



**Trinidad &  
Tobago IFC**

Financial Sector Development

Trinidad and Tobago International  
Financial Centre Management  
Company Limited:

**ADMINISTRATIVE REPORT**

**AS AT JUNE 30<sup>TH</sup>, 2017**



Submitted to the Ministry of Finance

June 30, 2017



## Administrative Report As at 30<sup>th</sup> June 2017

### 1.0 Vision and Mission

**The Vision** of the Trinidad and Tobago International Financial Centre Management Company Limited is “to make Trinidad & Tobago the premier location in the Western Hemisphere for financial services”.

**Our Mission:** “to attract and facilitate foreign direct investment in the financial services sector that would enhance the growth and diversification of the economy by creating sustainable employment”.

### 2.0 Core Business and Strategic Plan

The Company was established by Cabinet Minute No. 2647 on September 18<sup>th</sup>, 2008 and incorporated under the Company’s Act 1995, on 6<sup>th</sup> November, 2008.

The Trinidad and Tobago International Financial Centre Management Company Limited (referred to as the TTIFC in this Report) is an investment promotion agency created to make Trinidad and Tobago the premier location in the Western Hemisphere for Financial Services. As such, it is entrusted with attracting and facilitating foreign direct investment specifically in the financial services sector that would enhance the growth and diversification of the economy, by creating sustainable employment.

In order to fulfill this mandate, the TTIFC has been pursuing a strategic approach that is focused on the creation of a new Business Process Outsourcing/Shared Services Industry, as well as a mandate to make Trinidad and Tobago the financial capital of Latin America and the Caribbean. This will be achieved by attracting various types of international financial institutions and firms that provide other related services to establish a presence in Trinidad and Tobago thereby creating a financial services cluster. The TTIFC will approach financial institutions from around the world and are currently in discussions with Chinese financial institutions about setting up in the TTIFC.

The TTIFC plans to review a previously developed economic model in order to provide updated projections about jobs and contribution to GDP. With both these activities in train, the TTIFC is expected to create quality employment opportunities in financial service for citizens of Trinidad and Tobago, increase GDP through the contribution of financial services to GDP and earn foreign exchange, with the overall objective of diversifying Trinidad and Tobago’s economy beyond the energy sector.



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**3.0 Corporate Structure**

**Corporate Structure**

The TTIFC's corporate structure comprises six (6) levels of hierarchy:

- CEO (one employee)
- Executive Level (three employees)
- Managerial Level (four employees)
- Professional Level (three employees)
- Administrative Level (four employees)
- Support Level (no employees)

This structure represents a staff complement of fifteen persons, however at June 30<sup>th</sup> 2017 the Company was operating with a complement of thirteen persons. The reporting structure identifying the approved positions is outlined in the Organization Chart attached as *Appendix 1*.

**BOARD OF DIRECTORS**

The members of the Board as at June 30, 2017 are:

Mr. Richard P. Young – Chairman

Mr. Reynold Adjodhasingh

Mr. Peter Clarke

Ms. Inez Sinanan

Mr. Ewart Williams

Mr. Peter Clarke and Ms. Inez Sinanan were first appointed to the Board with effect from 11<sup>th</sup> March, 2013. They were reappointed on 27<sup>th</sup> April, 2016 and again on 16<sup>th</sup> December, 2016 to serve until the next Annual Meeting. Mr. Richard P. Young, Mr. Reynold Ajodhasingh and Mr. Ewart Williams were first appointed on 27<sup>th</sup> April, 2016 and reappointed on 16<sup>th</sup> December, 2016 to serve until the next Annual Meeting.

**BOARD COMMITTEES:**

The Board established Committees to assist in exercising its authority and the terms of reference of the Committees and their composition, are listed below:

**Audit, Risk and Compliance Committee:**

*Committee Members:* Mr. Ewart Williams (Chairman), Mr. Peter Clarke, member.

The purpose of the Audit, Risk and Compliance Committee of the Board is to assist the Board in monitoring:



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- The periodic financial reports and other financial information provided by the Company to the Board, any governmental body or the public;
- The Company's systems of internal controls regarding finance, accounting, financial reporting, and financial compliance that Management and the Board have established; and
- The Company's auditing, accounting and financial reporting processes generally.
- The risk management, compliance and control activities of the TTIFC.

Consistent with the function, the Committee should encourage continuous improvement of, and should foster adherence to the Company's policies, procedures and practices at all levels.

**Corporate Governance, Strategy and Human Resource Committee**

*Committee Members:* Ms. Inez Sinanan (Chair), Mr. Richard P. Young, member.

The purpose of the Corporate Governance and Strategy Committee of the Board is to ensure compliance by the Directors and Executive Management of the Company with the requirements of the Corporation Sole, the Companies Act, ethical standards consistent with their fiduciary responsibility and to review and monitor implementation of the Strategic Plan of the Company and to assist the Board in its responsibilities for an effective organizational structure, competitive human resources and compensation policies and practices for the Company.

**Finance and Investment Committee:**

*Committee Members:* Mr. Reynold Adjodhasingh (Chair), Mr. Richard P. Young member.

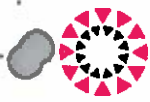
The Finance and Investment Committee shall:

- Assist the Board in setting the investment policy to be adopted for the management of the Company's funds as approved by the Board and in compliance with any guidelines established by the Minister of Finance (Corporation Sole); and
- Ensure that the investment of Company funds is conducted in accordance with the investment policy and best practice.

