we, upon a closer examination of this document we may crop up with further inaccuracies, or would you say this could probably be the final one, or do you anticipate further inaccuracies in the statements submitted by the company? Managing Director.

Dr. Thomas-Austin: Yes, Chairman. We do not anticipate further inaccuracies. We took the time and effort – this was done at a difficult time in 2021 when government offices were closed due to the COVID situation, and so we had our own challenges in putting together the information and having staff come into the office even at that time to meet the deadlines of the Committee. This was an oversight, and the document having been looked at again, we did not pick this up. But the information, as the MFA indicated, the accurate information is in the audited financial statements which are in fact before the Committee. So, the information really has not changed, that information is in the document. And so it was just an oversight that these two tables were put in there, it is inaccurate, and we acknowledge that.

Mr. Chairman: And I asked earlier, when it comes to 2012 on page 40, which is the document I am looking at, can you clarify whether the project expenditure, capital project expenditure for 2012 amounting to \$8.563 million, and 2013, Item 8, \$16,454,825, are these two figures accurate or are they inaccurate?

Dr. Thomas-Austin: I would have to do a total of it. But in terms of capital expenditure, because the section of the financial statements is actually dealing with government grants.

Mr. Chairman: Right.

Dr. Thomas-Austin: And so the government grants are for recurrent expenses. Our project expenses are funded separately and calculated separately. So capital expenditure here would have been for the assets of the company in terms of any vehicles, computers, that kind of assets. So, we do have at Appendices 5 and 6 of our submission, a detailed

list of the projects implemented in 2012/2013, and I think Appendix 6 goes beyond that. And as the MFA indicated on page 20 of the audited financial statements, there is an accurate break down of the projects implemented and the cost of those projects. So, those were the actual figures.

Mr. Chairman: Yes. Madam Managing Director, could you provide to this Committee a detailed breakdown of all the projects that would have been undertaken by the East Port of Spain Development Company for the period 2012/2013 to start with, and if you can update us with what were the actual projects and their expenditures for the period beyond, given the fact that you had provided us with some earlier information leading up to 2021? Would you be in a position to provide us in writing with, for instance, those projections in terms of, not projections, the actual expenditure in terms of projects for the period 2012 to the end of 2021, in writing?

Dr. Thomas-Austin: Sorry, Chairman, the information for 2012 and 2013 is included at Appendix 5, and information for 2014 to 2020 is included at Appendix 6. So, yes, we can provide information from 2020 to the end of 2021. We can provide that to the Committee in writing.

Mr. Chairman: And then the final thing I would like to raise before I ask my colleague to come in, is the actual status of your workforce. Your workforce total is about – is it about 39 to 40 members of staff?

Dr. Thomas-Austin: Actual workforce is 23 persons.

Mr. Chairman: And could you give us a breakdown in terms of how many are permanent and how many are on contract, or are they all on contract?

Dr. Thomas-Austin: They are all on contract.

Mr. Chairman: And what is the ideal level of staffing you would require to execute your mandate given your responsibilities for this company?

Dr. Thomas-Austin: Our organizational structure is around 42 to 44 persons. That is what we would require to be fully operational.

Mr. Chairman: And right now you are just down to about 21?

Dr. Thomas-Austin: Twenty-three.

Mr. Chairman: Twenty-three. Now, Mr. Scotland had asked very early in his presentation, how many young people or citizens within your catchment area that you mentioned early, earlier on rather, or some 76,000 persons, how many would have benefited directly from your initiatives to bring about an improvement in their quality of lives, their standard of living, given the training that you would have embarked upon? How many were able to graduate, to get certified, and do you keep a track of those persons as it relates to gainful employment opportunities given their training, their certification and their ability to have gainful employment? Is there any mechanism,

any documentation that can guide us as to the efficacy of your various initiatives on the advancement of these individuals' quality of life and standard of living? Is there any mechanism available that we can be apprised of?

