



**Public Accounts Committee
Montserrat**

Report on the Inquiry into the Outsourcing of Cleaning Services

PUBLIC ACCOUNTS COMMITTEE

**Report on the Committee's Inquiry into the Outsourcing of
Cleaning Services**

**Together with the Minutes of Proceedings of the Committee
relating to the Report and the Minutes of Evidence**

**Ordered by the Public Accounts Committee to be printed on
16 October 2018**

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List of Abbreviations and Acronyms used in the Report

GOM	Government of Montserrat
MCC	Montserrat Cleaners Cooperative
PAC	Public Accounts Committee
SLA	Service Level Agreement

Introduction

The Public Accounts Committee is a Standing Committee established in accordance with paragraph 63 of the Montserrat Constitution Order 2010 and under Standing Order 65 of the Legislative Council for consideration of the Public Accounts of Montserrat.

Powers

Under paragraph 63(3) of the Constitution Order 2010 the Committee has the power:

- To summon any Minister, or any public officer for a department of government for which a Minister is responsible, to appear before it;
- Subject to any law in force in Montserrat or to Standing Orders, to require any person so summoned to answer questions and provide information about the conduct of business of the Government by the Minister or department concerned.

Under Standing Order 65(4) the Committee has power to:

- Ascertain that the authorised expenditure during each financial year, including supplementary expenditure, has been applied to the purpose prescribed by the Legislative Council;
- Scrutinise the clauses which may have led to any excess over authorised expenditure, and to verify applications of savings on other authorised items of expenditure;
- Make an effective examination of public accounts kept in any Department of Government; and
- Summon any public officer to give any information or any explanation, or to produce any records of documents which the committee may consider necessary in the performance of their duties.

Membership

The Public Accounts Committee consists of 3 members, including a Chairman, chosen by the Speaker from among the official and unofficial members of the Council.

The membership of the Committee is as follows:

- Mr Joseph Farrell (Honourable Chairman)
- Mr Gregory Willock (Honourable Member)
- Dr Samuel Joseph (Honourable Member)

Background

Cabinet Decision 511/2012 of 29 November 2012 approved the outsourcing of Government's Cleaning Services to thirty-two (32) workers who were to have been organised into a Workers' Cooperative. In 2013, the Government of Montserrat (GOM) took a decision to outsource its cleaning services, as a result of which, the private sector would receive a boost. At the same time, the cleaners would be released from the Government Service and encouraged to form a cleaning cooperative, as a means of mitigating the issues which would arise from widespread unemployment amongst this category of workers. The Office of the Deputy Governor was tasked with the responsibility of forming thirty-two (32) workers into a Cooperative.

A Cooperative as defined by the International Labour Organisation is, "An autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise".¹

In September 2016, the Auditor General reported on her "Performance Audit on Selected Outsourced Activities in the Montserrat Public Service." The performance audit included an audit of the outsourcing of cleaning services in the Montserrat public service. The report concluded that:

"...there was direct contravention of the procurement regulation with the outsourcing of the cleaning service; and cleaning costs is increasing annually. Additionally, we found limited evidence of a monitoring and assessment programme for the outsourced activities leading us to conclude the activities were not adequately managed."

Appendix B of the Auditor General's report outlines the management response to the recommendations. This includes allocation of responsibilities and timelines for completing actions.

At its meeting on 22 November 2017 the Public Accounts Committee (PAC) agreed to conduct a public hearing on the matter. The date of the hearing was

¹ International Labour Organisation. "Cooperatives." Search Engine Google. 8th June 2018.
<http://www.ilo.org/global/topics/cooperatives/lang--en/index.htm>

set for 18 April 2018. The Committee agreed to call relevant witnesses to give evidence to the hearing. At its meeting on 11 April 2018 the PAC agreed Terms of Reference for a formal Committee Inquiry into the outsourcing of cleaning services.

Terms of Reference for the Inquiry

The purpose of the inquiry was to identify weaknesses in the outsourcing system as it relates to cleaning services and to make recommendations as to how problems can be rectified.

The PAC sought to identify Government policy on outsourcing and comprehensively examine how this policy was implemented in relation to the cleaning services contract including any changes to the arrangements for cleaning services in the intervening period, the reasons for these changes and any issues that may have arisen as a result. Specifically, the Committee sought to:

- Determine the original, agreed upon subvention to the MCC and the reasons for any increases in expenditure;
- Establish the Government Policy on outsourcing;
- Identify any structural, staffing and process issues which may have contributed to weaknesses in the outsourcing system;
- Establish the position prior to outsourcing;
- Establish the original agreed upon arrangements;
- Establish the current position in relation to cleaning services;
- Determine if the arrangements have changed and, if so, to what extent and why changes have occurred.

The Committee's Approach to the Inquiry

The Committee agreed to call for evidence from identified key stakeholders including:

- The Ministry of Finance;

- The Office of the Deputy Governor;
- The Montserrat Cleaning Cooperative;
- Representatives from the former Montserrat Development Corporation; and
- An individual from the private sector who provided support to the project.

The Committee agreed that evidence sessions for the Inquiry would be held in public session. Oral evidence was heard on 18 April 2018. The Committee planned to report to the Legislature with findings, conclusions and recommendations by 9 July 2018.

Subsequent to the public evidence gathering session, further information was sought from:

- i. The Ministry of Finance
- ii. The Office of the Deputy Governor
- iii. A member of the Cooperative who was off island at the time of the session.
- iv. During the course of the interview, the Committee took both written and oral evidence.

Key Issues and Findings

- i. The Committee finds that a cooperative, consisting of the workers who had opted to remain, was not established by the implementing Office as directed by Cabinet. Decision 511/2012. Instead, a business was set up and registered under the Business Name Act, as the Montserrat Cleaning

Cooperative (MCC). Four of the workers who had opted to remain were named on the Certificate of Registration, which is listed as Certificate No. 69 of 2012.

- ii. A report was not provided to Cabinet indicating that difficulties of any kind had been experienced in implementing the decision. Additionally, further guidance was not sought from Cabinet in determining the form that the business should take, in view of any difficulties being experienced. As a result, the entity was established without proper authorization, and it did not meet the intended outcome implied by the directive to set up a cooperative; which is ownership by all of its members.
- iii. Proper management support aimed at assisting the Montserrat Cleaners Cooperative to become an independent entity, capable of successfully managing itself, was not provided as anticipated. There were differing explanations from witnesses as to why the support was not provided. However, it is quite clear that a Cooperative (owned by all members) was not established and the support which was promised to an organisation of this nature was not provided.
- iv. Given that a cooperative was not established, there was also no proper authority for making payments to the workers. Government funds were therefore utilised to make payments without proper authority.
- v. The Committee notes that based on the existing legislation, the MCC was supposed to pay an annual fee of EC\$100.00 to the Financial Services Commission for re-registration of the business name. This was never done and the name was officially struck off the official list of business names. As a result, the MCC has been operating outside of a legal framework.
- vi. From fiscal year 2013/2014, quarterly subventions have been paid to MCC, by Government of Montserrat, for its cleaning services. Variations in the subvention were as a result of sick leave and vacation leave, but the requests for adjustments to the subvention based on these factors, were verbal rather than documented requests.
- vii. The Committee finds that there was no formal reporting system in place. There was also no monitoring system in place. A formal monitoring and reporting system would have lent itself to identifying issues in the

outsourcing process, which could then have been addressed at an early stage. As it stands, some of the issues have been ongoing for over five years.

- viii. The Office of the Deputy Governor provided the Montserrat Cleaning Cooperative with a Service Level Agreement (SLA) for Cleaning Services. The SLA outlined the role of Government of Montserrat (GOM) and the role of the Montserrat Cleaning Cooperative. The SLA included a provision for a contract to be made between the Government of Montserrat and the Montserrat Cleaning Cooperative. To date, this contract has not been issued.
- ix. The SLA stated that GOM would continue to provide cleaning supplies/equipment in fiscal year 2013/2014 with the understanding that MCC would secure its own storage facilities by April 1 2013. At the time of the evidence gathering session on GOM Outsourcing Cleaning Services, 18 April 2018, the storage space had not been secured.
- x. The SLA also indicated that in fiscal year 2014/2015 the subvention for the Montserrat Cleaning Cooperative would have covered the cost of supplies, such that MCC would have taken over the purchase of supplies. To date, the individual Ministries and Departments continue to provide cleaning supplies to MCC.
- xi. Members of the Montserrat Cleaning Cooperative were required to pay a one off subscription fee of EC\$300.00. Substitute workers were asked to pay EC\$150.00. These funds did not remain with the Cooperative but were utilised to pay the workers. Payments of subventions were made to the Cooperative based on bank statements rather than by invoice.
- xii. Responses received from the ODG in relation to some questions which were asked, indicate a failure in the process of documenting and passing on information which would normally be expected in a Government Department. It appears that the handover process, which resulted from a change of staff, did not result in adequate provision of information which should have allowed for easy follow up on the outsourcing of Government cleaning services.

- xiii. The Committee also finds that the Ministry of Finance, which is the primary government agency responsible for outsourcing, does not have a documented policy for outsourcing of Government Services.
- xiv. The Financial Services Commission does not have a register for Cooperatives.
- xv. Cap 11.21 of the laws of Montserrat stipulates that there shall be a Registrar of Cooperative Societies who shall be a public officer and whose duty shall be to regulate co—operative societies. The Ministry of Agriculture is currently responsible for cooperatives, but research indicates that no public officer has been appointed as the Registrar of Cooperative Societies and there is no specific division within the Ministry to deal with cooperatives. Additionally, the relevant legislation is said to be cumbersome and difficult to implement, which could make it very difficult for those who would wish to set up as a cooperative.

Conclusions & Recommendations

Government Policy and Strategy

- i. The Committee recognises the value of outsourcing to the private sector. The absence of an outsourcing policy does however create a difficulty for the implementing Ministry/Department, in terms of the actions or guidelines to be followed. A clear, well documented policy on outsourcing of Government Services needs to be developed, which addresses monitoring, staff retention for a period of time, as well as, evaluation.
- ii. The need for a coherent and well-integrated strategy is reflected in the lack of communication between Ministry of Finance and the ODG after the service was outsourced. Ultimate responsibility for ensuring that value for money is obtained from the outsourced service lies with the Ministry of Finance. It therefore would have been incumbent on them to request the relevant information and follow up.
- iii. A well-defined process needs to be developed which includes monitoring of the arrangements which have been put in place and reporting on the outsourced service such that the Ministry and Cabinet would have a good understanding of whether the outsourced cleaning service is providing value for money. An evaluation of the cleaning services from this perspective should be undertaken as soon as possible.
- iv. GOM should develop a clear, forward plan on how to deal with outsourcing of Government services.
- v. The policy related to issuing contracts should be re-evaluated to ensure that it is functioning as intended.

Legal Arrangements

Appropriate steps should be taken to review the legislation related to Cooperatives with a view to making its implementation less cumbersome.

Support for the Montserrat Cleaning Cooperative

It is clear from the evidence provided to the Committee that the Montserrat Cleaning Cooperative, as it currently exists, lacks the appropriate managerial skills to develop it into a viable business. The MCC indicated that assistance is required to set up the Cooperative, as well, a manager is required. This has been corroborated by a witness who previously worked at the ODG.

The Office of the Deputy Governor should provide appropriate, independent assistance to the Montserrat Cleaning Cooperative to ensure that they are properly established and able to function on their own, as originally intended.

