Government of the Republic of Trinidad and Tobago
Ministry of Agriculture, Land and Fisheries

AGR: 5/3/5 Vol. VIII

January 14, 2025

The Honourable Brigid Mary Annisette-George
Speaker of the House
Speaker's Chambers
Office of the Parliament
Parliamentary Complex
The Red House
St. Vincent Street
Port of Spain

Dear **Honourable Speaker of the House**,

The Nineteenth Report of the Public Accounts Committee on the Examination of the Reports of the Auditor General on the Financial Statements of the Agricultural Development Bank (ADB) for the financial years 2014 to 2018

Reference is made to your correspondence **Parl: 5/2/132 dated November 20, 2024** with subject at caption.

Please find the response of the Ministry of Agriculture, Land and Fisheries to the recommendations contained in the Report at **Appendix**.

Submitted for your consideration, please.

Yours sincerely,

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Ms. Nela Dwarika-Ali
Permanent Secretary (Ag.)

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Government of the Republic of Trinidad and Tobago
Ministry of Agriculture, Land and Fisheries

OFFICE OF THE MINISTER
Senator the Honourable Haji Kazim Hosein

AGR: 5/3/5 Vol. VIII

14th January, 2025

The Honourable Brigid Mary Annisette-George
Speaker of the House
Speaker's Chambers
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St. Vincent Street
PORT OF SPAIN

Dear Speaker of the House,

The Nineteenth Report of the Public Accounts Committee on the Examination of the Reports of the Auditor General on the Financial Statements of the Agricultural Development Bank (ADB) for the financial years 2014 to 2018

Reference is made to your correspondence **Parl: 5/2/132 dated 20th November, 2024** with subject at caption.

Please find the response of the Ministry of Agriculture, Land and Fisheries to the recommendations contained in the Report at **Appendix**.

Submitted for your consideration, please.

Yours sincerely,

Haji Kazim Hosein
MINISTER

HONOURABLE MINISTER
MINISTRY OF AGRICULTURE, LAND & FISHERIES

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APPENDIX

Comments of the Ministry of Agriculture, Land and Fisheries on the Nineteenth Report of the Public Accounts Committee on the Examination of the Reports of the Auditor General on the Financial Statements of the Agricultural Development Bank for the financial years 2014 to 2018

The Ministry of Agriculture, Land and Fisheries (MALF) reviewed Nineteenth Report of the Public Accounts Committee on the Examination of the Reports of the Auditor General on the Financial Statements of the Agricultural Development Bank (ADB) for the financial years 2014 to 2018.

The MALF provides input towards the recommendations proposed to improve the operations of the ADB as follows:

1. **Outstanding Audited Financial Statements**

Recommendation	Comment of the MALF
(i.) The ADB should provide to Parliament the status of the outstanding audited financial statements for financial years 2020-2023 by January 14, 2025	(i.) The MALF agrees that timely reporting on financial statements is a priority. The MALF was informed by the ADB that the audit of the financial statements for 2020 was completed by the Auditor General's Department (AGD). The draft financial statements for 2021 and 2022 were adjusted and resubmitted to the AGD on October 2, 2024, due to the adjustment of the asset valuation for 2018. The draft financial statements for 2023 and 2024 were completed but adjustments were necessary as the AGD required the inclusion of International Financial Reporting Standards (IFRS) 16. The expected completion date is January 22, 2025, for submission to the Finance Committee.
(ii.) The MALF in collaboration with the ADB should propose amendments to the Agricultural Development Bank Act Chap. 79:07 to include a provision relating to the	(ii.) The MALF noted the recommendation. However, due to international and regional trade issues, amendments on other legislation took precedence, namely the Fisheries Management Bill and the Beekeeping and Bee Products Act. The MALF will write to the

Recommendation	Comment of the MALF
timeframe in which financial statements are to be submitted to the AGD and provide an update to Parliament by January 14, 2025.	Board of the ADB to consider legislative amendments to include a timeframe for submission of financial statements.