Dr. Thomas-Austin: So, currently what we can provide would be the programmes, information on the programmes that we have undertaken and the persons who have completed those programmes. We can certainly compile that information. I indicated earlier in response to another question that if we had the adequate staffing we would certainly be looking towards doing longitudinal studies so that we can track these participants over a period of time. That is something they are not yet able to do, but we certainly can compile information on the persons who have participated, benefited from programmes. Some of the programmes are certification programmes, like the construction skills training programme, that is an official certified, but others are certificates of participation that would have been issued by the facilitators. So, that is information that we can compile.

Mr. Chairman: I will ask Mr. Scotland to come in at this time to further his areas of interest concerning this company known as East Port of Spain –

Mr. Scotland: Chairman, would you just give me exactly one minute and I will be in? So exactly one minute. I am coming now, Chair.

Mr. Chairman: Yes. Whilst I am giving you one minute, may I ask Ms. Deonarine to just come in briefly and you will be referred to thereafter. Ms. Amrita Deonarine, I know you wanted to clarify a matter, could you do it, and Mr. Scotland would follow immediately after?

Ms. Deonarine: Okay. Chair, the matter that I would want to clarify would take more than one minute. However, there is another issue that I could speak of in the interim, following up from your question that you just asked. I want to ask the East Port of Spain chair, if it is – they referred to the census in 2010 being their baseline in which they are using – right? – for the East Port of Spain area. Could you tell us what is the rate of unemployment and poverty for the East Port of Spain division that you are using to base your strategic plan on?

Dr. Thomas-Austin: If I am not mistaken, the 2010/2011 census would not have recorded certain employment information that would have allowed us to update unemployment figures. So no, we do not have that as an up-to-date figure. The census, you would recognize that we rely on the census because that is the only official data that – the Central Statistical Office would be the only agency that is legitimately allowed to go out there and capture household data of Trinidad and Tobago. So we have to rely on the census data. And yes, we recognize that it is 10 years old at this time. When we started our work we were using data from the 2000 census and we were able to update

that to 2010/2011. Until the census is done, we do not have any more up-to-date information. Information on unemployment is not at the census level in terms of a house-to-house reporting. It will be a sample data, if I am not mistaken, and so we –

Ms. Deonarine: Yes, it is based on the CSSP, and that would be available from the 2015 CSSP. So, do you have a figure that you are working with?

Dr. Thomas-Austin: No, we do not. Not from the CSSP because the CSSP sample points were not in East Port of Spain as part of the meeting.

Ms. Deonarine: None of them?

Dr. Thomas-Austin: And that is the information that I have.

Ms. Deonarine: Okay. So going forward.

Dr. Thomas-Austin: [*Inaudible*]

Ms. Deonarine: Sorry to interrupt because I know I have one minute. Going forward in terms of the new strategic plan that you all are working on, is there an intention to collaborate with the CSO and the Ministry of Social Development and Family Services, especially given that you all have a chronic staffing problem to help complement you all in establishing or realizing the targets that you all are trying to meet?

Dr. Thomas-Austin: Yes. So, the Ministry of Social Development and Family Services would be a new area of collaboration in respect of that information, but we do work very closely with the CSO. And from the time the census data is available we are one of the agencies that is pushing them to get that data, because we have to get it at a very granular level in order to do the assessments for our area. So, we do work very closely and have the support of the CSO in providing information as it becomes available through the census.

Ms. Deonarine: Yes, and I believe this will be especially important especially when you all start to do more work on the East Port of Spain Revitalization Programme, because you will need the data at that granular level. Okay, so let me pause for member Scotland. Thank you.

Mr. Scotland: Chairman and member Deonarine, I am very grateful. East Port of Spain Development Company, this Committee sees you, through the Chair, as a very significant tool in the development of East Port of Spain. Chairman, I think that we will all agree there are challenges – there are communities that are challenged in East Port of Spain. I have looked at the five objectives that we were outlined in your strategic plan 2017 – 2020. Chairman, for the listening public who did not hear them, would you allow me just to list them before I ask my questions, please?

Mr. Chairman: Yes.

Mr. Scotland: They were in this order:

- Sustainable development;

- Safety and security;
- Economic development;
- Environmental sustainability; and
- Operational efficiency.

I would like you to get granular for me and for the Committee, this Joint Select Committee. How does the organization plan to implement these five strategic objectives within a short space of time? How are you going to translate those five objectives into achievable goals?