Financial Considerations

1. Subscription fees paid by members of the Montserrat Cleaning Cooperative should not have been used to pay wages. These funds should have remained with the MCC to assist them in moving forward. GOM, through the Office of the Deputy Governor, should refund the Montserrat Cleaning Cooperative the monies which were paid as subscription fees. The MCC should be paid separately for cleaning services provided to the Government of Montserrat.
2. Bulk purchase of cleaning supplies would be more cost effective than single purchases by individual Ministries/Departments. Therefore, it should be more beneficial for Government of Montserrat to provide a subvention to the MCC for purchase of supplies. This option should be pursued, as a means of reducing overall cost to GOM.

Documentation and Record Keeping

- i. For purposes of cost variations which are as a result of sick/vacation leave, communications between MCC and GOM should be formally documented, as this would provide evidence of the need for the variations.
- ii. Based on the difficulty experienced by the ODG in locating information related to the outsourcing of the cleaning services, it is apparent that there was a breakdown in the system. Rotation of staff in the Government services is a given, so the system needs to be revisited to ensure that processes are well documented and thorough handover notes are provided when persons are being transferred.

Appendices

Appendix 1 - Minutes of Proceedings (extracts)

Members of the Commission

Honourable Joseph Farrell	Chairman
Dr Samuel Joseph	Member
Honourable Gregory Willock	Member

In attendance

Miss Florence Lee	Auditor General
Mrs. Judith Baker	Committee Clerk

Members of the PAC agreed the following:

1. The terms of reference for the public evidence gathering session
2. The purpose of the Evidence Session
3. The questions to be used for evidence gathering
4. The schedule of witnesses to appear before the PAC

Appendix 2 – Transcript of Evidence Gathering Session

OFFICIAL TRANSCRIPT

25 April 2018

CREDIT UNION HALL

Members of the Commission

Honourable Joseph Farrell	Chairman
Dr Samuel Joseph	Member
Mr Gregory Willock	Member

First Group of Witnesses

Ms Vernia Joseph
Ms Ethlyn Lewis
Mrs Anneta Lee
Ms Catherine Marshall
Ms Sylvia Gerald

Mr. Joseph Farrell

Let me remind us all that in this morning's meeting we will consider oral evidence in relation to the committee's inquiry into the outsourcing of the cleaning service and you're familiar very much with that, right. This is the first public evidence session for PAC. Over the years we have been having sessions in closed doors. This is the first one in which we're having it open. This is the – and I hope that we will enjoy ourselves as we talk and as I said to you earlier on don't be nervous, just relax yourselves speak freely. It's not a court of law. It is basically evidence gathering and you can only give us what you know and what you don't know so just relax. Also in this session we have 3 groups that we will be talking to today; the Montserrat Cleaning Corp yourself, we have the Ministry of finance and we have a representative from the Office of the Deputy Governor and all of these groups will be giving us information or evidence as we go along. What we will do is that as members of the Public Accounts Committee we have a number of questions and we will ask questions we will alternate questions and we may follow up if we don't understand or if we need some clarity. If we follow up a question don't feel that you didn't give us a good answer it's just that we wanted to get some clarity on what you told us. Welcome again. At this point in time let me ask you, I know you're part of management team so anyone of you can answer if you can to this particular question. Is there a signed contract between the Co-op and the Government of Montserrat and if you have a copy can we see a copy either now or later?

Answer: I would like to say we 4 or 5 of us here we can't answer too much questions because we don't really know certain things. She's the President and the Vice President here, I'm the treasurer, nobody really pick up secretary so these things never really got off.

Mr. Joseph Farrell

Okay just tell us what you know for the time being. We're going to get into the meat of it. Don't get worried.

Answer: So we don't know if there is a signed contract. It may have a contract but the lady who have all the paper why she is not here.

Mr. Joseph Farrell

Just take your time; we're going to get there. We have questions and if you don't have answers you can only answer what you know. Do you have a copy of that?

Answer: Service Level Agreement SLA for cleaning services. It says a contract will be made between the Government of Montserrat and the Cleaning Co-operative.

Mr. Joseph Farrell

There is no written contract, that's what you're saying; fine.

Dr. Samuel Joseph

If we could go back from the beginning and anybody could answer this question. When the Co-op was formed do you know what the objective of outsourcing the cleaning services was? Does anyone in the management group know why government outsourced the cleaning services?

Answer: I just know that they outsourced cleaning, school lunch and school bus service.

Mr. Joseph Farrell

So you don't know why it was given to you?

Mr. Gregory Willock

Is the Co-op registered, do you know if you're registered as a business?

Answer: The name not the business.

Dr. Samuel Joseph

You say you don't have any idea of why the group of cleaners were chosen or how specifically the Co-op was organized? Was there a meeting called?

Answer: There was a meeting called and we were told that the cleaning services will be outsourced.

Dr. Samuel Joseph

But you weren't given the reason why and the Co-op itself don't know why?

Answer: No.

Mr. Joseph Farrell

So how did you come together as a group?

Answer: We were told we had to get ourselves together on our own. When we had the meeting we were told we had to form a group. We went to a meeting with Minister Meade, with Algie (inaudible)

Mr. Joseph Farrell

Ms. Joseph you have anything to add to that in terms of meeting?

Answer: We had the first meeting on the 10th July 2012. At that meeting Premier Meade was present, Deputy Governor Sarita Francis, Debra Lewis, Mr. John Skerritt, Mr. Paul Lewis, they were all present and they basically told us that if we did not form a grouping they would ask everybody to be laid off and then outsource it to the private sector. So that's why we had to form this grouping.

Mr. Joseph Farrell

And you all were cleaners at the time?

Answer: Yes, we were all cleaners with government.

Answer: We were told we had to sign up and each of us would have to pay \$300 which we did pay. Each of us paid \$300 in order to be a member.

Mr. Joseph Farrell

That \$300 was a membership contribution to the grouping to establish what, your capital base?

What was that for apart from membership what were you going to do with the money?

Answer: It was just for membership to be a part of the grouping.

Mr. Gregory Willock

I think the better question is who did you pay that money to?

Answer: I think Montserrat Cleaners Co-op.

Mr. Gregory Willock

So you have a bank account then?

Answer: Yes.

Mr. Joseph Farrell

So in truth and in fact that money went to you, your own money?

Answer: We don't know where the money went to. It was deducted from all of our salaries and we got a receipt.

Dr. Samuel Joseph

Just a follow up because there is a treasurer and you paid the money so I'm trying to figure out does the treasurer keep books to see where the money is etc.

Answer: The treasurer never have time to do no treasurer work for the 5 years this have been going on. That's why I say why are we here. The lady who do all the books and all the paying where is she? We don't know. The treasurer never get to do no work at all. Only come and sign the cheque, sign the cheque, most time the cheque is blank. Thank you for this meeting.

Dr. Samuel Joseph

So the management group itself is not sure on the status of the accounts etc.?

Answer: This management group, no.

Answer: The \$300 we paid they told us we'd work whether we are old or not as long as we want to.

Mr. Joseph Farrell

So because it's a Co-op there is no retirement age; that's what you're saying until you can't do it yourself?

Answer: Right.

Mr. Gregory Willock

All of you were with the government prior to going into this Co-op. Your answer suggests that there was better communication when you were with government or in this Co-op would you say?

Answer: For me as the treasurer I would say that we just know that we have to go to work and we get pay but then every month or every other month they tell me go and sign a cheque and then sometimes I'm signing a blank cheque sometimes 7 cheques. Sometimes I don't know what figure goes on the cheque. Sometimes I don't sleep at night.

Mr. Joseph Farrell

You are saying you are called to sign a cheque, by whom?

Answer: Ms. Ethlyn Lewis.

Mr. Joseph Farrell

Ms. Ethlyn you are the president right. The question that the Honourable Member is asking during the time of the operation has any Department or Ministry in government talked to you about the Co-op and how it's going or how it's running?

Answer: No.

Mr. Joseph Farrell

So you haven't had any communication at all. Nobody come by and say we want to know how you're running, whether you're doing good, whether you're doing bad, nobody did that?

Answer: No.

Answer: I wouldn't say no. I have to call Ms. Debra Lewis name I don't know if is the right thing but I remember one time Ms. Ethlyn came with a letter and say some lady apply for management. It was somebody outside the cleaner's thing and then we had to have a meeting with that person and then Ms. Debra Lewis call us in a meeting and said we don't have enough money to hire a manager because our thing is struggling and so. So I think that's the only person who gave us another ups on this cleaner thing, Ms. Debra Lewis.

Mr. Gregory Willock

So as the president you will communicate to the treasurer in terms of when you receive funds. Does it go into your account?

Answer: No. Ms. Bramble deals with the money part. Lauren Bramble, she pays us. Ms. Marshall and me and Vernia the 3 of us sign so it could be any 2 each month could sign.

Mr. Joseph Farrell

What the cheques are for?

Answer: The cheques are to put in the bank to pay us. So like me now I bank at Credit Union so a cheque go to Credit Union, to Royal Bank, to Bank of Montserrat.

Mr. Joseph Farrell

Payment for your salaries?

Answer: Yes.

Answer: The cheques are for general accountant, our social security, our tax and wages.

Answer: So Ms. Bramble does all that.

Mr. Joseph Farrell

So she deducts your social security, your taxes and send those cheques to wherever they supposed to go and your salaries go to your various banks?

Answer: Right.

Mr. Joseph Farrell

Where does that money come from that you write cheques for?

Answer: Government of Montserrat.

Mr. Joseph Farrell

How is that money paid to the Co-op?

Answer: It is paid quarterly by cheque, the cheque goes to the Royal Bank.

Mr. Gregory Willock

You are supposed to be the treasurer of the Co-op but you are saying Ms. Bramble issues the cheques? What's Ms. Bramble's role?

Answer: What happened, Mr. Reuben T Meade then Premier called a meeting with all the cleaners and said that they were privatizing what, what, what and then called all the cleaners together and vote and then Ms. Lewis called all of us together and choose board

of directors and then we made an account and I think we registered the name of the business something like that and then we had president and treasurer and then they say the treasurer supposed to do the payroll and so on and then I don't know what happened something happened in between there that when I gone to Ms. Lewis that they say some lady named Laureen Bramble got all the papers and the books so it just stay like that.

Mr. Gregory Willock

For the 5 years have you inquired in regards to the procedures that

Answer: Yes, I tried and tried and ask them from what I know is a treasurer's point of view is. This supposed to be done, that supposed to be done and I don't know they don't appreciate my input. The last thing I heard Ms. Bramble would like to get a raise of pay and I said no I'm not interested there are other things we need to do and then they say that if I'm not going to give her the raise of pay then I will have to move from the Co-op so I say cool. When I went down there she gave me the cheque and said that is the figure that she want, is two thirds of her salary. I was like that cannot be happening. We need to talk about that. So she gave me this paper that I have here and tell me to read it and she will call me back. She never call me back.

Mr. Joseph Farrell

I thank you very much for that information. I think we will be coming to that a little later on. We have a few questions more that we want to ask you. So we will come back to that aspect a bit later. Let me just ask this of you. Every year there is a department in government that oversights government expenditures called the Auditor General's department and in their report for 2016 there is a paragraph and then following in their findings they spoke to the Office of the Deputy Governor and they were told that you expected some assistance from the Montserrat Development Corporation. What was the purpose of the assistance and was the assistance ever materialized?