**Tenders Committee:**

*Committee Members:* Ms. Inez Sinanan (Chair) There are no other Board members of the Tenders Committee, but all decisions must be taken to the entire Board of Directors for approval. This proviso has been made with the approval of the Minister of Finance in view of the limited number of Directors on the Board.

The Tenders Committee shall, in accordance with the levels of authority, approve the acquisition of goods and services above \$500,000. The Tenders Committee shall also ensure that Value for Money, Transparency and Accountability are maintained at all times within the procurement process of the organization. The Tenders Committee shall make recommendations to the Board of Directors on the acquisition of goods and services within its authority level.



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**3.0 Performance Accomplishments**

The accomplishments described below cover the period July 1, 2016 to June 30, 2017. The period under review was once again, an active one for the organization:

**Business Process Outsourcing (BPO)/Shared Services Development**

The BPO / Shared Services Department is mandated to position Trinidad and Tobago as a preferred location for Finance and Accounting (F&A) and Banking, Financial Services and Insurance (BFSI) Business Process Outsourcing (BPO). To achieve its goals the TTIFC has developed a focused, two-pronged strategy to build inward investment in the sector, which strategy simultaneously targets (a) financial institutions looking to establish a captive centre and (b) BPO providers seeking cost effective locations. This requires concurrent progress on several fronts.

**DEVELOP PIPELINE OF BPO PROSPECTS/ STATUS OF INWARD DELEGATIONS**

The TTIFC continues to reach out to potential clients in the international market with the aim of developing a pipeline of prospects. We seek to expose potential clients to our value propositions through participation at targeted Business Process Outsourcing (BPO) Finance and Accounting (F&A) international conferences and then secure inward delegations of clients who have a short term interest in establishing business in Trinidad & Tobago. Some of the events the TTIFC participated in to support this initiative were:

***Internal:***

The TTIFC hosted Euphoria Technologies (ET) in an inward delegation on August 25<sup>th</sup> and 26<sup>th</sup> 2016. This lead was as a result of ET's attendance at the Trinidad and Tobago Outsourcing Summit held in June 2016 and a subsequent Memorandum of Understanding signed in July 2016 between the TTIFC and ET to facilitate and guide the latter's establishment of a local subsidiary. On this visit the Company was able to expose ET to available real estate, expert advice on incorporating their business, opening the right type of bank account and various other elements of doing business in Trinidad and Tobago. Euphoria registered their business in Trinidad and Tobago on September 23<sup>rd</sup> 2016. THE TTIFC maintains frequent communication with them as it continues to facilitate their on boarding process with the expectation that they will create between 25-50 jobs within the next year.

Another inward delegation was facilitated with the company Supplying Total Talent (STT) from October 3<sup>rd</sup> to 5<sup>th</sup> 2016. This trip resulted in the registration of their business in Trinidad and Tobago on October 3<sup>rd</sup> 2016, along with meetings with Human Resource firms able to provide assistance with recruiting local talent, meetings with banks to initiate setting up accounts and a meeting with the Free Zone Company of Trinidad and Tobago. The TTIFC continues to assist this company in their on-boarding process with the expectation that another 25-50 jobs will be created within the next 6 to 12 months.



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***External:***

The TTIFC participated in the Shared Services & Outsourcing Week in Orlando from March 6th to 9th, 2017 as a sponsor. Twenty meetings were held in total; seventeen (17) with potential clients and three (3) with site selection advisors. The potential clients have been categorized as having either short-term or medium to long-term interests. The Company continues to actively follow up on these leads.

The Company will be attending the SSON Finance & Accounting (F&A) specific conference in Dallas from June 22<sup>nd</sup> to 23<sup>rd</sup>, where i) brand awareness of Trinidad and Tobago as a competitively priced F&A BPO location will be maintained, and ii) meetings with potential clients throughout the conference floor will be sought. These leads once made will be ardently pursued with the aim of securing a deal.

***Other areas to develop pipeline:***

The TTIFC is actively re-visiting and pursuing leads from all events previously attended: delegations, conferences and summits, to determine their present level of interest. This information has been categorized in our database as short and long term leads for follow up.

The TTIFC's current consultant is engaged in a project on the Company's behalf, reaching out (via phone, LinkedIn and email), to all firms within the US, Canada and Costa Rica practicing F&A BPO, to educate them on the advantages of expanding their operations to Trinidad and Tobago.

The TTIFC met with both the Government and Private sector in Guyana to promote Trinidad and Tobago as a hub for all the F&A work soon to come out of the newfound Guyanese Oil & Gas sector.

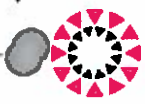
**DEVELOP LABOUR POOL FOR FINESS**

The TTIFC is offering a bursary to provide F&A BPO training to fifty (50) selected persons. The programme is expected to be completed by September 30<sup>th</sup> 2017.

The training involves a technical, as well as a soft skills aspect. The Technical aspect will be accredited by the ACCA through their internationally recognized Global Business Services Certificate and the Soft Skills aspect will be accredited through UWI Roytec.

The Company will be undertaking a "BPO as a career" session on June 29<sup>th</sup> with the aim of informing persons of the new Finance & Accounting Business Process Outsourcing Industry being created, and informing them about the potential job opportunities that exist in this field for persons with the right skill sets.

The TTIFC and the University of the West Indies (UWI), will enter into an MOU before the end of June 2017. The principal objective of this MOU is the creation of a partnership between both parties which will support the TTIFC's mandate of ensuring that the local labour supply meets the requirements of the global



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businesses being attracted to Trinidad and Tobago. UWI will now begin to offer Professional Soft Skills training as mandatory workshops available to students in the Management and Accounting programmes.