Dr. Thomas-Austin: I would have gone through each of those strategic objectives earlier and perhaps we can do that again. Looking at sustainable development there are different ways in which the company is working towards that objective in terms of the physical infrastructure improvements that we do within East Port of Spain, the various activities in terms of drainage projects, road projects, upgrading recreation grounds, our Latrine Eradication Programme. Those are projects that they are –

Mr. Scotland: I do not mean to cut you, okay. Safety and security.

Dr. Thomas-Austin: So in terms of safety and security, as articulated in our draft development plan for East Port of Spain, we are focusing on the concept of crime prevention through environmental design, and that is a concept that looks at the way the environment is designed and laid out that can create opportunities for crime. So, our safety and security initiatives are not meant to replace policing initiatives, but are meant to look at how through design and layout we can reduce opportunities for crime. And so we employ some of the CPTED principles in the work that we do.

Mr. Scotland: Would you be liaising with members in the community and with the police service to try to implement that strategic objective?

Dr. Thomas-Austin: Well, it is something that we already do, and so safety and security, as I said, it is looking at the broader concept to safety and security. This is not about policing. The police take care of that. There is a community policing initiative that meshes with what we do. We have been involved with Hearts and Minds with the Inter-Agency Task Force in terms of various initiatives, to engage the young people in the area, to promote safety and security on project sites. But, as I said, a lot of it focuses on the design and layout of the environment. So, for instance, for facilities like our recreation grounds, ensuring that they are lit is one of the ways of it. Because one of the principles of our crime prevention through environmental design is natural surveillance. So making sure that you bring eyes and you bring light and visibility to areas that hopefully would reduce opportunities for crime. So that is another way in which we do it. We do liaise closely with the population and with the existing security services.

Mr. Scotland: Chairman, through you, when you speak – would you like a drink of water? Madam, you are muted.

Dr. Thomas-Austin: Sorry, I am okay. Thank you.

Mr. Scotland: Economic development, how is this plan of economic development to be filtered down into the communities, the challenged communities in East Port of Spain?

Dr. Thomas-Austin: So again, in terms of what we can do at the East Port of Spain Development Company. The data, even as challenged as the data is in terms of the age of data that is available from the CSO, that is the only data that we have access to, because we are not a data collection agency at that level. And so that data is showing us that we have high levels of unemployment within the communities, which is why we focus on trying to engage contractors, service providers from within East Port of Spain as far as possible, as one we are boosting economic activity. We also, as I said, ask the contractors or require the contractors to employ some of their unskilled labour and skilled labour from within the communities of East Port of Spain to provide employment opportunities. And our various Technical/Vocational and Training Programmes are geared towards upskilling the population to ensure that they can take advantage of employment opportunities within East Port of Spain or outside.

Mr. Scotland: You mentioned that before. Can I go to environmental sustainability bearing in mind the environment of East Port of Spain – so, make it specific so the public could understand.

Dr. Thomas-Austin: Okay. So, let me use two examples, one of which is the, I will use the term proliferation of pit latrines, because the census data has shown that there is a high percentage of the population of East Port of Spain that is still reliant on the use of pit latrines for disposal of sewage, of waste. There are environment implications associated with that as well as public health and just human dignity is –

Mr. Scotland: Human – in 2022?

Dr. Thomas-Austin: Yes. That is a concern for us, and so over a period of time we have been systematically trying to identify those households that are reliant on the use of pit latrines, and to remove those and replace them with a flush toilet, with a septic tank, a shower and wash basin. A very simple unit that is not –

Mr. Scotland: And you would assist these persons in achieving those goals, would you, in achieving that?

Dr. Thomas-Austin: We actually construct the washroom facilities using local contractors and local labour to replace the existing pit latrines in East Port of Spain.

Mr. Scotland: Chairman, I think as a committee, respectfully, I think if we achieve one goal from this enquiry it would be, and, Chairman, you can use, I will volunteer as the point person to have, to liaise with this organization to identify areas in East Port of

Spain and families who are in dire need of that transformation from latrine to flush services. Chairman, can I have, when we meet in plenary, if your members will be so minded that you make me the point person to liaise with East Port of Spain to have that implemented?