Answer: To set up yes because it never really set up properly, to set up like manage or something like that.

Mr. Joseph Farrell

Did that happen?

Answer: No, we never get it set up.

Mr. Joseph Farrell

So the MDC never delivered that assistance to you?

Answer: We were just left on our own and most of all what is happening in our Co-op is Ms. Bramble handles mostly everything. She handle

the finance and when somebody is sick she put the person that place and put somebody that place when is holiday. She do mostly everything and I think she is doing a good job.

Mr. Joseph Farrell

So if you didn't get that assistance from the Montserrat Development Corporation in setting up. How does that lack of assistance impact on what is happening now in your organization? How does it affect you because you didn't get it how does it affect the organization of your Co-op?

You think it's working alright without that, you think it would work better with that?

Answer: I think it would work better because we were talking about doing our own business like you know when the fruits are in doing different things with the fruits so that we could sell and then you know our business would be more established and then we could maybe get a better pay because we are not getting a good pay right now.

Mr. Joseph Farrell

So you are saying the Co-op was not just supposed to be cleaning?

Answer: No, we were supposed to start our own business together, start maybe any kind of business that would help us but we never got any help to do that.

Dr. Samuel Joseph

Just a follow up on the last comment you made about the compensation. So now that you're in the Co-op you're getting paid less than when you were with government or you getting paid the same or more?

Answer: Government gave increase some time ago. We never got any. We still at the same salary but yet civil servants got an increase. If we were with government we would have gotten an increase too.

Mr. Gregory Willock

How have you addressed this as being a concern? Have you brought it to the attention of the individuals who are managing the Co-op?

Answer: Sometimes you can't say anything to anybody because when you talk everybody get on they high horse, everybody get vex, nobody want to listen to you.

Mr. Gregory Willock

Do you all have contracts?

Answer: With whom? With ourselves?

Mr. Gregory Willock

Well it would have to be with yourselves if it is the Co-op but the Co-op has to have agreements and terms of reference, you don't have that?

Answer: No.

Dr. Samuel Joseph

According to the original documents we have in terms of when the Co-op was set up there was supposed to be a consultant assigned to the group to help them. Was there ever a consultant to help the group?

Answer: No. We tried to get somebody to come in as a business consultant not a manager somebody that knows about the business what the cleaning all about and all of that but it never happened. We tried and nobody ever stand up and say okay they would do it.

Dr. Samuel Joseph

The Co-op looked for that person or you were waiting for either government or MDC to provide that person?

Answer: We would ask people but nobody was interested.

Mr. Joseph Farrell

Who was going to pay that individual for their work? Was it going to come from your funds or additional funds?

Answer: Our funds.

Dr. Samuel Joseph

And you believe that not having that person made the operations of the Co-op worse off? Would it be better off getting that consultant?

Answer: I think so.

Mr. Gregory Willock

I'm still trying to establish here if you are aware of a contract and an expiry date for when this experiment should have ended?

Answer: I think the best person who would be able to answer this is Ms. Bramble and is she know what we have and what we don't have.

Mr. Joseph Farrell

The Service Level Agreement that you referred to earlier on, is there a date on it in terms of expiration or is it a one year, 2 year?

Answer: It is a 2 year. It started from January 2013 and it go to January 2014.

Dr. Samuel Joseph

After this contract, are you finished 2014 we're in 2018 so there was no formal agreement after this agreement?

Answer: We don't know. We can't say no because I'm not sure.

Mr. Joseph Farrell

This should be easy for you. Could you outline for us your structure and the number of members you have in your grouping? Forget about the lady at the time being who you said with the books. What's the other structure that we have and what's the numbers.

Answer: The last number that I had is 32.

Mr. Joseph Farrell

Do you keep a register?

Answer: We don't know.

Mr. Gregory Willock

You think Laureen would have one?

Answer: Yes, she knows how many members cleaning.

Mr. Gregory Willock

All the members you referring to would have had to register and pay same \$300?

Answer: Right. Some left and some come. We have extra cleaners some paid \$150 those that substitute sometimes.

Mr. Joseph Farrell

So you have a substitute grouping?

Answer: Right.

Mr. Joseph Farrell

Like if somebody goes on vacation?

Answer: Right and if somebody is sick.

Mr. Joseph Farrell

You pay them less?

Answer: They are paid the same money.

Mr. Joseph Farrell

They pay less for the membership?

Answer: Right because they are just substituting.

Mr. Joseph Farrell

We have heard about the number of cleaners. We want to hear a little bit about the structure, who manage it? How you manage? Give us a little brief on how you manage your workers. What system do you have in place, who do I complain to, who do I report to just give us that?

Answer: Ms. Bramble.

Mr. Joseph Farrell

Give us a little more than Ms. Bramble. You have a president, you have a secretary just tell us that?

Answer: Yes we have a president and a secretary but she is the one who does all that. If somebody is sick she place people there. If somebody is on holiday she place people there.

Mr. Joseph Farrell

Who sets the roster for people to work? Who put me at the government headquarters, who does that?

Answer: Ms. Bramble does all that.

Answer: Basically most of us are still the same where we use to be before. We haven't been moved. It's just like maybe somebody drop out then somebody else might take up there where somebody else was. Basically we're the same place we always were.

Mr. Gregory Willock

Ms. Bramble she is a member of the Co-op?

Answer: Yes.

Mr. Gregory Willock

She is registered with the Co-op?

Answer: Yes.

Mr. Gregory Willock

She was assigned the task of doing all of this by you?

Answer: No not assigned by me. We don't have anybody to manage us and she is the one who take it up and do all of that.

Mr. Joseph Farrell

You agreed for her to do all that work?

Answer: Until it is properly set up and we get somebody else.

Mr. Joseph Farrell

What is holding you back from setting up?

Answer: We need somebody to come in and help us.

Answer: We need guidelines to help get it off the ground; right now it's on the ground.

Answer: Ms. Ethlyn say she just take it up. It was handed to the cleaners so they could try and make a cleaners Co-op. I don't understand how she just take it up. She didn't just go in there and just take up the books. Somebody had to give it to her, somebody had to assign her and I don't know is just that I just hear Laureen have all your books and she will be calling you to sign the cheques. We need help, we need an office I guess, a phone number, an address; it's 5 years.

Dr. Samuel Joseph

If you go back to the beginning when the Co-op was first set up. In order to set up the organization structure with the President, the treasurer you know who decided that?

Answer: Ms. Debra Lewis called us in and do that.

Dr. Samuel Joseph

So she set the basic structure about the president and how that should set up?

Answer: Yes.

Mr. Gregory Willock

You are registered as a business. Do you have a copy of that registration?

Answer: I don't think we registered as a business. I think we registered as a business name, Montserrat Cleaning Co-operative but I don't know. That's why I said we wouldn't be the best people to answer some of your questions. So Ms Bramble if she was here I would feel a little more comfortable with what we dealing with. We don't know certain things.

Mr. Gregory Willock

Your HR services whereby your holiday and sick pay and so forth how does that work? You get holidays?

Answer: Yes. We allowed 2 weeks holiday every year.

Mr. Gregory Willock

And what about sick days?

Answer: Yes, we get sick days.

Answer: I want to clarify the holidays. They work private places, I work Secondary School. Do you have to apply for your holiday or is it automatically thrown on you? Because when I ask for my holidays I don't get holidays. Over the years I never get no holidays and then when I query about it she would tell me oh school had closed so you should take your holiday that time. School had closed so your holiday done past. I don't understand.

Answer: Yes we get holidays. I don't know what Ms. Marshall is saying. We get holidays and we get paid for our holidays.

Mr. Joseph Farrell

You started off with a certain number of offices to clean, right? Over the years has there been an increase in office space? Have you been given additional office space to clean outside of what it started with?

Answer: Yes because some government offices move from where they were at government headquarters.

Mr. Joseph Farrell

If they move then you go with that office right?

Answer: Yes.

Mr. Joseph Farrell

So is not additional office space. What I'm saying supposing you started off with 15 offices and you have 11 now or 17 now. Do you have more or less now than when you started as a Co-op?

Answer: I think we have the same.

Mr. Joseph Farrell

Has your monies changed since you started, has it gone up?

Answer: No.

Mr. Joseph Farrell

Have you asked government for more monies since then?

Answer: We don't know.

Mr. Gregory Willock

As a Co-op you suppose to have regular meetings meaning to discuss the issues you talking about. How often do you have those meetings?

Answer: Well we used to.

Mr. Gregory Willock

That stopped. How long ago did it stop?

Answer: I don't know.

Mr. Joseph Farrell

Tell us about your supplies. How do you get supplies to clean the offices?

Answer: The offices provide the supplies.

Dr. Samuel Joseph

If there is an increase in office space or you have more work to do, do you know the process by which you will ask, I assume, government for more money? So if more money is given to the Co-op or less money is given to the Co-op do you know who handles that discussion?

Mr. Joseph Farrell

Let me use the Ministry of education for example they were operating on government headquarters. They now move to Karney Osborne Building. Is the floor space at Karney Osborne Building the same as it was at government headquarters?

Answer: Little more.

Mr. Joseph Farrell

The question I'm getting at here is if you get additional space to clean do you get additional money for it?

Answer: You get the same pay at government headquarters for down there.

Answer: Secondary School they break down some buildings and they put additional buildings on the field. Some big wooden buildings and we have to clean them and is the same pay.

Mr. Joseph Farrell

Does the Co-op have the machinery to negotiate additional pay for additional buildings?

Answer: We don't know.

Answer: I work at the Magistrate office and they making the building bigger and I start asking for more money because if they make the building bigger I can't work for that money.

Mr. Joseph Farrell

Who do you ask for more money?

Answer: Well I talk to Lauren.

Mr. Joseph Farrell

Which department in government do you talk to if you have a problem?

Answer: We don't talk to anybody.

Answer: We talk to Ms. Bramble and I think Ms. Bramble talk to ODG.

Dr. Samuel Joseph

How do you see the future of the MCC and your role in it going forward?

Answer: I don't think it's going any place. We just at a standstill.

Dr. Samuel Joseph

So if nothing changes what do you foresee what will happen?

Answer: It's struggling. Business is a struggle yea but is just because we don't know. If only Ms. Bramble would communicate with us a little more especially with me and we would know where we at this present time. I think we need some kind of help.

Mr. Joseph Farrell

You are saying that with some assistance you can become a viable organization?

Answer: I would like to believe that, yes.

Mr. Joseph Farrell

Ms. Daly you came in late so we want to hear from you. What's your overall view of the Co-op?

Answer: As I see it, if the management would have more meetings with us the other workers we would know what is going on. So then if have an input or if there is something that we could say or do we would be able to help in a way that everybody can benefit but we are not hearing anything. We just going to work and collecting the pay and that's it.

Mr. Joseph Farrell

Your view is that if you had a better structure, if you are able to communicate better the Co-op would be working better, that's what you're saying?

Answer: Yes.

Mr. Joseph Farrell

Anything else you want to tell us?

Answer: No.

Mr. Gregory Willock

So the terms and conditions of your current arrangements compared to the arrangements you had before the outsourcing are better or worse in your view? Were you working under better conditions before you were outsourced?

Answer: If things not working on this end is better we go back to government.

Answer: When we were with government we never had a meeting.

Answer: I wouldn't say that we go back to government. What I would say to get somebody to manage us properly, to set it up and manage us.