### **DEVELOPMENT OF THE LOCAL INDUSTRY**

The TTIFC is currently involved in a project with the Operations & Shared Service Company Ltd (OSSCL) where an incentive has been provided for the creation of 200 jobs in Trinidad. To date 133 jobs have already been created. This project also has the added benefit of earning foreign exchange, as these 200 new jobs involve F&A BPO support functions for territories in the Caribbean & Latam Region. The TTIFC recognized a unique opportunity to assist OSSCL in their business case, as without this incentive bringing down the cost of doing this new work in Trinidad, the new jobs would have gone instead to OSCCL's Shared Service centre in Jamaica.

The TTIFC called together a working group of InvestTT, ExporTT and the Airports Authority of Trinidad and Tobago in January 2017 with representatives from both the Immigration and the Customs & Excise Divisions. The purpose of this group was to provide the necessary support to any initiative to improve foreign investors' ease of entry into Trinidad and Tobago. The agencies have all agreed to lend support when and where necessary to improve this part of the process for potential investors.

During this period the TTIFC met with at least six (6) local firms headquartered in Trinidad and Tobago, with a view to showing them not only the benefits of centralizing their F&A functions, but also the benefits of having those functions performed for their Group of companies out of Trinidad and Tobago. Whilst one (1) of them was not in favour of such a move in the medium to long term, at least two (2) more are seriously considering it for the short term. The TTIFC will assist these firms by providing all required support and facilitation services.

In keeping with this thrust to develop a local F&A BPO sector, The TTIFC presented to both the AMCHAM Board of Directors, as well as to the local members of the British Chamber, to highlight the benefits to these firms of centralizing their F&A functions out of Trinidad and Tobago.

### **Financial Markets Operations**

#### **International Partnerships and Recognition – Inclusion on GFCI**

A major milestone of the TTIFC's international marketing efforts was the first-time inclusion (in August, 2016) of Trinidad and Tobago, in the Global Financial Centres Index (GFCI) - a leading index that ranks the major financial centres globally in terms of competitiveness. The TTIFC worked closely with Z/Yen (a European marketing consultant and custodian of the GFCI) to achieve this. In GFCI 20, (released in September 2016), Trinidad and Tobago was ranked 71 out of 87 financial centres assessed, and 7 out of 9 financial centres in Latin America and the Caribbean - with a rating of 604 points out of a possible total of



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1,000. In GFCI 21 (released in March 2017), Trinidad and Tobago secured a second consecutive placement in the index, but, improving to 60<sup>th</sup> out of 88 financial centres. The rating received also increased to 615 points. In the Latin America & Caribbean region Trinidad and Tobago moved from the 7<sup>th</sup> best financial centre, to 4<sup>th</sup> (behind The Cayman Islands, Bermuda and The British Virgin Islands). Trinidad and Tobago also recorded the second largest increase in the region of 11 spots.

**Commercial Paper/Shelf Registration**

The Shelf Registration and Commercial Paper guidelines developed by the TTIFCMCL in 2015/16 were intended to improve the efficiency of the local Capital Markets.

Shelf registration when implemented will allow faster access to the capital market for companies that need to raise capital. This improvement can lower capital costs by reducing the time required to go to market with an offer, allowing issuers more flexibility to manage the sale of its securities.

The Commercial Paper guidelines will standardize and simplify the process for issuing commercial paper and allow for the increased use of commercial paper by companies to finance their operations. The increased use will also provide investors with another security that they could invest in with potentially higher returns than those available in the banking sector. In January 2017, the TTIFC met with the Trinidad and Tobago Securities and Exchange Commission (TTSEC), to advance the guidelines for Commercial Paper and Shelf Registration. These were submitted to the TTSEC in August 2015 and February 2016 respectively.

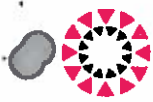
The TTSEC indicated that work has begun on a 'policy paper' on the introduction of Shelf Registration guidelines to the local market, which will be submitted to the Board of the TTSEC. Once approved, the guidelines will be then be published for public comment.

**Risk Capital (SME Exporters' Fund)**

Turning to the local capital market, the Risk Capital Financing Model developed in 2015 -2016 was renamed the SME Exporters Fund in 2017. This model will provide high-growth exporting SMEs with access to financing that matches their risk profile, aiding their expansion and development and resulting in job creation and additional earning of foreign exchange.

The fund is designed to be a public-private sector partnership and the TTIFC is engaged in discussions with potential private sector investors about participating in the Fund. Meetings were held with representatives of local financial institutions. One has expressed interest in participating. The Commissioner of Co-operatives was also engaged with the objective of having the Fund listed as a pre-approved investment for Credit Unions. The outreach to representatives of the private sector will continue in order to secure investors. Once interest is acquired, the Company will approach the Government to provide the related public-sector injection. Once this is achieved, the Fund will be established, and handed over to a Fund Manager to be managed.





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### Development of an International Financial Centre

In pursuit of its mandate, the Company started discussions with the Embassy of the People's Republic of China in Trinidad and Tobago, and Chinese financial institutions with the aim of attracting the latter to the TTIFC. The Chairman attended the China CELAC Think Tank Forum in Beijing (November 7<sup>th</sup> and 8<sup>th</sup> 2016),

where a presentation was made to promote the opportunities for co-operation between China and Trinidad and Tobago. While in China, the Chairman met with executives in Beijing and Shanghai from financial institutions interested in doing business in Trinidad and Tobago.