2. Status on Government Subvention

Recommendation	Comment of the MALF
(i.) The MALF should briefly provide to the Parliament by January 14, 2025, a rationale as to how the approved level of subvention is determined and what avenues can be pursued to better align requests to meet the ADB's desired outcome.	(i.) The subvention of the ADB is under the purview of the Ministry of Finance MoF.

3. Outdated Legislation

Recommendation	Comment of the MALF
(i.) The MALF should provide an update to Parliament in the status of the finalization of the proposed amendments to the ADB Act and briefly describe the anticipated benefits of the draft amendments for the greater fulfilment of the Bank's mandate by January 14, 2025.	(i.) The MALF previously received recommendations of amendments to the ADB Act in 2014 and 2018 from the Board of the ADB. Given the reprioritization of the legislative agenda of the MALF, there have been no amendments to the ADB Act. To address this, the MALF will forward the previously proposed recommendations to the current Board of the ADB for consideration.

4. The Lack of an established Pension Scheme

Recommendation	Comment of the MALF
(i.) The ADB should provide a status update to Parliament on the decision reached by the Board for an approved	(i.) The MALF was informed that the establishment of a Pension Scheme was presented to the Board of Directors (BOD) of the ADB in 2024. The proposed actions include:

Recommendation	Comment of the MALF
pension scheme and indicate the way forward to ensure implementation of the approved scheme, expected by the end of FY2025, by January 14, 2025.	a. Finalization of the Terms of Reference for the recruitment of a consultant; b. Hiring of a consultant to undertake a review of appropriate pension schemes; c. Acquisition of proposals from providers based on the current needs of the ADB; and d. Evaluation and recommendation will be made to the Board of Directors for a decision forward.

5. The Absence of a Mobile App

Recommendation	Comment of the MALF
(i.) The ADB should provide a status update to Parliament on the development of a mobile app by January 14, 2025; and	(i.) The MALF concurs that the development of a mobile app would be useful in the operations of the ADB. The BOD agreed to upgrade the Information Technology (IT) infrastructure and other urgent requirements for the implementation of a mobile app. The MALF was advised by the ADB that a consultant would be engaged to review and provide strategic recommendations on the requisite IT infrastructure, systems, network, servers, cybersecurity, and related processes. The IT consultant will also assist in upgrading critical IT components such as the network, hardware, operating system, processes, and core banking software. Additionally, the consultant will be a part of the ADB's IT Steering Committee to guide the strategic direction of IT initiatives.
(ii.) The ADB should provide an update on the timeline for the rollout of the Core Banking System by January 14, 2025.	(ii.) The timeline for the rollout of the Core Banking System would be determined subsequent to the upgraded IT infrastructure of the ADB.

6. Levels of Debtor Delinquency

Recommendation	Comment of the MALF
(i.) The ADB should report to Parliament in whether there are any international best practices followed by counterpart institutions in other jurisdictions which the Bank could adopt in treating with this issue of debtor delinquency by January 14, 2025.	(i.) The ADB has advised that the Small Enterprise Evaluation Project (SEEP) Model is widely used for agricultural developmental financial institutions to address debtor delinquency.

7. Market Growth Rate

Recommendation	Comment of the MALF
(i.) The ADB should provide to Parliament a brief report on the formulation of the Strategic Plan for the period 2026-2028 specifically noting the strategic objectives which may be included in the area of market expansion, as well as the expected timeline for the development of the Plan by January 14, 2025.	(i.) The BOD of the ADB agreed to the engagement of a consultant to facilitate the development of the ADB's Strategic Plan for 2025-2027 and to provide Leadership and Management Training for the Executive Management Team. The ADB has proposed to engage Deloitte & Touche to provide consultancy services to facilitate the development of the Strategic Plan 2025-2027 and to provide leadership and management training in January 2025.
(ii.) The ADB should advocate to the MALF on the necessity for the Bank to facilitate foreign exchange and provide an update on this discussion to Parliament by January 14, 2025.	(ii.) The ADB agrees to the recommendation and will engage the MALF and MoF following the adoption of the Strategic Plan 2025-2027.