Answer: I went and spoke to somebody in Finance and I don't know what to say but when it is for the person to come to speak to us all the members were there and I don't know what really went down with the person but he never showed up.

Dr. Samuel Joseph

Just to clarify, if given a choice would you go back to government or would you prefer that this organization get more structure and thing to it?

Answer: If it not working on this end.

Answer: I don't think going back to the government.

Answer: From what I gather I don't think we should go back to government. I think we should try and do it. Is just that whoever set it up maybe they overlooked us they didn't set it up properly. I think we should try.

Mr. Gregory Willock

The last question would be whether or not you think the management team in the Co-op as it is structured here with a president and probably need proper structure be able to manage it for yourselves; is that what you are implying meaning you are the treasurer, there is the president do you think the cleaners and the Co-op itself has enough structure would work better with the management team that you have?

Answer: No. I think somebody else.

Answer: Well I don't know so many thinks but I think we should get down to the meat of the thing and start again.

Mr. Joseph Farrell

I want to get your closing remarks on the Co-op and give us your honest opinions as to whether you think the Co-op should remain as a Co-op or whether you think it should it revert to how it was? Madam President.

Answer: We could remain as a Co-op but as I say we need help and we need somebody just to manage us different to who are here. As for me I just want to clean, I don't really want to be in that position. I just want to clean. Somebody could handle that every day business doing that you know.

Mr. Joseph Farrell

Ms. Joseph.

Answer: I think we can make it as a grouping if we had the proper structure and when we do have that proper structure there is a lot of things that need to be put in place. As it stands we don't have any retirement plan. When we finish cleaning what are we going to do. The only thing we have to rely on is social security. So we need proper structures, we need to know hey this is what we're doing, this is our work. At the end of the day when we finish working we look forward to retiring in peace.

Mr. Joseph Farrell

Ms. Daly

Answer: Cooperation is the key and I feel if we had that things would have been better. The rest of us as cleaners it's 5 years and we haven't had a meeting. Nobody knows what is going on, even me I don't know what is going on. Some of the things I'm hearing this morning is now I'm hearing them.

Mr. Joseph Farrell

Ms. Lee

Answer: I think we should remain as a Co-op and as Vernia say retirement we need to get because social security is not anything, is not much when we do look at it what money we are getting now we won't be getting any kind of social security to live off of. So what would we do when we have to retire.

Mr. Joseph Farrell

Ms. Marshall

Answer: I think we should try as I say. We should remain and give it a try and see what come out of it but we need proper structure; firm, strong structure with vibrant people I would say.

Mr. Joseph Farrell

Ms. Gerald, finally.

Answer: We've been on for the past 5 years, we struggled and we still have to keep on struggling just hope to reach to appoint where we will get it up and running the way that we want it to go and hope for the best. When we reach retirement age we need to know that we could benefit something from all the years we've been doing this cleaning. Otherwise to that we just go home and sit down with our hands under our chins.

Mr. Joseph Farrell

I want to thank you very much but just a reminder if you think of anything when you leave here just jot it down and pass it to any one of us or drop it in the office and we will go from there. We may just contact you again if we want clarity on anything. I want to thank you very, very, much for taking time out. I know you all are busy people. On behalf of the committee we certainly appreciate you taking time out and coming to share with us and as you know we will make our recommendations as we go along. Thank you very much.

Answer: We want to know what would be the outcome having the meeting with you all. What you all have in mind, what you all plan to do in the near future to help us.

Mr. Joseph Farrell

What I said in the beginning it is a fact finding mission. We are as the Public Accounts

Committee we are there to ensure the oversight of government expenditure. At the end of the day we will be making recommendations to government as to the way forward. That is why we are asking you these things so that we can make recommendations to government.

Answer: Before I go I think we need more money to work for.

Mr. Joseph Farrell

Thank you very much and have a good day.

Mr. Joseph Farrell

Good morning again. We are calling at this time the office of the Deputy Governor and also Ms. Debra Lewis. Thanks for coming. I know you are very busy people and I want to welcome you again to this session. I just want to remind you that this session is designed to get evidence on the outsourcing of the cleaning services. It is not a court of law. I just want to put you at ease. It's evidence and you will tell us what you know. We have some questions that we're going to ask. We will ask these questions alternately, the 3 members of the PAC. You want to tell them who you are: Gregory Willock, Sammy Joseph and myself Joseph Farrell the Chair. Tell the public who you are:

Answer: Cheverlyn Williams Kirnon

Answer: Debra Lewis. Please permit me to acknowledge the Honourable Easton Taylor, Honourable Gregory Willock, Honourable Speaker of the House Ms. Shirley Osborne, Honourable Financial Secretary. I wasn't here when the protocol was set.

Mr. Joseph Farrell

Thank you very much and the questions will be asked and you will answer what you know. May I also remind you we can ask you to follow up. If you have something you want to tell us when you leave here and you don't have it. You can give us in writing or you can call us and tell us. We have a few questions for you and I'm not directing it to anybody specifically at this time. What steps has the ODG taken to implement the recommendations in relation to in review of the cleaning service and these recommendations were highlighted by the Auditor General's report 2016 and I know the ODG office had a copy of it and (b) decisions on whether MCC will continue to be a unit of ODG?

Ms. Debra Lewis

I think maybe we should start from the beginning to set things into perspective and context. I wasn't here at the beginning of the process.

Mr. Joseph Farrell

What context?

Ms. Debra Lewis

Well for why we're here on the fact finding mission.

Mr. Joseph Farrell

We said why we're here. We said that we're here because we want to do some fact finding evidence. Let me back track the Public Accounts Committee's work most of it evolves from the reports the recommendations by the Auditor General's report for that particular year.

Ms. Debra Lewis

But I need to show the context for why you called me as a witness.

Mr. Gregory Willock

Ms. Lewis I think that we can't allow that and the reason why we can't allow it. It will take up more time than we need. What we're saying is that are you familiar that the Auditor General submitted a report to the ODG and once you're familiar with that we don't need to get into the details. We will guide the questions and you will just answer what you know.

Ms. Debra Lewis

Well I'm trying to give you the information that you're asking for and set it within a context.

Mr. Gregory Willock

So you're going to say you did a review of the cleaning service?

Ms. Debra Lewis

Well as you know Honourable Farrell when you were a Minister of the government in 2012 the administrators decided to terminate the cleaners and to outsource the function. The then Deputy Governor at the time was Sarita Francis and as women we sat down and we said it's hard to terminate 35 women to go out and find a job. So we started to do some research about how we could best deal with the termination of the workers. There was a model in the UK that we looked at and that and that was Co-operative outsourcing. When the meeting was called by the government I think one of the cleaners said Mr. Paul Lewis but he was there representing Civil Service Association. The head of the government at the time Reuben Meade was there, I was there as the Head of the Office of the Deputy Governor. I was never the accounting officer. I was the Head of the Office of the Deputy Governor and Deputy Governor Sarita Francis was there as well and we had to convey to the cleaners that the Government of Montserrat had taken this decision to terminate them and to outsource cleaning.

As you would imagine from the conversations it was an organic process. This group of women either having to lose their jobs or agree to come together as a Co-operative so that they could continue earning their salaries. We invited as well Mrs. Sealy because she had the co-operative background and she would give them information about what was involved in forming themselves as a co-

operative. The MDC was invited as well and they spoke to them as well. After several meetings the group decided that they would go with the Co-operative cleaning. They wanted to remain in government. They were told that was not an option and so they decided to go with the next best option in their minds which was to form the Co-operative so that they could secure a salary.

Mr. Joseph Farrell

Fast forward a little bit for me please because time is against us, down to where the Co-op already formed and they were functioning.

Ms. Debra Lewis

So the Co-operative was formed but they were promised by Mr. Meade that they would be given support from the MDC to help them set up properly as a business. That support was never forthcoming. The Deputy Governor wrote to the MDC and said well it was promised that they would be provided with support in order to help them establish themselves properly as a business entity and the letters should be on file. MDC wrote back and said that they weren't aware of that position. ODG never had a conversation with MDC that was done by the Premier Reuben Meade at the time hence the reason why the Deputy Governor sought to get clarity on the situation.

Mr. Joseph Farrell

So let's just go to the point they were operating and whether in fact they were operating as a cohesive group and if not let's go into the report from the Auditor General as to review of the operations.

Ms. Debra Lewis

They were a new group and as I said the process wasn't organic so it didn't happen without challenges. Many times I remember Mrs. Sealy telling them that as you know as a group you have issues even in a marriage you have issues even in partnerships they have issues but they have to work together and cooperate as a group for the bigger purpose which would be to clean the office space, secure your work. I think there were several reports from the office of the Auditor General and there would have been responses from the office of the Deputy Governor.

With the review there was a response to the office of the Auditor General so I think it would be good for you to have sight of that document as well.

Mr. Gregory Willock

You are working in the office of the ODG are you familiar with this communication?

Mrs. Cheverly Williams Kirnon

Last week Thursday the DG called me into her office regarding the report from the Auditor General and indicated that she was not going to be on island for this particular hearing and this is the letter that she received with the report and I haven't read the report in its entirety. I haven't but at that point in time she indicated that so we sat down and drafted a response to the letter that came along concerning this particular situation.

Mr. Gregory Willock

And that is not the same response that Ms. Lewis is referring to?

Ms. Debra Lewis

No, a response would have been sent back –

Mrs. Cheverlyn Williams Kirnon

Just to indicate, you said a report of 2016 I joined the staff at the office of the Deputy Governor August 2017 and I've just been there a couple of months and I think it was close to December that I was asked in a different portfolio I was asked to be accountable for the finances for the office of the Deputy Governor as accounting officer. So I only joined the staff in August and I'm only hearing of the audit report from Thursday last week.

Mr. Joseph Farrell

Ms. Lewis am I to understand that you're saying that a response was made regarding the recommendations that were made by the Auditor General.

Ms. Debra Lewis

If my memory serves me correctly I think there were more than one report and definitely responses were sent.

Mr. Joseph Farrell

And do you know whether those responses to the recommendations were actually implemented in terms of acting on the recommendations or were they just saying what they were going to do. Were they acted upon?

Ms. Debra Lewis

When you had that orientation meeting a few weeks ago that is what I said to you that I don't currently work at ODG. I work at the office of the Premier and there was no representative at that meeting from ODG so I said to you that I would need to go back into the office, refresh myself or refresh my memory on the date and the facts because I'm now in a different Ministry and I don't hold that information like that. I was very reluctant to come this morning as well.

Mr. Joseph Farrell

Can you then do that for us still?

Ms. Debra Lewis

You can ask the director to get that from the file and she could also get the letter from MDC and the response from MDC, things like that for you.

Mr. Joseph Farrell

Did the ODG office understand at the time of the outsourcing was it in accordance with financial management rules. Did you understand that?

Ms. Debra Lewis

So the decision was taken in 2012 and it was around that time that the regulations and so were being done. So it would not have been enacted at the

time when the discussions were going on and the agreement was made. I think soon after or subsequently the Act was revised.

Mr. Joseph Farrell

So you didn't understand that it was a restrictive tendering process. You didn't understand that at the time because there was no regulation; is that what you're saying?

Ms. Debra Lewis

Well we know it's a restrictive tender process because it's obvious we are dealing with the group of women who are already the cleaners.

Mr. Gregory Willock

Ms. Lewis, you said you read the audit report; yes?

Ms. Debra Lewis

I would have.