At a forum on China's Silk Road initiative (One Belt One Road) hosted by the Embassy of the People's Republic of China, on June 2, 2017, The Minister in the Office of the Prime Minister announced Government's intention to invite Chinese financial institutions to Trinidad and Tobago. The TTIFC is hopeful that this will be the start.

### Corporate Services

#### Marketing and Communications

For the period under review, strategic Marketing and Communications support was provided to the Business Process Outsourcing / Shared Services and Financial Markets Development Departments, while the TTIFC's Corporate Communications activity was maintained.

#### Corporate Communications

Within the period, the TTIFC published its 2016 Annual Report; 4 issues of its Quarterly Newsletter; a collated presentation for China Investment; an advertorial on ACCA/ GSB Launch; an advertorial in the Oxford Business Group' 2017 Trinidad and Tobago Report; digital Christmas cards; audited Financials in the press; an updated Corporate Video; an article in Business TRINIDAD AND TOBAGO; and a Presentation Skills Workshop was held for managerial and supervisory staff on January 12<sup>th</sup> & 13<sup>th</sup> 2017.

The Chairman was interviewed for the 2017-18 issue of Oil & Gas and the Company provided assistance with the development of a brief for a 'National Pride Video' as part of ongoing work of an inter-agency workgroup.

#### Support for the Business Process Outsourcing / Shared Services Department

Ongoing support for this department resulted in a number of periodic updates to existing collateral (e.g. Value Proposition). A number of pieces of collateral were created (e.g. BPO Career Flyer, BPO Facts at a Glance). The flagship promotional collateral – the Competitive Advantages Booklet – was completed and won a 2017 Gold Addy award. It was also converted into a power point presentation. It continues to be updated as necessary.



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Other marketing assets, releases, advertorials and creative briefs were generated throughout the year for various events/ activities (e.g. TTIOS panel discussion, ACCA GBS launch, eblast emails, a 360 degree photo of the F&A BPO incubation, SSON advertisement, ACCA GBS Bursary, new cases studies, RSM International partner acquisition promotions, TTIFC-branded versions of Work Permit and Company Registration).

A Site Selection Outreach strategy was also developed for the BPO/Shared Services Department.

### ***Financial Markets Development Support***

In this area, the TTIFC's augmented the international marketing consultant Z/Yen's August 2016 article on Trinidad and Tobago, to ensure it better reflected Trinidad and Tobago's position given changes to the TTIFC's strategic direction. A public relations plan was developed and implemented regarding the TTIFC's improved ranking (from 71 to 60) on the Global Financial Centres Index, including a poster to commemorate the event.

### ***Corporate Events***

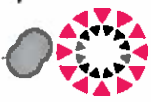
The TTIFC's Marketing and Communications Unit provided logistics, set-up, speaking notes, photography, videography as applicable and general support for:

- TTIFC/ACCA co-hosted GBS launch
- SBCS Career Day (5<sup>th</sup> August 2016)
- Visit of Chinese Ambassador (September 9, 2016)
- British-Caribbean Chamber of Commerce Dinner partnership (Sep 14<sup>th</sup> 2016)
- Oxford Business Group Report Launch 2016
- The TTIFC's 6<sup>th</sup> Annual Meeting (December 2016)
- SSOW conference (Mar 6-9 '17)

### ***Website***

The Company maintained its 'Financial Services Portal' with frequent real-time updates such as:

- Competitive Advantage Booklet on site for download
- BPO Career Flyer to F&A BPO page and updated copy to match flyer
- Facts at a Glance brochure
- Bios of key staff as requested
- Advertorial on ACCA/ GSB Launch
- 2016 Annual Report
- Quarterly Newsletters



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A corporate LinkedIn account was established for the purpose of promoting the work of the TTIFC. The Company's Facebook page has been re-established to complement this and Social Media management policy was developed to support these activities.

LinkedIn and Facebook were populated with relevant posts (F&A BPO incubation space, 2017 Gold ADDY Award etc.)

### **IT Support**

IT Support maintained a 98% level of availability for services during the period. Hardware equipment is consistently monitored for performance, technical and security issues to ensure that they are maintained in good working order. Software licenses are purchased or renewed as required to ensure continued and uninterrupted usage. Whilst there were no significant changes made to the IT environment, several IT processes have been streamlined to improve performance, efficiency and effectiveness. The server environment has been upgraded to Windows Server 2016 and is now in-line with the end-user environment running Windows 10.

The TTIFC environment is designed and maintained to optimize availability, capacity, continuity and security. It is based on the ITIL (Information Technology Infrastructure Library) set of best practices for IT Service Management. As new technologies and upgrades become available, they are evaluated, tested and introduced to the environment as required.

Microsoft Office Lync deployed in May 2017, as the corporate instant messaging platform. Lync provides messaging, voice calling, video calling and presentation services and can be accessed using a laptop, desktop or mobile device. This platform integrates into the email system and messages are stored and archived based on the same policies and security as email messages.

IT support was an integral part of launching the social media platforms (LinkedIn and Facebook) during March 2017. An in-house social media management team was created to manage the TTIFC's presence on the various platforms.

### **Administrative Support**

The Corporate Services Department continued to provide general support to the organization encompassing, support for the Board, human resource management, including the management of the Group Medical and Life insurance Plan; management of the company's insurance portfolio - General, as well as, Public Liability Insurance, fidelity guarantee, and Directors and Officers insurances; telecommunications services, information Technology systems, office services and equipment; courier services and Reception Services, among others.