8. Youth engagement

Recommendation	Comment of the MALF
(i.) The ADB should consult the FAO publication Youth and Agriculture: Key Challenges and Concrete Solutions and report to the Parliament by January 14, 2025 on the extent to which the Bank may be able to incorporate some of the advice contained therein into its own youth-related initiatives.	(i.) Opportunities to incorporate and further explore some of the advice outlined in the FAO publication will continue to be in focus. It should be noted that many of the options outlined to enhance access to financial services have been incorporated in the Bank's developmental agri-finance business model and past youth initiatives with mixed success. These include inter alia, providing access to low cost funding through specific youth focussed programmes leveraging international donor funding and features such as technical support (e.g. EU -funded ADB Youth Window Program); the leveraging of loan guarantees to lower the risk of lending (e.g. from the now defunct state entity - Small Business Development Company (SBDC)); crafting of collaborative loan packages incorporating marketing support through sister state agencies; pursuing collaborations for training courses on financial literacy (e.g. through the Central Bank Financial Literacy Programme); as well as on-going initiatives to conduct such capacity building within the remit of the Bank which are subject to resource availability.

Recommendation	Comment of the MALF
(ii.) The ADB should report to Parliament on the following by January 14, 2025: a. Work done to date in collaboration with the MYDNS as part of the Youth Aquaculture Project and/or the Youth Agricultural Shade House Project, or ways in which the ADB could pursue such collaboration.	(ii.) The ADB through its Business Development Department has engaged with the MYDNS from the inception of its youth focused programmes in 2021, with the launch of its Youth Agricultural Shade House Project (YAHP) and has continued to date with the successive introduction of the Youth Agricultural Shade House Project (YSP) and the Youth Aquaculture Project (YAQ). Opportunities have been pursued as part of the Bank's work plans to pro-actively enhance the Bank's portfolio growth from the youth demographic and support food security contributions from agri - MSME's, through the following actions: **1. Establishment of Strategic alliances –** a) To drive growth and sustainability from the youth demographic, the institutional knowledge of ADB was leveraged through membership on the YAHP - Programme Coordinating Committee (PCC). Contributions to inform policy, programme implementation/ monitoring and ultimately development of market channels for agri-finance have been made. Contributions were also made at the recent Extension Services Forum of the Youth Agricultural Homestead Programme (YAHP) held to support Cohort 1 graduates. b) The Bank strengthened its engagement with the Youth Aquaculture Programme (YAQ), through membership on the recently formed YAQ Management Committee, positioning itself as a

Recommendation	Comment of the MALF
	future partner to support aquaculture development. **2. Marketing Outreach and New Business Channels** a) The Bank initiated an on-going outreach collaboration with MYDNS through ADB's Mobile Banking Unit (MBU) and other face to face outreach presentations to enable financial access to participants in the three (3) pilot programmes. Presentations by the Cooperatives Division to YSP were also attended as part of seeking collaborative approaches as the programmes evolve and are rolled out. b) The Bank facilitated Savings Account Drives and promoting financial inclusion to cohorts. c) The Bank's digital social media engagement included a feature on the recently launched 'Quan's Farm Podcast,' hosted by ADB youth entrepreneur and YAHP graduate Mr. la Quan Pearie to also engage the youth demographics. **3. Product Development** The Bank's current loan offerings are well placed to meet a range of project needs through inter alia its flagship New Reality Loan that flexes to meet the needs of any type and size of activity or agri-entrepreneur; the ADB Boost an unsecured facility offered as ADB's pro-active response to aid food producers and entrepreneurs who have limited options for securing finance for Agri-investment and the ADB Secure tailored to assist agri-businesses with praedial larceny and other personal security solutions (modern surveillance, monitoring, alarms, perimeter fencing & personal / family security etc.).