Mr. Gregory Willock

And you are familiar with the recommendations made by the Auditor General?

Ms. Debra Lewis

To be honest with you I don't remember what was in the report which is why I am saying as a memory aid we need to see the report and see the response to the report.

Mr. Gregory Willock

The retraction of the appointment of the general manager. Are you familiar with the general manager and who is the general manager of the Co-op?

Ms. Debra Lewis

Well, yes it's Ms. Bramble.

Mr. Gregory Willock

Are you familiar with the recommendation that the Auditor General that the general manager be retracted?

Ms. Debra Lewis

Well there was some conversation about government workers employees not being able to be a cleaner after the function was outsourced and regarding Ms. Bramble she was a cleaner at the time when the function was outsourced. So she didn't come and join the Co-op after it was outsourced. She was already a cleaner when it was outsourced and it is the cleaners who agreed to form themselves into the Co-operative. Now at the time when they had some elections to choose the management of the Co-op and she did say she didn't really want to be part of that management committee. However, we are dealing with women who have, you know, limited education and so they did not have the ability to do a lot of the things that Ms. Bramble –

Mr. Joseph Farrell

Financial and management technical, business skills.

Ms. Debra Lewis

Yes, business. They are very street smart and bright women but in terms of managing and running a business they didn't have those skills and I'm sure most of them would not have had even Secondary School education. Ms. Bramble being that person within the group with that ability and that level of education they agreed that she would take on the management. I remember saying that it would be good if others can learn so you can change up the role as you go along.

Mr. Joseph Farrell

In short Ms. Bramble still continues to be the managing director of the Co-op?

Ms. Debra Lewis

I don't know. I am not at office of the Deputy Governor.

Mr. Gregory Willock

To the point when you left she was?

Ms. Debra Lewis

Yes, she was.

Mr. Gregory Willock

The Auditor General report was in 2016 and Mrs. Kirnon you took up accounting officer duties in December 2017 which mean that you would have seen the audit report and the recommendations and would have been the one responsible for responding.

Ms. Debra Lewis

I am aware of the issue around having the government employee part of the Co-operative. So I go back to my earlier point that she was already a cleaner for Government of Montserrat when the Co-operative was formed and she along with all of the others formed the Co-operative. I found it unconscionable that the Auditor General would now come on the back of that and request that she no longer be a part of that Co-operative when she's a founding member.

Mr. Joseph Farrell

I just want to correct that part there. The Auditor General in her duties and responsibilities has to identify issues that arise. It is for the department to act on those recommendations. So we cannot bring the Auditor General in between –

Ms. Debra Lewis

But she is a part of the Co-operative so I don't understand how do we get her to not be a member of the Co-operative.

Mr. Gregory Willock

We are members of the Public Accounts Committee; that is why we are here. You are an accounting officer within government

Ms. Debra Lewis

I wasn't an accounting officer, I'm still not an accounting officer.

Mr. Gregory Willock

You were in ODG's office and having direct contact with this outsourced service. We have an audit report that tells us there are certain recommendations that was supposed to. I am asking you as the person who was directly dealing with it. If the person is still the manager why didn't you follow the Auditor General's report?

Ms. Debra Lewis

How are we going to go into a Co-operative to dictate to the Co-operative who should be members and who shouldn't be members. The Co-operative is a separate entity to Government of Montserrat and I think I would have responded likewise in our response to the Auditor General's report.

Mr. Gregory Willock

Apart from the management position what other involvement does the Office of the Deputy Governor have in the Montserrat Cleaning Co-op?

Ms. Debra Lewis

The office of the Deputy Governor has responsibility for cleaners and the cleaning function. When the cleaning of some offices were outsourced then government retained that function of managing them, well monitoring the service. It was agreed by the government that they would have received like the women confirmed some technical support to help them with the business and that was never forthcoming. So it was decided to give them an amount of money to help them procure those services through a consultancy. I think one of the cleaners said that she went to the Ministry of finance to try to get some support in doing so. So recognizing that they did not get the support from MDC we agreed we still needed the support in order for them to negotiate a proper contract with Government of Montserrat they had to be in a position to obtain a mutually beneficial arrangement rather than government imposing on them a contract. So we said that we would give them the money. I think it was about \$50,000 to procure the services through a consultancy to help them set up the business properly and put the proper systems in place.

Mr. Gregory Willock

Are you familiar with the Cabinet decision that indicated and I will read it was reiterated that no government officer should be the lead person managing the affairs of the Co-operative. So not only did the Auditor General make recommendations Cabinet made that decision. Are you familiar with that?

Ms. Debra Lewis

So that Cabinet decision is what time?

Mr. Gregory Willock

2014

Ms. Debra Lewis

Okay and the Co-operative was formed in 2012/2013. So that Cabinet decision came after the Co-operative was already formed. Government of Montserrat cannot now go into the Co-operative and say to them expel one of your members.

Mr. Gregory Willock

But I'm not sure that's what I'm interpreting. It didn't say they can't work in there we talking to management position. It says lead person managing the affairs of the Co-operative.

Ms. Debra Lewis

You accept that they are separate entity to government. You see the challenge.

Dr. Samuel Joseph

You said that there was a set of money negotiated for a consultant. Are you aware if that money was ever paid into the MCC?

Ms. Debra Lewis

I need to check but I believe so but we did agree around \$50,000 to bring in a consultant for up to about 9 months to come in and help them set up properly and give them that platform to leverage themselves to become a proper business.

Mr. Gregory Willock

I want to go back to Ms. Lewis to really understand your interpretation of a Cabinet decision because I am not clear what your response is saying. Are you saying to me that you refused to implement the Cabinet decision because you didn't think it was right?

Ms. Debra Lewis

So I'm asking you how could the Government of Montserrat have implemented that decision?

Mr. Gregory Willock

Is that your answer to the question?

Ms. Debra Lewis

Because they are a separate entity. Government of Montserrat does not manage the Co-op. They are not part of the management structure of the Co-op. The Co-op has its membership. We cannot now go in and tell them to expel a member.

Mr. Gregory Willock

Who do you represent?

Ms. Debra Lewis

The Government of Montserrat.

Ms. Debra Lewis

You are saying that some monies were assigned for that consultancy?

Ms. Debra Lewis

I know monies were assigned but I can't tell you the quantum,

Mr. Joseph Farrell

And you don't remember if it was paid out?

Ms. Debra Lewis

No I can't remember.

Mr. Joseph Farrell

Could you find that out for us please?

Ms. Debra Lewis

Yes, the current accounting officer can investigate and find out. But this came as a result of MDC not being forthcoming and saying that they weren't aware. However, at some point they came back to us at ODG and said that they want to recruit this manager and we said that a manager is not a cleaner and the only other facility would be would be the monies for the consultant to come in and help them set up the business properly and so what we would advise is that they really get some support to understand how they need to go about procuring those services because by then we recognized the new regulations were in place and is government monies so there would be a process for procuring such services.

Mr. Gregory Willock

Are you familiar if there is a signed contract between the Co-op and government?

Ms. Debra Lewis

So as I said earlier the women having not received any business support they weren't in a position to negotiate a proper contract with Government of Montserrat and recognizing that that is why the offer was made to give them the money to procure those services to put them in a position to empower them to negotiate a contract that would be beneficial to them otherwise I think government would have been in the stronger position.

Dr. Samuel Joseph

As part of the Auditor's report the Financial Secretary agreed that all outsourcing contract should have some kind of performance clause. So from the ODG's end is there a plan in place to monitor what the MCC is doing currently?

Ms. Debra Lewis

So there is a special agreement laying out the duties of the cleaners and how accounting officers and heads of departments are to deal with matters arising with the cleaning. So if it's not a serious matter or to use an example if they feel like the office is not being cleaned properly they can have that conversation with the cleaner. If it's a more serious matter or infraction, then they report it to ODG and that email was also sent out to heads of the departments.

Mr. Joseph Farrell

What we are getting here ODG was still in charge of the group?

Ms. Debra Lewis

ODG had responsibility for the cleaning of government buildings and still does for facility management.

Dr. Samuel Joseph

Was a formal response made to the Auditor's report about the ODG's putting things in place to monitor because one of the recommendations was that should be in place?

Ms. Debra Lewis

So once you get a copy of it you can answer that question because to be honest I can't remember exactly what was in that report but I imagine if they gave you the report you would have gotten the response as well.

Mr. Joseph Farrell

We want to know if you know anything about it, that's what we want to know.

Ms. Debra Lewis

I was there when a response was submitted, yes.

Dr. Samuel Joseph

And in terms of the contract between MCC and the Government of Montserrat because you were saying that they were supposed to have a consultant help them with the negotiation. They are currently being paid from the Government of Montserrat. Do you know how this arrangement goes forward because the original service agreement seems to have ended and there are yearly payments being made? Who negotiates these payments, who decides how these payments should be made, should it be increased or decreased? Who currently manages that negotiations?

Ms. Debra Lewis

There is currently no contract and part of the agreement what we have is a service level agreement. There is no contract. What we said is that we would procure the consultant to help them set up properly to empower them to enter into a contract with government which would have outlined those things. So the cleaners are correct in saying that the salaries haven't increased. All we do is pay according to what the salaries were. There was increase in office

space because we got new buildings. We got the MCRS, we got MCWL and we have offices down at social security building. So I think what was done is to work out based on the space how much money a cleaner should get. So if the space was a bigger space I think the manager of the Co-op now would look at the fees for the area.

Mr. Joseph Farrell

That's interesting because we were trying to establish that whether there is a format to increase the package paid to the Co-op by the government if there is additional space and we didn't get an answer for that. So you're saying to us that if for any reason government were to expand the office space they Co-op would get additional finance for that?

Ms. Debra Lewis

I don't remember who the MCWL cleaner was but the new cleaner did get an increase because the floor space was bigger than over in Woodlands.

Mr. Joseph Farrell

So you offer the cleaner additional funds and not the Co-op itself?

Ms. Debra Lewis

The Co-op came up with a structure based on what they felt was fair and market value at the time and they came to us and they said that this cleaner used to clean this space, we now think that this is a fair amount and we paid that amount.

Mr. Joseph Farrell

From an expert and as senior management team that kind of arrangement of negotiating with a worker in the Co-op would that create conflict within the grouping itself; do you think so?

Ms. Debra Lewis

No because I think the cleaners were aware of the structure.

Mr. Gregory Willock

You are saying that the Office of the Deputy Governor or the Manager of the Co-op gave that increase. I want to clarify that.

Ms. Debra Lewis

We paid the salary.

Mr. Gregory Willock

The Office of the Deputy Governor?

Ms. Debra Lewis

Well is the Office of the Deputy Governor that pays all of the salaries to the Co-op on a quarterly basis?

Mr. Gregory Willock

So the Co-op wasn't paying?

Ms. Debra Lewis

The Co-op pays them but the Government pays the money to the Co-op and the Co-op pays its members as a subvention type arrangement.

Mr. Joseph Farrell

For clarity for the members you are saying that government pays a lump sum to the Co-op quarterly and they in turn would pay their members from that money, that's what you're saying?

Ms. Debra Lewis

Yes.

Dr. Samuel Joseph

And the calculation for that lump sum is done by the ODG office based upon office space etc.

Ms. Debra Lewis

When the service was outsourced that amount was done based on the existing salaries. When we had an increase in office space then that figure would have changed.

Dr. Samuel Joseph

And that calculation was done by the ODG or it was submitted from MCC.