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A Records Classification System was developed and provides the backbone for the Company's Centralised Filing System. This system incorporates a dual system of both hard copy and e-versions of records. Full implementation and maintenance of the system is ongoing. Company vital records including Statutory Records, Contracts and Memoranda of Understanding can be accessed electronically. During the period under review a Disaster Recovery simulation exercise was undertaken.

Operating procedures for major responsibilities of the three operational departments of the TTIFC have been prepared. These Operating Procedures support the approved Enterprise Risk Management Policy. The Board of Directors Annual Performance Appraisal Report for the year ended September 30, 2016 was prepared and submitted to the Ministry of Finance on 24<sup>th</sup> October, 2016.

### 4.0 Financial Operations

#### (a) Annual Budget

TTIFC's Annual Budget operationalises the activities and objectives set out in the Strategic Plan. The Annual Budget includes details of: Operating Budget, Capital Budget and PSIP Budget, which identifies company's expenditure plans for the upcoming financial year from October to September. The Budget process starts in January of each year. By mid-February each department prepares and submits to the Accounting department its draft annual budgeted expenditure for the upcoming fiscal. The department projections are then reviewed by members of the Executive Team and the CEO. Upon revision of department expenditures, all the departments' budgets are collated and the company's Master Budget is prepared. This Master Budget is submitted to the Finance and Investment Committee for review and agreement before its submission for Board approval, and then to the Ministry of Finance. The approved budget for the financial year ending 30 September 2018 of \$38.631M was submitted to the Ministry of Finance on 2<sup>nd</sup> March 2017.

#### (b) Financial Results

The audited Financial Statements for the year ending 30<sup>th</sup> September 2016 (FY2016) were submitted to the Ministry of Finance on 29<sup>th</sup> November 2016. TTIFC's 6<sup>th</sup> Annual General Meeting was held on 16<sup>th</sup> December 2016 where the Audited financial statements were received and adopted. The audited financial statements were published in the Trinidad Guardian daily newspaper on 5<sup>th</sup> January 2017.



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The Audited financial results for the Company for FY 2016 are summarized below:

	2016 \$	2015 \$
Profit before tax	200,075	99,025
Taxation	(25,082)	(41,188)
Profit for the year	<u>174,993</u>	<u>57,837</u>
Retained Earnings	174,993	57,837
Retained Earnings - At Beginning of Year	54,530	(3,307)
Retained Earnings - At End of Year	<u>229,523</u>	<u>54,530</u>

**(c) Government Subvention**

Government subventions totaling TT\$22.199 M (2015: TT\$31.000 M) were received during the financial year and is shown as deferred operating subventions in the Statement of Financial Position. The subvention income is recognised in the Statement of Comprehensive Income as expenses are incurred.

	2016 \$	2015 \$
Beginning balance	20,693,940	12,417,347
Funds received from the Government of the Republic of Trinidad and Tobago	22,199,048	31,000,000
Amounts transferred to statement of comprehensive income	(12,931,602)	(22,723,408)
	<u>29,691,386</u>	<u>20,693,940</u>

**(d) Debt Policy**

At present, the TTIFC has no Debt Policy and has not incurred any debt.

**(e) Investment Policy**

The TTIFC has a Board approved Investment Policy, a copy of which is attached as Appendix 2.



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**5.0 Human Resource Development Plan**

This reports highlights the human resources activities of the company during the period under review. The areas presented are: Employment, Recruitment, Compensation Administration, Benefits, Training & Development.

**a) Career Path Systems and c) Promotion criteria used**

At present, employees of the TTIFC are hired on fixed term renewable contracts for job specific functions. In 2016 the contract term was modified from 3 years to 2 years. The terms "Promotion", "Career Path" as per the State Enterprise Performance Monitoring Manual (SEPM) outline for this report, all refer to permanent employment structures, and are therefore challenging to apply in an environment of only fixed short term contracts such as obtains in the TTIFC. Fixed term contract employees may apply for higher position job vacancies that arise, and will be considered together with external applicants. If, after the open recruitment process is applied, the contract employee proves suitable for any higher level position that becomes available in the organization, the existing contract would have to be terminated and a new one offered with the new job specific terms and conditions. This would be considered a 'selection' and not a 'promotion'.

**b) Performance Measurement Tools**

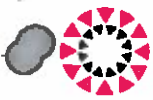
During the period July 2016 to June 2017, staff participated in annual performance appraisals in accordance with their anniversary dates. These appraisals are used not only as a means of focusing on work activities and goals, identifying and correcting problems that have not been addressed during the year, and motivating and encouraging employees to perform better in the year ahead, but also to plan training needs for the ensuing year.

In March 2017, the approach towards the employee performance appraisal system was revised. Employees annual performance targets were weighted in a more formal way in accordance with the Company's Strategic Initiatives and the duties they perform in order to achieve both the Company's Strategic Initiatives and the Department specific Strategic Initiatives.

**c) Recruitment**

The human resource function of the company supports all phases of the employment process, with direct responsibility for recruitment, interviewing, background checks and selection. Suitable evaluation sheets are developed to suit the competencies required for the position being filled. If necessary, a behavioural profile for the selected candidate is commissioned. Interviews are always conducted by a panel of relevant senior staff or in the case of a CEO, by the Board. Interview panels consist of not less than two TTIFC officials.

The company continues to receive and respond to unsolicited employment applications from the general public. During the period under review, both the Chief Executive Officer and the Vice



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President Financial and Capital Markets Development vacated office creating two vacancies that have not yet been filled. This reduced the present staff complement to thirteen persons as at June 30, 2017. In 2017, one temporary vacancy that will support the BPO/Shared Services department initiative to source suitable candidates to be up-skilled for the local Finance & Accounting BPO market sector, was filled.