Mr. Chairman: Thank you. We will discuss that after the meeting.

Mr. Scotland: Yes, Chairman. Chairman, I do not mean –

Mr. Chairman: But Mr. Scotland just to follow up on your question for my own clarification.

Mr. Scotland: Yes, Chair. Yes, Chairman.

Mr. Chairman: Can the distinguished managing director share with us, what was the percentage of citizenry, in terms of numbers, both in percentage and in terms of raw numbers, where the East Port of Spain company was established, that were using this latrine kind of service or arrangement, and what has the East Port of Spain company achieved from their inception to the current time in bringing down not only the percentage, but give us and the people, not only of East Port of Spain, but of the citizenry of Trinidad and Tobago, what is the current number of citizens who are still using outdoor toilet or latrine facilities? And what is the projection within a specific time frame that the company has to eliminate that completely in the East Port of Spain community? Could you provide this Committee with some raw data both in percentages as well as in raw numbers?

Dr. Thomas-Austin: Okay. Let me say I do not have a working calculator in front of me, but what I do have is the figures. So, from the 2000 census we would have had the census showing that 5,210 households in East Port of Spain were reliant on pit latrines at the time. And, yes, I will have to pull the figure on exact number of households we had at that time. But in the 2010/2011 census that number dropped to 2,621 households using pit latrines.

12.25 p.m.

And there is great variation within the communities of East Port of Spain. So you have communities – some communities where it is very high, over 80 per cent, some 45, 38 per cent and so on. So we know the communities where there is a higher percentage of households that are using pit latrines.

We do have an application system, so people within the communities can come in, complete an application form. And over the years we have been – I think we started this programme in 2013 or 2014. We would have done just over 400 units in terms of replacing them with the flush toilet, shower and the wash basin. That programme has employed over 175 contractors who have been working on that using labour from within the communities.

Mr. Chairman: Any ideas to a time frame that the East Port of Spain would have, either working with the Ministry of Housing and Urban Development and through them, with let us say international organizations like the IADB, the World Bank and other international bodies that would come to your aid and assistance, that is the Government, and through the Government to you, East Port of Spain, to have this programme speeded up within a framework that we can say, well, look, we are now in 2022, by 2025/2026, we should be in a position to have 100 per cent eradication of the pit latrine kind of facility and being replaced by the flush toilet internal type arrangement for the residents and household of East Port of Spain? Can you give this Committee some projection that your company has?

Dr. Thomas-Austin: Chairman, I would like to say that that information can be provided to you. At this time, the work we would have – the estimates that we would have done would have relied on the available funding – the funding that is currently available to the company. And based on all the things that we want to do, there is limit to how much we can devote to that segment of our activities in every – in each financial year.

But between 2013/'14 to now, we are just getting ready to start phase 10 of the programme and we have funding for approximately 45 units. We are hoping to be able to increase that funding so that we can do more but it is a combination of the availability of funds and the technical resources available to the company that limits us in terms of what we can do and manage and supervise in a financial year. But as you say, with the collaboration of other agencies, definitely a programme can be worked out and a time frame established for eliminating pit latrines in East Port of Spain within a defined period of time.

Mr. Chairman: Yeah. Managing Director, could I ask you, between 2015 to the present time, would you say just about 45 were constructed or 90 were constructed as it relates to the number of flushing facilities that would be available to the residents? Do you have any numbers in terms of households that would have benefited based on the applications that they would have made based on the execution that you would have engaged in as a company between 2015 to the current time?

Dr. Thomas-Austin: I cannot give you that off the top of my head. I can say that we are just completing phase nine and phase nine we would have had about 75 units, Nissa? – 75 units in phase nine. We did about 50 in phase eight. So I can go back and get the data but right now, I cannot tell you exactly how many were done between 2015 and now. But we do have that data easily available.

Mr. Chairman: Yeah. We would like you to put it in writing –

Ms. Charles: Mr. Chairman –

Mr. Chairman: We would like you to put it in writing and submit it to the Committee.

Mr. Scotland, you can resume.