9. Human Resources

Recommendation	Comment of the MALF
(i.) The ADB should provide to the Parliament by January 14, 2025 the following: a. Increasing the staffing component of the Internal Audit Unit through short-term contracts with the assistance of the MALF; b. Provide an update on the recruitment of the personnel based on its prioritised list of vacancies; c. Provide an update on the outcome of the planned manpower audit and if it has not been initiated, provide an expected timeline for its completion; and d. Report on the outcome of its request to the MALF for the provision of personnel to fulfil existing posts on a short term basis.	(i.) The status updates are as follows: a. The ADB is in the process of developing the job descriptions for two (2) additional positions in the Audit Department. Once completed, consultation discussions will be held with the Public Services Association (PSA), in accordance with the subsisting Collective Agreement. Thereafter, the recruitment and selection process will commence. The ADB will seek to expedite this process to ensure that the Audit Department meets its objectives; b. On November 14, 2024, the MALF provided a letter of non-objection to fill ten (10) positions based on the prioritised list of vacancies. It is expected that the process to fill those positions will be completed by March 31st, 2025; c. The ADB commenced a process to undertake a manpower audit in 2019 to inform of any realignment of its organizational structure to ensure that it is fit for purpose. Upon the review of tenders received, approval was obtained to select a provider. However, this process was halted due to the restrictions of the COVID-19 Pandemic. In June 2023, the Bank considered its position to re-engage the MALF regarding the process.

Recommendation	Comment of the MALF
	Documents were submitted to the MALF to restart the manpower audit process. The MALF is in the process of reviewing the document and will provide feedback by the end of February 2025; and d. The ADB is currently undergoing the process of recruiting temporary Loans Officer and the interview process will commence on January 14, 2025.
(ii.) The ADB should Parliament with a status update of the outcome of the investigation of the four staff members by January 14, 2025.	(ii.) This matter is now before the Industrial Court.

10. Selection of Legal Service Providers

Recommendation	Comment of the MALF
(i.) The ADB should provide a status update to Parliament on the development of guidelines for the selection of legal service providers outside of its approved panel of attorneys, by January 14, 2025.	(ii.) Subsequent to the appointment BOD, the position of the Corporate Secretary was filled and the process of reviewing panel has been initiated and will be completed in the next quarter.

11. Risk Management

Recommendation	Comment of the MALF
(i.) The ADB should provide a status update on its efforts to recruit a Corporate Manager – Risk and Compliance to Parliament, by January 14, 2025.	(i.) The ADB is actively seeking to fill the position of Corporate Manager-Risk and Compliance. This Executive Management position was advertised on three (3) occasions within the past year and a series of interviews were conducted. The most suitable and

Recommendation	Comment of the MALF
	only successful candidate declined the Bank's offer, as there was no flexibility to negotiate a higher compensation package which is determined by the Office of the Chief Personnel Ofiicer. The Bank is experiencing difficulties in attracting suitably experienced and qualified candidates for this position as the current remuneration is at 2014's salary rate. The ADB has a shortlist of applicants and will continue to expedite the process to fill the vacancy as soon as possible.
(ii.) The ADB should provide a status update on the outcome of the Policy Review and Board approval of the Risk and compliance Policy to Parliament by January 14, 2025.	(ii.) Risk and Compliance Policy and Procedures are in place at the ADB and was approved on June 27, 2018 by the BOD. Further, the ADB reviewed the Anti Money Laundering/ Counter Financing of Terrorism (AML/CFT) Manual in November 2024 and conducted AML/CFT Training for all permanent staff and members of the BOD over the period: • Staff – November 13th 2024 & November 20th 2024; • Management & Compliance Staff – October 15th 2024; and • Board of Directors – September 25th 2024.

Ministry of Agriculture, Land and Fisheries
January 13, 2025