Arrangements were also made with a recruitment firm to undertake the recruitment of a Chief Executive Officer on behalf of the Board of Directors. This process started on June 7<sup>th</sup> 2017 and is expected to result in an offer to the preferred candidate by August 2017.

**d) Benefits Administration**

Employees have access to a State Enterprise Group Health and Life Plan that was revised in July 2015. Health claims for staff members were administered under the Plan during the period under review.

**e) Training & Development**

The Employee Training & Development Policy is incorporated into the TTIFC's Board approved Human Resource Policy and Procedure Manual. Arising from assessed organizational needs as well as employees annual Performance Appraisals, a training matrix is prepared, which schedules the required training for employees, as funding allows. During the period under review, in light of reduced operating revenues, a close review of company training was undertaken. Staff were encouraged to source free training alternatives that become available - such as free webinars – so as to keep abreast of new developments in their respective professions. Several webinars are available especially for IT, and BPO applications which provide cutting edge information.

Despite the company's operating restraints, the TTIFC was still able to facilitate a number of training and development opportunities during the period under review.

**f) Leave Administration**

Leave administration on the Human Resource Information System has been administered electronically since October 2015.

**g) Employee Relations**

The company regularly conducts general staff meetings and departmental staff meetings. These meetings serve to update staff on matters arising from Board Meetings, progress on the Company's overall mandate, and it is the avenue to engage staff in reporting on developments in their specific areas of work as well as any concerns they may have.



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### h) Organization Structure

At its meeting on 21<sup>st</sup> February, 2017, the Board of Directors approved the following changes to the TTIFC's Organization Chart and two Managerial positions:

The Business Development Department was renamed the BPO/Shared Services Development Department and the position of Manager Business Development was re-named Manager, BPO/Shared Services Development.

The Financial and Capital Markets Development Department was re-named the Financial Markets Development department and the position of Manager Capital Markets was re-named Manager Financial Markets Development. Appendix 1 shows the revised Organization Chart.

## 6.0 Reporting Functions

### (a) Departmental Reports

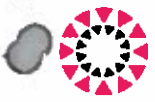
Departmental Reports are prepared on a monthly basis for submission to the Chief Executive Officer (CEO) and incorporation into the CEO's monthly report to the Board of Directors. The reports cover the plans and achievements of each department for the month, any challenges that may have been encountered and the steps taken to resolve the issue, any human resource issues that may have arisen, any budgetary issues to be addressed and any next steps to be noted. Management Accounts are prepared monthly providing a comprehensive overview of the Company's financial position at each month end. These Departmental and Management Accounts reports are used as support for preparation of the annual Administrative Report in June and the Annual Report in September.

### (b) Reports to Ministries, President/Parliament

The required reports are submitted to the Permanent Secretary, Ministry of Finance & the Economy (Investments Division) as and when it becomes due, and are indicated hereunder:

- The Strategic Plan for 2017 to 2018: Submitted March 2, 2017
- Annual Budget for 2017 to 2018: Submitted March 2, 2017
- Annual Audited Financial Statements for FYE September 30, 2016: Submitted November 29, 2016
- Board Meeting Minutes are submitted one week following confirmation
- Monthly Cash Statement of Operations and the Status of Loans/Overdraft Report are submitted monthly. The last report for the period was submitted June 13, 2017
- Quarterly Returns Report submitted at end of first month after Quarter. The last report for the period was submitted April 15, 2017. The next report is due on 31<sup>st</sup> July, 2017.





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- Quarterly Status of Loan/Overdraft/Investments and Litigation Proceedings are submitted at the end of first month after Quarter. The last report for the period was submitted on April 15, 2017
- The Return of Award of Contracts submitted 14 days after month end.

### 7.0 Procurement Procedures

During the period under review, the TTIFC Procurement procedure was guided by Appendix B of the State Enterprises Performance and Monitoring Manual: *“Standard Procurement Procedures for the Acquisition of Goods, Provision of Services, Undertaking Works and Disposal of Unserviceable Items in State Enterprises.”* In April 2017 the Company received a Draft Procurement and Disposal Handbook from the Ministry of Finance which when finalized is expected to replace existing Procurement policies and procedures and will conform to the Procurement Act 2015, which at this time is partially proclaimed. The draft guidelines have to be customized for the Company and the TTIFCMCL is in the process of doing so.

The TTIFCMCL uses the following types of procurement:

#### (a) Open Tender

The TTIFCMCL uses the open tendering process:

- (i) When the Company's list of approved Vendors does not cater or adequately cater for particular types of Materials, Works and/or Services.
- (ii) Where it is competitively more advantageous.
- (iii) Where the terms and conditions of Company borrowings so require.

During the period under review, no open tenders were invited.

#### (b) Selective tendering and Sole Sourcing

The Company uses the Selective Tendering process where Tenders are invited from the Company's list of approved /prequalified Vendors and /or proven experts in a particular field. A minimum number of invitees is usually set so as to allow adequate competition in the procurement process. Vendors are continually evaluated on their performance, inclusive of responsiveness to tender invitations and overall compliance with contract terms and conditions. Because of the specialized nature of the TTIFCMCL's business, selective tendering is more prevalent, especially where the services to be provided are only available either locally or internationally from a very few consulting firms. Such firms who are invited to bid are required to provide their detailed credentials as part of the selection process. Where only one firm has the competence required to provide the services needed by the TTIFCMCL, sole sourcing is implemented and the Company ensures once again, that the consultant's



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credentials are provided as an integral part of the process. In all instances, value for money is carefully considered.