Ms. Charles: Chairman, if I may add as well, through you, Derriann Charles. Just in my capacity as Corp Sec, I would have also, from the MD, have a report that would have been prepared by her in October of 2019, that I could assist her with sending to the Committee because it has statistics, actual numbers and communities and what the LEP programmes for each one of those phases would have reduced the number of pit latrines by each phase.

Mr. Chairman: Okay. Thank you so very much.

Ms. Charles: That was provided to the board at one of its board meetings.

Mr. Chairman: Yeah. We would like to submit that to the Committee. Thank you very much. Mr. Scotland.

Mr. Scotland: Chairman, through you, does the East Port of Spain—how does the East Port of Spain, through your strategic planning—and your strategic plan, I think it was 2017 to 2020—how are you going to tweak it to ensure that the East Port of Spain remains relevant and current as it relates to your mandate and your objectives? Tell me that in a short two, three sentences.

Dr. Thomas-Austin: How we would tweak it? I am not sure that I am clear on the question but I think our mandate is about improving the quality of life of the residents.

Mr. Scotland: And how do you intend now—now that we are facing COVID-19, more stringent economic measures, resources will not be as they were five years ago, how do you intend or can you remain relevant, if you can, how do you intend to tweak to keep the relevance as part of your modus operandi?

Dr. Thomas-Austin: We are clear that relevance is established. The need remains and the need is great and we recognize the need to do that. One of the things that we are going to be looking at in this new strategic period is how we deliver on that given shortages of resources and competition for scarce resources. So we have to do a lot more in terms of social marketing and engaging other agencies—external agencies. Because of the fact that our work is so easily aligned with the SDGs, we feel that we can attract the attention of some of the international agencies to assist in the work, obviously with the required approvals from the Ministry of Finance. And so that will be an area that we are looking at, to collaborate more strongly with regional and international agencies and doing a lot more collaboration with private sector and other development entities within Trinidad and Tobago to be able to deliver on that mandate.

Mr. Scotland: Chairman, I know that time now is of the essence. We may be going into overtime. Chairman, I am very grateful for your indulgence and thank you very much for the questions that were answered.

Mr. Chairman: Yes. Thank you very much. May I ask the Managing Director, you did

indicate to this Committee earlier on that you are struggling to manage owing to staff shortages and you have to double up on duties, leading to burn out and low morale. And you also mentioned in your submission that you have had to engage in short-term contract staff as well as consultants to fill critical administrative support and professional and technical gaps. Now, how sustainable is this or can this be sustained? How long has this issue been plaguing this company? Could you clarify for our Committee, please?

Dr. Thomas-Austin: In terms of the sustainability, this is clearly something that needs to be addressed if the company is to move forward to fulfil its strategic objectives. I think the demands on the company in terms of compliance, the need to approach things differently, just the sheer enormity of the needs within the area of East Port of Spain have put a lot pressure over the last few years. And we have lost staff because of the issues of compensation passages, we have not been able to replace the staff that we have lost. So it has not been a problem all the time but certainly as we want to ramp up our operations to address the needs in the area, we are noticing the effects of it and it is something that needs to be addressed. And I think once we can deal with the challenges that have prevented us from recruiting to fill some of the critical vacancies, then the company continues to be relevant and will be sustainable going forward.

Mr. Chairman: Now, in terms of your submission on pages 20 and 22, under the item "Risk Management", I would like to ask, you how long has the incident of fraud involving misappropriation of funds by former employee has been going on for?

Dr. Thomas-Austin: Well, just to correct, it is no longer going on. It was something that was discovered in 2017 and we took immediate steps to deal with it. I think the records show that the time, that it had gone on for about three years before it was detected, but that issue has been dealt with.

Mr. Chairman: So do you care to remind this Committee, just to refresh our memory, how much funds were involved in this whole misappropriation exercise? What was the number or the quantum?

Dr. Thomas-Austin: \$23 million in total.

Mr. Chairman: It was 23? And were these funds ever retrieved in totality?

Dr. Thomas-Austin: No, they have not. They have not at this time.

Mr. Chairman: And the matter is before the courts of our country?

Dr. Thomas-Austin: The matter is in the hands of the Fraud Squad. There is an ongoing investigation. So there has –

Mr. Chairman: As far as you are aware Managing Director, no one has been charged by the fraud squad in this matter or is it just an ongoing investigation involving, as you said, some \$23 million?