Ms. Debra Lewis

Submitted from MCC.

Mr. Joseph Farrell

Thank you. We'll move on. Is it the view of the ODG that the objectives of the Co-op the original objectives of the Co-op the cleaning service has been met or is being met? Can the ODG office at this point in time say that the original objectives that were set out or laid out for the Co-op has been met?

Ms. Debra Lewis

Recognizing that they haven't received the business support there is a lot more than can be done to support the women and you know as they said being non establish workers and terminated at the time they not eligible for pension and things like that. So of course there are a lot of things that we should have done in terms of ensuring that they received the support. You had a different hat then because you were the government at the time and after the government had decided Mr. Farrell to terminate and outsource then we had to implement the decision whether we felt it was the correct decision.

Mr. Joseph Farrell

So you're not saying at this point in time you cannot say with any certainty that the objectives were met because of certain limitations that they had, is that what you're saying?

Ms. Debra Lewis

They had a lot of limitations, yes.

Mrs. Cheverlyn Williams Kirnon

Just to add based on what you're asking, having taken up the portfolio within the Office of the Deputy Governor and having seen the quarterly fees being paid to the Co-op several questions came to mind from a personal stand point in terms of understanding how this particular Co-op function and I did ask for some background on it in terms of the fees being paid on a quarterly basis since I'm there and also the operations manager the general manager coming in from time to time and indicating like somebody going on holiday and who would replace that person that kind of thing. So it's a question in my mind that having learnt that it is 5 years in and in the absence of certain documentation that I haven't seen and in the presence of a schedule of fees being quarterly reported on that there are some information that needs to be reviewed in terms of the cleaning Co-op and some information that need to be advanced where that's concerned from the ODG end.

Mr. Gregory Willock

Since you've been there have you clearly identified from whatever you could gather the clear objectives of the Co-op, the outcomes and the objectives?

Mrs. Cheverlyn Williams Kirnon

Having been there I've been asking questions with some of the answers being given I'm hearing today for the first time.

Mr. Joseph Farrell

Value for money in your opinion, is the ODG convinced that government is getting value for money with the Co-op?

Ms. Debra Lewis

When we recognized that government employees would have gotten I think several increases since the outsourcing. That's one of the areas I felt needs addressing because I think the cleaners in fact really need to be working for more money. They need to get the consultant in place to help them and that is if they still want to remain a Co-operative to deliver these services. They need to get the support of a consultant to come in and help them set up the business properly and put the systems in place to empower them to have a mutually beneficial contract with the Government of Montserrat.

Mr. Joseph Farrell

So you are answering me a kind of way yes but I need you to be more specific. Do you think that government is getting value for money? I hear that you say the Co-op needs some assistance and they might be robbed as well that's what you're saying but is the government getting value for money at this point in time?

Ms. Debra Lewis

I think so. Well value for money with the caveat that other officers if they were in government they would have received that increase in salary as well and like they rightly said for those cleaning the same space getting the same money and this is 5 years on.

Mr. Joseph Farrell

Thank you very much. We have been over running our time and we have some more questions for ODG and others. What we will do we will send some of the questions and you submit it in writing for us a response and anything you want to add to it you can add to it. So the Clerk will be sending to you some questions.

Ms. Debra Lewis

I think they had mentioned to you Honourable Farrell at the orientation meeting that key to the operations of the Co-op was the manager of sorts Ms. Bramble and that you know they felt it wasn't right to have this hearing without her being here to answer a lot of the questions.

Mr. Joseph Farrell

Good afternoon gentlemen, I'm so taken up that I still think it's morning. Thanks for gracing us with your presence. We now have all men, a complete change from what we had this morning. We have a few questions, we're here and we're speaking specifically to collecting evidence on the outsourcing of its cleaning service and its performance over the years and we have a few questions for the Ministry of finance and outsourcing and procurement of course which ties into it. We have 3 members of the team. Just for the record could you please identify yourselves?

Answer: Colin Owen, Financial Secretary

Answer: Philip Chambers, Deputy Financial Secretary

Answer: Courtney Crump, Accountant General

Mr. Joseph Farrell

And our side: Gregory Willock Parliamentary Secretary; Sammy Joseph Member of Parliament and Joseph Farrell and Mrs. Baker, Clerk. We have a few questions for you and we will ask the questions alternatively and we may want to follow up. We are basically evidence taking and decision making at this time.

Dr. Samuel Joseph

As you know we are discussing the cleaning services and outsourcing of government services and there was an auditor's report that was done and there were some things that came out of the audit report and some responses that were made from the Ministry of finance. What we are trying to ascertain here, right now is there an approved outsourcing plan and outsourcing policy or outsourcing manual that currently exists from government's end?

Mr. Colin Owen

I'll take that one, if I may. Great to be here, nice to see the PAC finally up and running. It's the first time I've attended but it's an essential part for the Government of Montserrat. So I really welcome the opportunity to come along to the PAC. Congratulations on getting it up and running. The question relates to recommendation one of the auditor's report which I responded to very early on in my tenure when I arrived on the island back in August, I think, of 2016.

The question is pertinent because at the current time what we did when I first came on board, and what we do on an annual basis now as part of our budget process strategic plans is look at outsourcing and is there opportunities for outsourcing. At this current time we don't believe there are any outsourcing opportunities certainly not coming through the Ministries, through the PS and the accounting officers and through what we're doing. I think my response to you is very much around if we need to do a procedure's manual then we would. From the reviews that we've done around divestment and outsourcing we are not planning to do any at this point in time and so we do not have a procedures manual to cover that and we clearly don't have a list of those outsourcing opportunities because we are not planning to do any at this point in time.

Mr. Gregory Willock

In the audit report and under said recommendations in terms of having an outsourcing policy and procedures manual there were some dates agreed to actually carry out the said policy and procedures to having these in place and the timeline I see in front of me was the 31st December 2016 probably before your—

Mr. Colin Owen

No I was here then.

Mr. Gregory Willock

So you are the one who agreed on that?

Mr. Colin Owen

So I refer to management response, if required dependent on the review above and if required procedures manual would be needed and be developed. Clearly from the review that we did carry out and we do as part of our ongoing strategic plan the discussion that the Ministry of finance have with the Ministries and as it currently stands there are no divestment opportunities. Once this come up then we will have to do a procedures manual.

Mr. Gregory Willock

With regards to the ones that are already there, there is no policy or procedures as pertaining to those. Are you not seeing it necessary?

Mr. Colin Owen

The question referred to coming up not previous divestments.

Dr. Samuel Joseph

Let's go back to the current cleaning services. It was originally foreseen as a pilot project. Is it now seen as a pilot project or is it business as usual?

Mr. Colin Owen

I wouldn't know. It's a number of years ago 5, 6 years ago since that divestment took place. I was a part of that decision making process. I don't know if it was a pilot project. This is the first I've heard is a pilot project. I would say the time it has been in place I don't think it's no longer a pilot; it's been going on for a number of years. So the issue of was it a pilot I'm not

aware if it was or wasn't. All I can say is at the current time we don't have plans for any further divestment.

Dr. Samuel Joseph

So in terms of it's now set up, it's now running is there any plans from the Ministry of finance how it's being evaluated now that it is running.

Mr. Colin Owen

No that really would fall under the Ministry who is responsible for that divestment and clearly we've had a number of discussions this morning and that's under the ODG. That would be the responsibility for ODG to be ensuring there is a service level agreement in place or special agreement and there is an understanding what's going on. Ministry of finance wouldn't be the one that would monitor the divested entity. That would be the Ministry it sits under. Just to follow up on that particular answer because I'm going to inquire about the outsourcing as the member asked about the performance measures and monitor and your response was that it would be included. This would be the basis and contract management would include performance indicators and it would be in the procedures.

Mr. Colin Owen

If required.

Mr. Gregory Willock

It does not say if required. It says--

Mr. Colin Owen

Well I refer you back to my response on the first page. If required dependent on the review above if required a procedures manual would need to be developed.

Mr. Gregory Willock

How would you recommend monitor and evaluation against performance of this outsourcing?

Mr. Colin Owen

So we're talking theoretically. So if you're going to go down a route of a divestment then clearly you would need a divestment manual to negotiate pricing but part of that contract that you would have in place or some sort of agreement whatever it's going to be there would be clear indicators in there about performance delivery. Normally that would be around quality of service. So from a cleaning perspective the PIs would be around these, are they all cleaned within the week. For quality of service you can do a survey or a check amongst the people who are receiving that service. You would expect to find those sort of qualitative indicators within a service level agreement as you go forward.

Mr. Gregory Willock

Are you familiar with a contract between government and –

Mr. Colin Owen

No I'm not.

Mr. Gregory Willock

The reason I ask you that is you would have known government outsourced the cleaning service. Clear that there is an outsourcing of the cleaning service and proper practice would be that there is an agreement in terms of government funds being paid out to a Co-op for instance. Are you familiar with that contract?

Mr. Colin Owen

No I'm not familiar with any contract of service for this entity with the Government of Montserrat and the auditor's report picks that up as well and it's been reaffirmed by people here this morning.

Mr. Gregory Willock

Was a formal structure and process put in place prior to the tendering for the renewal of the existing contracts?

Mr. Colin Owen

I don't recall any renewal of this divestment.

Mr. Gregory Willock

So it just continued yearly?

Mr. Colin Owen

I don't know. My understanding from the responses this morning there is no service level agreement, no contract in place and this agreement continues as is.

Mr. Joseph Farrell

Clearly there is no contract from what we are hearing. Let me just ask this question of the Accountant General. What premise do you pay funds to the Co-op?

Mr. Courtney Crump

Currently the payments are made from the Office of the Deputy Governor. They would put the supporting documentation online and we would check.

Mr. Joseph Farrell

So you don't have any other supporting documents in relation to a contractual arrangement or a service level agreement come to you?

Mr. Courtney Crump

None was ever supplied to us.

Mr. Joseph Farrell

You pay based on the instruction given to you by ODG?

Mr. Courtney Crump

That's right.

Mr. Gregory Willock

How is that instruction received again? In smartstream?

Mr. Courtney Crump

Yea, you see it by a payment request on smartstream.

Mr. Joseph Farrell

It's clear that there is no contract so we can go on.

Dr. Samuel Joseph

One of the other issues raised by the auditor's report is that you see sometimes that contracts are signed way after the service has been delivered or in the process of being delivered and not before and there was a deadline of January 2017 where the FS said that process would now be actioned. Has this issue been resolved?

Mr. Colin Owen

Yes, it's more general what we're talking about here is more contracts because as I said there has been no further divestments from that perspective. When the procurement board approves an awarding of a contract and we're talking about procurement here rather than divestment then once that award has been made a contract would be pulled together between the 2 parties and the contract would be signed. That usually involves the AG's Chambers from a legal point of view but it mainly falls unto the Ministry and the Accounting officer who is actually procuring that service. So once the procurement board awards it is then passed on to that process. And what we've done, we have a ledger that basically records all the procurements that we have, that's put online as well. It's on our website so that details all the procurement that have been agreed. What we've agreed to do is to add on to that spreadsheet the actual date of the signing of the contract. The officers are presently doing that and we'll update the spreadsheet that we have. A lot of the procurements are standard and one off deliveries like purchase of a vehicle but there are some others that are recurring services so what we have is an end date. So when that end date comes up we know there needs to be another procurement. So the responsibility lies with the accounting officer within the Ministry who is procuring the service to ensure that that's the case.