During the period under review eighteen contracts were entered into as a result of selective and sole sourcing methods. The majority of these were consultancies. All such contracts requiring approval of the Tenders Committee were submitted to both the Tenders Committee and the Board of Directors for approval.

- (c) The Company also uses **shopping and buying methods** for minor purchases such as one off emergency purchases for groceries or for minor office supplies.

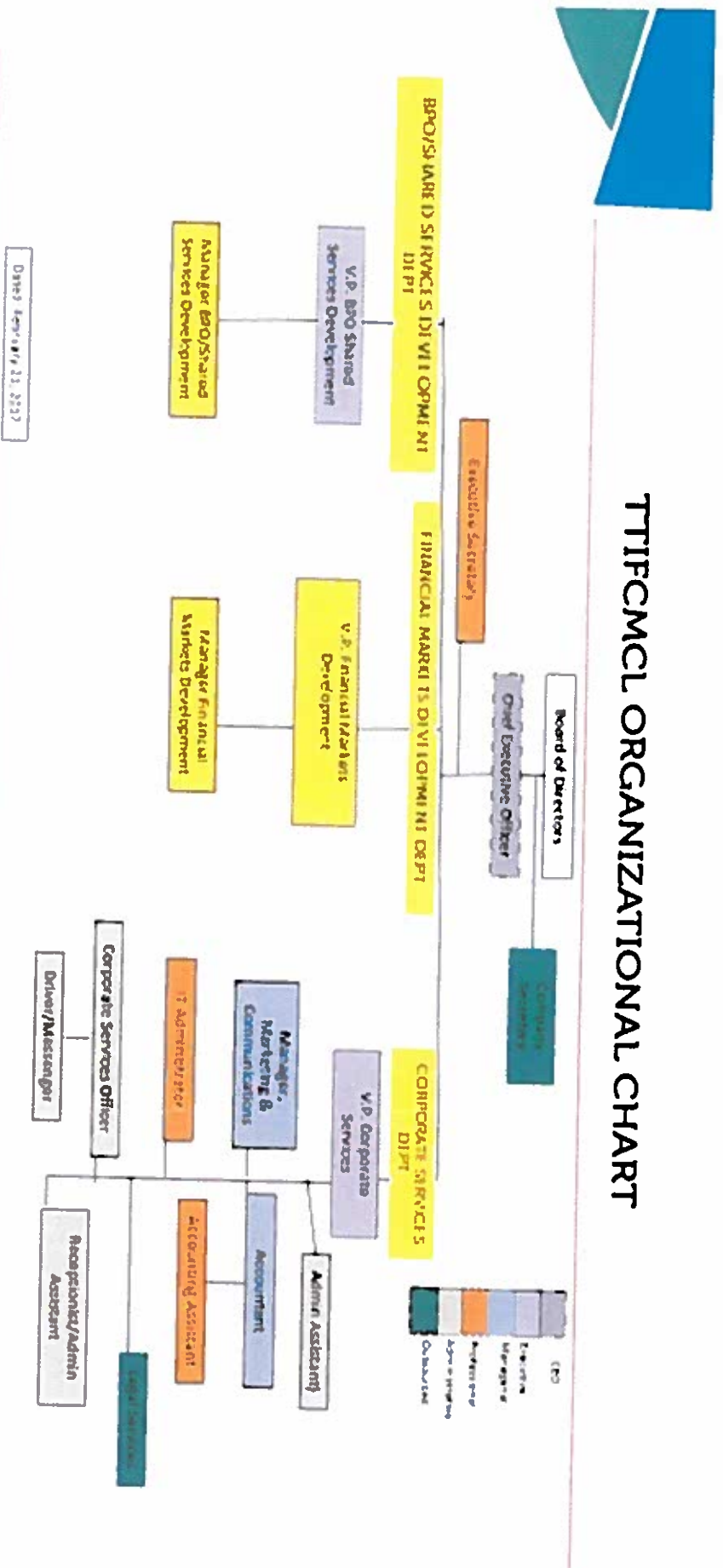
## 8.0 Conclusion

The TTIFC is pleased to present this report on the nature of its operations over the period July 1, 2016 to June 30, 2017. As the report shows, the Company has made significant strides in its efforts to achieve its mandate, especially in the growth of a Finance and Accounting Business Process Outsourcing/ Shared Services industry for Trinidad and Tobago. We are ever mindful that this is not an easy industry to break into globally, and that it takes time to develop, but the Company is dedicated and committed to its mandate and has no doubt in its mind that it will provide an avenue for diversification of the country's economy through development of the financial services sector, making a substantial impact on job creation and contribution to GDP in the short term.