Dr. Thomas-Austin: I am not aware as yet that there have been any charges laid. And I

would invite the Legal Officer to expand on what is appropriate given the fact that the matter is under investigation.

Mr. Chairman: Yes, yes. Maybe the Legal Officer, conscious of what you have said, can guide the Committee on this matter.

Ms. Charles: Thank you, Chair. And I note your initial question of whether it is before the courts and in some areas, an aspect of the matter is before the court and another aspect of the matter has already been presided on in favour of East Port of Spain. So, yes, it is before the courts on an aspect of the funds, on a quantum of the funds and the majority of the funds have been deliberated on in favour of the company.

Mr. Chairman: Okay. All right. Anyone—any member of the Committee—Mrs. Sagrainsingh-Sooklal, Lezama-Lee Sing, Ms. Deonarine, do you have any further you would like to pose?

Ms. Deonarine: Sure, Chair. I actually have a follow-up question with respect to what you just raised if you allow me. I will try to be as quick as possible.

Mr. Chairman: Yes.

Ms. Deonarine: So, Managing Director, you said that immediate steps were taken to deal with the issue of misappropriation of funds and as a matter of fact, the causes that led to the misappropriation of funds in terms of the weak internal controls and the financial system and your financial protocols and whatnot. So, now, I am looking at Appendix 8 and given that you said that immediate actions were taken, how come we still see in this internal audit report for the period—which is dated 9th of June, 2021—how come we still see high-impact areas being identified in terms of accounts payable and disbursements, saying that improved record-keeping and document management is required as several requested documents could not be located? We have things like segregation of duties among key functions within the accounts payable; process should be strengthened; controls should be established for recording all invoices on P3; procedures should be reviewed and updated to include all necessary payable expenditure activities to reflect current working practices. How come we still have these weaknesses—and I can go on—how come we still have these weaknesses showing up in 2021 of weak internal controls?

Ms. Charles: Dr. Thomas, your mike is muted.

Dr. Thomas-Austin: Sorry, sorry. In terms of the accounts payable and disbursement—I think that is what you are looking at, member?

Ms. Deonarine: Yes, the entire report, as a matter of fact. Because there were several areas that were highlighted as high impact for both the accounts payable and disbursements, the financial reporting process on page 11 of this Appendix. And also when you all went on to speak of the update on the forensic investigating audit, you all indicated that there are several items that are not yet due.

Dr. Thomas-Austin: Right. So if you look back at page 3 of that report, you would notice the status has completed or in progress. So those items that were recommended by the internal auditor at the time were in fact completed at the time of this audit report and that is indicated in the status column. If you look at the one you just referred to on page 11, the target date was July 2021 and August 2021. This report was dated June 2021 and so the status at the time was not yet due and we would have found that in subsequent reports that some of those things were addressed. We did have the audit of the financial reporting and accounts payable sections and I mentioned that the internal auditors would periodically do an update and tracker to ensure that those things that we undertook to improve are in fact being addressed.

Ms. Deonarine: Okay. So what is the – how soon do you expect the other items that are not yet due – what is the due date? The target date is July 2021 and August 2021 –

Dr. Thomas-Austin: Right, as I said –

Ms. Deonarine: – passed that date?

Dr. Thomas-Austin: The quarterly reports, which I do not have in front of me – the quarterly reports for up to December of 2021 have been submitted and we can review those reports to see what the status was at that time. I do not have those in front of me at this time.

Ms. Deonarine: Okay. Managing Director, I would urge you to treat this with utmost priority because we cannot have an incident that happened in 2017, happen again especially in the absence of an internal audit department. East Port of Spain continues to outsource this function and it is critical that we treat this with as utmost priority.

The last thing that I want to touch on is with respect to the sole select for the consultant for the strategic plan. And I understand the reason for sole selecting this consultant was because of the methodology – the balanced scorecard methodology that is required for this strategic plan. However, I respectfully do not – still do not understand why a sole source select methodology was used. A balanced scorecard methodology is something that is commonly used by many consultants and therefore it warrants a competitive process. So could you elaborate or explain to us what other reasons that could have justified the use of a sole source select in this case? Because PricewaterhouseCoopers, PKF, all these other audit companies I know – and I do not want to name any other more but they are all familiar with this balanced scorecard methodology and can complete a strategic plan using the balance scorecard methodology.