Mr. Joseph Farrell

You are saying FS that as of now any contract awarded by Government of Montserrat will be awarded and signed on time?

Mr. Colin Owen

That's what should happen. Inevitably some contracts get delayed and there might be reasons for that. There are probably disagreements between the contracting parties. There could be disagreements over the terms of reference because inevitably government has its set of terms of reference that we would want to get the contracting parties to sign up to but they have their set. Inevitably there is some sort of negotiations to be had around those terms. So

in general, I would say, most are signed off on time, some are not and I think there is a need to improve that and to ensure we're recording that and we're documenting that. I think we have a good process in place at the moment that the contracts do go through the AG's department and I think that's ensuring that we're getting proper legal advice and the procurement team as well are looking into that. We do have a standard set of terms and conditions but I think that is probably an area we can look at further to further tighten those up and make sure they are tightened and probably shortened the process.

Dr. Samuel Joseph

You get the requests from the various departments to issue the payments. Sometimes as you've picked up on the contracts have not been signed but payments are being issued. So you are saying once you get the directive to issue the payments there is no checks from your office back to see if those contracts have actually been signed before?

Mr. Courtney Crump

We generally would make that request from the Ministries in terms of submitting a copy of the contract to us. We do not always get positive response in terms of them submitting the contract to us. However we proceed on the premise that after asking for it they would say the contract is not completed yet, it's the ODG however the work would have started or they would have put people to work and you know hearing that we think it would reasonable to continue on with the payment hoping that the contract would be completed and submitted.

Mr. Gregory Willock

You are familiar with the quarterly payments and it's a significant sum, yes?

Mr. Courtney Crump

Right.

Mr. Gregory Willock

And you're satisfied from your position that you can go ahead and make those payments those sizeable sums without having that contract?

Mr. Courtney Crump

I'm not sure the procedure is correct but what I can say is that I think the accounting officer would be responsible enough and would have been doing the right thing in terms of ensuring that the supporting documentation is in place. We haven't seen a bill from the Co-operative but we continue to see the supporting documents generated by the office of the Deputy Governor so we proceed on that.

Mr. Joseph Farrell

Are you saying then that you would prefer to have an invoice from the Co-op accompanying those documents on a quarterly basis; is that what you're saying?

Mr. Courtney Crump

That's right to support the payment.

Mr. Joseph Farrell

And that is not happening?

Mr. Courtney Crump

No.

Mr. Joseph Farrell

You are the Accountant General and if for any reason a department or Ministry say to you the work has started but the contract is not yet signed. You issue one payment. Do you continue to make payments even you haven't received a signed contract?

Mr. Courtney Crump

Well it has happened in this case.

Mr. Joseph Farrell

But other cases as well just in general?

Mr. Courtney Crump

Not normally.

Mr. Joseph Farrell

The Auditor General did imply in her report that there are contracts that have not been signed at the end of the contractual period, you are aware of that?

Mr. Courtney Crump

Yes, we recognize that and we have been asking and we have referred this sometimes but I'm not going to say that it is broad based; it happens in some cases as it has happened in this one.

Mr. Joseph Farrell

And do you as Accountant General has the authority to stop that payment?

Mr. Courtney Crump

Yes.

Mr. Joseph Farrell

And you have not done that before?

Mr. Courtney Crump

No.

Mr. Gregory Willock

We are dealing with the outsourcing of the cleaning service here but are you suggesting that other services that have been outsourced have provided proper documentation?

Mr. Courtney Crump

Yes.

Mr. Gregory Willock

I know we have identified that there is not contract. Do you agree that somewhere in government that we should have been monitoring the performances of these?

Mr. Colin Owen

The monitoring of the contract clearly lies with the accounting officer. It all depends on what is in that contract or service level agreement. Certainly the ones I've seen contracts of recent there is clear performance indicators in there, clearly when they need to provide information and certainly some of the contracts I've seen of late that is happening. In this one clearly there is no service level agreement or contract that I'm aware of.

Mr. Gregory Willock

In terms of management, isn't it a requirement of finance that you get regular reports on all projects?

Mr. Colin Owen

On projects yes not on divestments.

Mr. Gregory Willock

You would consider this to be a divestment. It is out of government?

Mr. Colin Owen

It is a divestment yes so it's not a project of government. You would assume that what should happen in best practice or what should be happening is there should be a service level agreement, within there should be performance indicators and the provider of the service should be reporting on those on a regular basis, that should then be monitored by the accounting officer to ensure they are getting the level of quality they want and they are getting an element of best value for money from there so they'll be able to quantify it.

Mr. Joseph Farrell

Clearly, FS, that is not happening with the outsourcing of the cleaning service.

Mr. Colin Owen

Clearly not from the evidence that has been given today.

Mr. Joseph Farrell

Is the Ministry of Finance content that there is now a culture in the civil service to keep records because clearly if that's absent then you have a problem?

Mr. Philip Chambers

In the Ministries that I have been a part of, there is a culture of keeping records?

Mr. Joseph Farrell

Which Ministries are they?

Mr. Philip Chambers

I've been in MCWL, Ministry of finance, HR for a short stint and Ministry of Education.

Mr. Joseph Farrell

Bearing in mind that government operations are public knowledge so you're saying to us then that providing that doesn't fall under the Freedom of Information Act if a certain matter arises somebody can go into the Ministry and ask and find that documentation; that's what you're saying?

Mr. Philip Chambers

That should be the case.

Mr. Joseph Farrell

Does that hold for all the Ministries and departments?

Mr. Colin Owen

Certainly within the Ministry of Finance I think the level of documentation is very high. I would prefer if we move more towards an electronic service to be honest but certainly the level of documentation that the Government of Montserrat as compared to my experience anywhere else is very high and we don't seem to have an issue when I require papers or files those expectations are kept for several years.

Dr. Samuel Joseph

Because if you listen to some of the questions do you think the absence of records is what is causing some of the issues now with the cleaning service?

Mr. Colin Owen

In absence of a contract clearly or service level agreement because there are issues raised this morning to you in evidence around pay, around how they interact with the Government of Montserrat and if you had a service level agreement in place or a contract that would be clearly defined. So clearly in this case there is an issue.

Mr. Joseph Farrell

So clearly the absence of this record seems to be contributing to the demise for the want of a better word of the Co-op?

Mr. Colin Owen

That would be your word, I don't know if there is a devise of the Co-op.

Mr. Joseph Farrell

Not demise in the real sense but never mind.

Mr. Colin Owen

I don't know. I really only knew about the Co-op in the last couple weeks and it's the most I've heard about the Co-op today from the people in this morning, these lovely ladies sitting behind us. My understanding from the Ministry of Finance we receive the cleaning. We have a good service. We don't have any

issues in the service. I wouldn't be able to comment on the Co-op itself; that would be for them to say.

Mr. Joseph Farrell

Your service comes directly through the Co-op or members of the Co-op?

Mr. Colin Owen

I assume it does because we have a cleaner there.

Mr. Joseph Farrell

Does anyone in the corresponding Ministry or the Ministry responsible for the Co-op ever ask your opinion on this quality of service you receive?

Mr. Colin Owen

Only had a conversation last week with Cheverlyn after we had the report.

Mr. Joseph Farrell

So you haven't had that?

Mr. Colin Owen

Not that I am aware of. It might be further down the organization.

Mr. Gregory Willock

Through the audit report we've identified that there is a variation in terminology. For instance in 2013/14 it separate subvention from social security contributions after the third quarter of 2013. This no longer exists. Can you explain the variation in this sense? Are you familiar with the report?

Mr. Courtney Crump

Yes.

Mr. Gregory Willock

Can you answer that?

Mr. Courtney Crump

From listening just a while ago I heard the evidence given that the Co-op would get payments based on any additional funds so if social security needed to be paid the Government of Montserrat would pay the social security. So the Co-op is paid the salaries and the additional social security portion for the employer will be paid by Government of Montserrat as well.

Mr. Gregory Willock

Is this like a policy?

Mr. Courtney Crump

Apparently it seems that's the agreement.

Mr. Joseph Farrell

You are saying that you still pay a portion of the social security as the workers were working with government still.

Mr. Courtney Crump

That amount is paid over to the Co-op and the Co-op makes the payment.

Mr. Gregory Willock

Again the term subvention disappeared in 2014 and is now replaced by service fees. Anybody can answer why this change is necessary or was necessary?

Mr. Colin Owen

Well I think you're getting a service that you're paying for and I think that relates better to service fee rather than subvention which is an allocation of monies. So in this instance I see the last invoice was October 2014 it moved from subvention to service fees. I think that's more appropriate classification of what we're obtaining from the cleaning service.

Mr. Gregory Willock

So in the budget it would come out of services not subventions in terms of government paying this fee?

Mr. Courtney Crump

Out of fees, it's classified.

Mr. Gregory Willock

Was it being paid out of subventions prior?

Mr. Courtney Crump

Initially when it started but that was changed.

Mr. Joseph Farrell

Accountant General, in December 2015 there was advanced under quarterly service fee the 4th quarter of 2015/2016 followed by a final payment in February. This combined total of advance and final payment for the 4th quarter was \$116,300. Why was this advanced required and what basis was it paid under the recommendation of the ODG?

Mr. Courtney Crump

I don't know on what basis and why it was required. I think you would have to ask that of ODG but as it says it is an advance so I suspect the additional portion would not have exceeded what the total subvention would have been for the quarter.

Mr. Joseph Farrell

Is there a provision for paying advances on service level agreements?

Mr. Courtney Crump

That would be a determination made by the accounting officer who receives the service, ODG in this case.

Mr. Gregory Willock

You are operating on a level of confidence with your line Ministries and departments in regards to they are accounting officers and they understand the responsibilities based on the public finance management and you would have gone on that premise because we don't have a contract so basically you're actually going on good faith if you may call it that?

Mr. Courtney Crump

I think it's a government policy. The office of the ODG is not by themselves removed from the entire operations of government and we in the Ministry of finance will facilitate their payments. Of course we will ask the relevant questions and if we are satisfied we get a reasonable answer we will proceed.

Mr. Joseph Farrell

I mentioned to you earlier about the \$116,000 which was paid but it was noted that the figure of \$116,300 is considerably higher than any other quarterly payment either prior to or subsequent to that one. Is there a reason for that?

Mr. Courtney Crump

I can't tell you right now but I'm sure I will be able to supply that information to you because there should be a breakdown as to what the payment was about.

Mr. Joseph Farrell

Could you provide us with that in writing please?

Mr. Courtney Crump

Certainly.

Mr. Colin Owen

I think just to note the average quarterly fee has been \$112,500.

Mr. Joseph Farrell

We getting to that. In 2016/17 costs peak to \$475,000 thereabouts. This was more than \$40,000 higher than the previous year and \$30,000 higher than the other year. Again can you tell us the reason for that?

Mr. Courtney Crump

I could forward it to you in writing.

Mr. Gregory Willock

Outside of a contract in your experience what would be the justification for this?

Mr. Courtney Crump

Like I said we would have asked and we might have been told that there was no contract available at the time, the persons are at work plus the payment was made like I said via a miscellaneous form prepared by the department. So I am absolutely sure they must have known what the payments are for and we reasonably took that as support for the payment request.

Mr. Joseph Farrell

In 2017/18 the concept of part payment balance payment was introduced. Is there any reason why that was introduced?

Mr. Courtney Crump

I have no specific reason why but it could be that the budget wasn't available at that time, they probably didn't have enough money to pay so they asked.