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**TTIFCMCL ORGANIZATIONAL CHART**





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**APPENDIX 2 – Investment Policy**

<b>NAME OF POLICY:</b>	<b>Investment Policy</b>	
<b>PREPARED BY:</b> Chief Executive Officer	<b>APPROVED BY:</b> Board of Directors	<b>DATE APPROVED:</b> September 10, 2012
<b>1<sup>st</sup> REVISION PREPARED BY:</b> Board's Investment Committee	<b>APPROVED BY:</b> Board of Directors	<b>APPROVED ON:</b> 9 <sup>th</sup> July, 2013
<b>2<sup>nd</sup> Revision by Board's Investment Committee</b> 23 <sup>rd</sup> October, 2013 and 22 <sup>nd</sup> November, 2013	<b>APPROVED BY:</b> Board of Directors	<b>APPROVED ON:</b> 22 <sup>nd</sup> November, 2013
<b>3<sup>rd</sup> Revision by Board of Directors re Instructions from Ministry of Finance</b>	<b>Approved by:</b> Board of Directors	<b>Approved on: 12<sup>th</sup> March, 2014</b>
<b>4<sup>th</sup> Revision prepared by Investment Committee:</b> 8 <sup>th</sup> July, 2015	<b>Approved by:</b> Board of Directors	<b>Approved On: 8<sup>th</sup> July, 2015</b>

**INVESTMENT POLICY**

**1. Investment Objectives**

The Investment Policy is developed to provide investment guidelines with the sole financial objective of safety and security of funds held under management, so to ensure that the Company can carry out its mission and vision.

**2. Standards of Care**

The Board and management have a fiduciary duty and are required to demonstrate prudence and appropriate duty of care in all decisions related to the placement of funds.

**3. Transactions**

**a. Approval Authority**

The Finance and Investment Committee of the Board will delegate investment authority up to \$1 Million to the Executive Management Committee. Investments above \$1 Million must be approved by the Finance and Investment Committee. All investments made on the authority of the Finance and Investment Committee shall be ratified by the Board of Directors at the Board Meeting held immediately following the placing of the Investment.



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Prior approval must be obtained from the Minister of Finance and the Economy for the acquisition of significant assets, new investments in non-government securities, the incurrence of new/additional long term debt and entering into significant contracts (relative to the Company). This is in accordance with the Incorporation Act No 5 of 1973.

**b. Authorized Financial Institutions**

The company may invest in institutions that meet the following criteria:

- i. The institution is making a surplus on its core operations.
- ii. The institution has a positive net worth.
- iii. The institution's audits for the last financial year must be completed within six (6) months of the end of that financial year by a reputable auditing firm acceptable to the Board.
- iv. Investments in any one organization may not exceed 20% of the Authorized Financial Institution's total investment portfolio.
- v. In the case of a financial institution, it must be operating under one or more of the following Acts and is not known to be in breach of them
  - The Central Bank Act.
  - The Protection of Depositors Act or the Financial Institutions Act.
  - The Insurance Act.
  - The Unit Trust Act
  - The Securities Industry Act
- vi. The investment in the institution is easily disposed of either by encashment in the institution or by trading on the securities market.
- vii. A list of institutions in which liquid assets can be kept shall be developed by the Finance and Investment Committee, for the approval of the Board of Directors.

**c. Eligible Investments**

TTIFC is permitted under this Policy to make investments in the following instruments subject to the asset allocation limits, restrictions and other limits detailed herein.

- Interest bearing Savings and Checking Accounts
- Certificates of Deposits
- Bankers Acceptances/Repos
- Treasury Bills
- Money Market Mutual Funds
- Bonds Issued by the Government of Trinidad & Tobago or its agencies with full guarantees with a remaining tenor of 3 years or less.



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d. Asset Allocation Limits

Category	Max Limit	Restrictions
<p><i>Category A</i></p> <p>Interest bearing Savings and/or Checking Accounts and Income Funds with a fixed Net asset value (NAV).</p>	Unlimited	None
<p><i>Category B</i></p> <ul style="list-style-type: none"> <li>• Certificates of Deposits and/or</li> <li>• Bankers Acceptances/Repos and/or</li> <li>• Treasury Bills</li> <li>• Income Funds with a floating Net Asset Value (NAV)</li> </ul>	60%	<ul style="list-style-type: none"> <li>• Certificates of Deposits must be held at commercial banks that carry deposit insurance and must mature within 12 months</li> <li>• For repos, the underlying security must be a GoRTT security, and ownership must be clearly transferred to TTIFC and held by an independent depository (CBTT or TT Central Depository)</li> </ul>
<p><i>Category C</i></p> <p>Bonds Issued by the Government of Trinidad &amp; Tobago or its agencies with full guarantees with a remaining tenor of 3 years.</p>	10%	

e. Investment Restrictions

Further limits are stipulated:

- No more than 20% of the company's investment portfolio should be invested in any one private financial institution.
- A minimum of 10% of the company's liquid asset portfolio should be in cash or deposits on call.

f. Prohibited Transactions

The Investment and Finance Committee and Executive Committee are restricted to the eligible investments under this Policy and any other investment will require special review, approval and justification by the Board of Directors.



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**4. Performance, Reporting and Review**

**4.1** The Chief Financial Officer (or an executive designated for this purpose) will have the ultimate responsibility for the day-to-day management of the investment portfolio of the company, within the guidelines laid down.

**4.2** The CFO's responsibility will be to:

- i. Ensure that all transactions are properly accounted for.
- ii. Keep an up to date listing of all short-term investments including:
  - Type of Instrument
  - Date of investment and maturity date
  - Institutions invested in
  - Number of Investment Certificates
  - Amount
  - Monthly earnings on each investment
- iii. Ensure that earnings are properly brought to account
- iv. Ensure that funds are invested only in the approved list of Financial Institutions.
- v. Report on the performance of the Investment Portfolio relative to the investment objectives on a semi-annual basis
- vi. Research and Recommend to the Finance and Investment Committee new institutions in which the company may place investments.
- vii. In respect of those activities in the financial markets that give rise to credit, market and liquidity risks, to fully apprise the Board of these risks; to recommend general risk management strategies to govern these activities; to re-evaluate regularly the risk exposure to the Company, its risk tolerance and the established strategies to control risk exposure.