And also as a matter of fact, I heard in your response that you said that you all reached out and asked for a proposal and based on that proposal, you all went ahead. But how could you ask for a proposal? Was the proper market research done to look at the other companies to see what they have available? What are the other reasons that justify the

use of a sole source select in this case? Because I do not think it was justified.

Dr. Thomas-Austin: Okay. Point taken. At the time, it was timing, what was available to us. And as I indicated, it was more than just a strategic plan. The work that was done was not just the preparation of a strategic plan but it was other work that we were looking at: the human capital readiness, the organization review and structure, and being able to align the overall strategic—the balanced scorecard methodology with performance methods for different units and departments. We would have included some training of staff in certain aspects of the work as well. That was the justification that we had at the time and that was taken to the board and approved by the board.

Ms. Deonarine: Okay. All right. Chair, I would not venture into the issue any more. I just have one last question, I think it is important that we factor it. In Appendix 5, when you gave your update on the projects, there was one project, Point Pleasant Park pavilion that you all mentioned and it said that when we asked of the status, you indicated that work on the projects stopped due to conflicts between the contractor and the community. Discussions are going to resolve the issues. Has this been resolved and how frequent, since 2013, do incidents like this happen?

Dr. Thomas-Austin: The particular issue that was referred to at that time has been resolved. We have had to get a new contractor on the project—we did have to get a new contractor on the project. So that was done. And it has not been very frequent but we do have a few incidents over the history of the company where we have had different issues that have arisen that have caused delays in projects and project implementation. We understand the incidence of crime and violence in these communities and some projects are affected more than others because of this specific location of those projects.

Ms. Deonarine: Okay. So could you tell me whether this particular project was completed to date?

Dr. Thomas-Austin: The project is not yet completed. There are some ongoing challenges with that project. Yes.

Ms. Deonarine: Okay. And how much funds were paid to the first contractor that had to be terminated and what is the cost of the new contract?

Dr. Thomas-Austin: Right. So I do not have information in front of me but—

Ms. Deonarine: You can submit it in writing.

Dr. Thomas-Austin: Yes. And the new contract was just—the value of that was the outstanding amount on the previous contract. So it was just that amount that we would have engaged a new contractor to complete the outstanding work at the amount remaining on the contract.

Ms. Deonarine: Okay. All right. Thank you so much, Managing Director and the rest of the team. Chair, I would pause—I would stop because I know we are pressed for time.

Mr. Chairman: Yeah. Well, in closing, I want to bring this meeting to a close and in doing so, may I ask the Managing Director to submit to this Committee in writing the document that would have informed the company in selecting the consultant to develop this plan called a strategic plan for 2021/2023. Just give us the documentation because you said apart from that plan, there were other elements. So we would like to understand what the other elements in detail. And also, if you can provide us with a document or the document that would have informed your thinking as it relates to the engagement of PwC as it relates to the outsourcing of the internal audit function which, as you said, would have cost the company over a two-year period some \$250,000 or thereabout. So we would like to get some documentation in writing on this matter.

I would like, on behalf of the Committee, to record our appreciation to officials from the Ministry of Finance, Investments Division; the Ministry of Housing and Urban Development; the East Port of Spain Development Company Limited and their respective officials; the Committee members of the PA(E)C as well as the viewing and listening audience for tuning in to our enquiry into the operations and the audited financial statements of the East Port of Spain Development Company Limited for the financial years 2012 and 2013 respectively.

With those few closing remarks, I would once again like to thank all officials for being here with us from the areas that I have mentioned. May you all have a very safe and – well, a very safe evening and we look forward, if it is necessary, to writing you shortly for clarification on questions that we have been unable to pursue at this meeting because of time and we look forward to your responses to those questions when they reach your respective desks. So thank you very much, officials, and you are now excused. Thank you very much.

12.59 p.m.: *Meeting adjourned.*