Dr. Samuel Joseph

Is there a formal policy or inside the Accountant General office because there is no contract and service fees have been increasing yearly. Is there a process from your department to request back from the line Ministries why this occurs?

Mr. Courtney Crump

No, to me that's a budget issue.

Mr. Joseph Farrell

Do you have any final statements you want to tell us as you know we're talking about outsourcing of the cleaning service?

Mr. Colin Owen

I think just to say it's always interesting to come along and hear the other evidence that's been provided and you're detailed questionings about the actual costs. When we were informed last week that we were being called we've certainly carried out a review and we have been carrying out a process of review so we should be able to give you that evidence of details of the payments because it's something that we've noticed in the last couple years. There is a slight movement; it's not a huge amount of monies up against the average but we are looking into that and certainly those questions that are being posed to the ODG so we should be able to provide that evidence to you.

Mr. Philip Chambers

Just to say it's good to be present and to learn of some of the issues. Certainly it would help to guide and improve the services and operations going forward.

Mr. Courtney Crump

Thank you for the opportunity and one of the things highlighted here is that before we start making payments we need to have contracts in place and accounting officers should be held responsible for having these in place.

Mr. Joseph Farrell

Certainly on behalf of the committee I want to thank you very much for taking your time out and sharing with us. We certainly enjoyed it. If you have any further if anything comes to mind you want to send us drop us a line, send it to the Clerk or myself and we will appreciate it. Thank you very much.

Appendix 3 – Minutes of Evidence Gathering Session

OFFICIAL MINUTES

2ND MAY 2018

BASIC NEEDS TRUST FUND CONFERENCE ROOM- LITTLE BAY

Members of the Commission

Honourable Joseph Farrell	Chairman
Dr Samuel Joseph	Member
Honourable Gregory Willock	Member

In attendance

Miss Florence Lee	Auditor General
Mrs. Judith Baker	Committee Clerk

Witness: Ms Lauren Bramble

By way of introduction the Chairman:

- i. Provided an update on the status of the transcript from the last evidence gathering session. The typist had informed the office that the recording was not clear.
- ii. Expressed condolences to Miss Lauren Bramble on the death of a member of the “Cooperative.”
- iii. Provided an explanation to Miss Bramble with regard the purpose of the hearing.

The panel was then introduced to Miss Bramble.

1. Miss Bramble was asked about her role in the Cleaning Cooperative.

She indicated that she was only a member of the Cooperative and did not hold any special position. She indicated that in 2014 she started to help the Cooperative in processing salaries. Prior to this time, salaries were processed by the Office of the Deputy Governor. A Cabinet decisions was issued and based on that Miss Debra Lewis, the responsible person in the Office of the Deputy Governor, could no longer process salaries for the Cooperative

- i. The documents were then taken to the President of the Cleaning Services, Miss Ethlyn Lewis.

- ii. The President asked who would do the salaries and Miss Debra Lewis informed her that that was not up to her (Miss D. Lewis).
 - iii. Miss Ethlyn Lewis then asked Miss Bramble to do the salaries.
 - iv. Miss Bramble was present for the conversation between the President and Miss Debra Lewis because, her vehicle was down and she had been given a ride home by Miss D. Lewis. Miss Debra Lewis stopped at the President's home prior to dropping off Miss Bramble.
 - v. She had been cleaning for Government of Montserrat since 2008. At a meeting with the cleaners and Government Officials, a paper was circulated around the room so that persons who wished to remain as part of the cleaning services could tick their name. She opted to remain.
 - vi. The Office of the Deputy Governor did the books from 2013 to December 2014, at which time Miss Bramble started to assist with the salaries.
 - vii. Asked about the Board Members, she indicated that she did not know who were on the Board and she was not a part of the selection process.
 - viii. Asked about the role of the treasurer, she indicated that she is not the treasurer. She had asked Miss Catherine Marshall, the treasurer, to take over the books, but she had not done so.
2. Asked about extra work done, as well as who she reports to Miss Bramble responded that:

Answer: In terms of extra work done, some Departments call her when this is required and she would then assess the payments. She also indicated that she reports to the President.

Follow up question: She was asked about whether the treasurer works along with her and she responded, "No."

Follow up question: Who are the persons who sign the checks?

Miss Bramble said:

- i. Vernia Joseph
- ii. Catherine Marshall
- iii. Ethlyn Lewis

Asked about the document related to the registration of the business, she indicated that she will provide the document for Public Accounts Committee.

3. Did you know about the Co-op when it was being set up?

Answer: She responded that based on the meeting with Government Officials, persons who opted to remain would automatically form the Co-op. At the time she was a temporary worker in the Government Service.

Follow up question: Are you aware of the Cabinet Decision related to the cleaning service?

She indicated that she had seen the Cabinet Decision, but Miss Lewis said it was a Co-op, not Government. This therefore meant that she could work in the Co-op. The Cabinet Decision also said that Government workers could not be in management. She assisted with salaries because no-one else in the Co-op could do it. She did not want to do it for too long, but no-one would assist.

4. Who do people call when they are sick?

She responded that anyone who is sick calls her because they know that she does the salary, and she would then report it to Miss Ethlyn Lewis. Miss Lewis would then tell her to sort it out.

The following information was also provided by Miss Bramble:

- A list of everyone and the salaries they worked for was turned over to her. Some persons left the Co-op and others were hired.
- Persons write to seek employment and the President would let her know who should be added to the payroll.

In terms of meetings, the Board Members had met a few times and Miss Bramble explained certain matters to them. One meeting was held with all cleaners, but meetings were held with the Board.

- The first preference of cleaning is given to Co-op Members.

5. How often does the Co-op receive subventions from Government?

Government pays the group every three months, via the Treasury Account. Miss Bramble has a copy of the subventions.

- At the beginning there were 30+ members, but the numbers have decreased to 20+. There was about \$110,000 when Miss Bramble started the accounts. She works on excel spreadsheet. An annual report is not produced, but social security and taxes are paid.
- The ODG asked for the bank statements (Royal Bank) before subventions were paid. Miss Bramble had advised the Office of the Deputy Governor that the \$300.00 subscription fee which was paid by the members of the Co-op should not be used, but they did.

Follow up Question: Are vacation, sick leave and social security provided for in the subvention?

Answer: Yes. Vacation, sick leave and social security are all provided in the subvention.

Follow up Question: Who writes the Social Security Checks?

Answer: The Co-op pays the taxes and social security.

Follow up Question: Did she request an increase in subvention?

Answer: No she did not ask for an increase in subvention. The ODG paid the Co-op based on the amount on the statement from the bank. This month an invoice was presented to the ODG because they asked for it along with the names, offices and where the cleaners worked.

Follow up Question: What happens when persons are sick?

Answer: She would then tell the ODG who would top up the subvention.

6. Was there an increase in cleaning spaces/new buildings?

Answer: In 2014 Miss Bramble got the space and rates per sq. ft. from the ODG. The ODG had since presented a new proposal which did not seem acceptable.

Follow up question: What happen when workers are required to clean bigger spaces.

Answer: She responded that although a space may be bigger such as the Inland Revenue, the cleaner cannot touch the desks and some other areas of the office. The Office of the Deputy Governor has the formula to arrive at the figure to be paid.

Follow up Question: How do you get an increase approved?

Answer: She would ask the ODG to get someone to measure the space to be cleaned.

7. Were funds given to put someone in place to manage the Co-op?

Answer: A manager was supposed to be put in place and the Co-op was given \$25,000 to do this; not \$50,000. The \$25,000 is still there and can be used to transition the cleaning services. Denise Phillip had tried to assist with managing the Co-op but after meeting with the Board members, she lost interest.

Follow up Question: Is there a separate account?

Answer: There is only one account.

8. Who determines how much work each cleaner gets? Who determines how many spaces a member can clean?

Answer: She would call a meeting if a vacancy arose and based on this a decision would be made.

- A \$300.00 subscription fee was paid by the full time members and \$150.00 by the substitutes. The Board Members do not want to take on any more jobs, given the time permitted for cleaning (2hrs).

9. Who provides cleaning supplies?

Answer: The cleaning supplies are not bought by the Co-op. They are provided by the Departments.

10. Do you think Government is getting value for money?

Answer: Yes there is a lot of value for money because the work is being done and no increase given.

11. Do you know that the Co-op can do private jobs to increase earnings?

Answer: Yes I understand that the Co-op can do private jobs, but it needs someone to help set up properly. Some members are over 60 and would have retired if they were working with Government.

Time for next meeting: 16th June, 2018 at 11:00 a.m.

.....Judith Baker.....

Committee Clerk

.....Joseph Farrell.....

**Chairman of the Public Accounts
Committee**

Appendix 4 – Written Submissions

The screenshot shows an Outlook email window titled "Re: Public Accounts Committee Hearing - Message (HTML)". The interface includes a ribbon with "FILE" and "MESSAGE" tabs, and various action buttons like Ignore, Delete, Reply, Forward, Meeting, etc. The email content is as follows:

Tue 4/17/2018 2:18 PM
Roselyn Cassell-Sealy <rosealy88@yahoo.com>
Re: Public Accounts Committee Hearing

To: Julia Lee

You forwarded this message on 6/26/2018 12:15 PM.

Dear Ms Lee

My contact with the Cleaners group has been very minimal.
I was asked to speak to the potential members of the co-operative about the establishment and workings of a financial co-operative.
I attended the meeting and advised them accordingly.
There was one other meeting that I was asked to attend which was intended to go a little further into details of the co-operative movement.

But there was little progress made.
If my memory serves, the discussion was about issues with respect to cleaning agents and cleaning activity and how the books of the cooperative were to be kept.
After that meeting I had no further contact with the group.

Roselyn Cassell-Sealy

On Thursday, April 12, 2018, 2:44:20 PM EDT, Julia Lee <LEEJ@gov.ms> wrote:

Dear Mrs Cassell-Sealy

At the bottom of the screenshot, the Windows taskbar is visible with icons for Windows, Edge, File Explorer, OneDrive, Firefox, Outlook, and Word. The system tray shows the date and time as 11:49 AM on 7/3/2018.

313 Mayfield Point Drive
Olveston
MSR 1350

April 17, 2018

For the Attention of Mrs Judith Baker, Committee Clerk

Public Accounts Committee
Office of the Legislative Assembly
#1 Farara Plaza
Brades

Dear Committee Chair

I refer to your correspondence dated 12 April regarding the Outsourcing of the Government Cleaning Services.

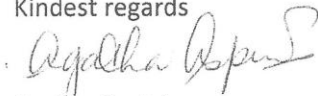
It is my understanding that The Montserrat Development Corporation was to provide management support to the Cleaning Services Co-op, and as the Business Development Officer, that duty rested with me. However when the documentation from the Office of the Deputy Governor was received, it was noted that the entity was not registered as a Co-op but just simply as Business Name with some of the cleaners named as the "owners".

MDC Management wrote back to the DG's office (document should be on file) to have the registration regularized at which time the management support promised would have been granted.

As far as I am aware this was never completed, and as such no support was granted by the MDC.

My knowledge of the aforementioned matter.

Kindest regards



Agatha Aspin

Appendix 5 - Research Documents

Cooperative Societies CAP. 11.21 of the Laws of Montserrat

This document is available at:

The Office of the Legislative Assembly

Brades

Montserrat

Tel: 664 491 2195

Email:

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