

# **Report of the Auditor General of the Republic of Trinidad and Tobago**

## **On a Special Audit of the Operations of The Sports Company of Trinidad and Tobago Limited (SPORTT) with particular reference to the development and upgrading of Sporting Facilities in Trinidad**



**28th November 2014**

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The Sports Company of Trinidad and Tobago Limited (SPORTT)  
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**THIS REPORT HAS BEEN PREPARED UNDER  
SECTION 116 OF THE CONSTITUTION OF THE  
REPUBLIC OF TRINIDAD AND TOBAGO  
AND SECTION 9(2)(c) OF THE EXCHEQUER AND AUDIT ACT  
CHAPTER 69:01**

***Sharman Ottley  
Auditor General  
28<sup>th</sup> November, 2014***

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## **ACKNOWLEDGEMENT AND APPRECIATION**

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- The Permanent Secretary and staff of the Ministry of Sport.
- The Chief Executive Officer and staff of The Sports Company of Trinidad and Tobago Limited.

Special thanks to Mr. Robert Reeve of RR International Consulting Limited (duly registered and incorporated under the Laws of the United Kingdom) for his guidance during the conduct of this audit.

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## Executive Summary

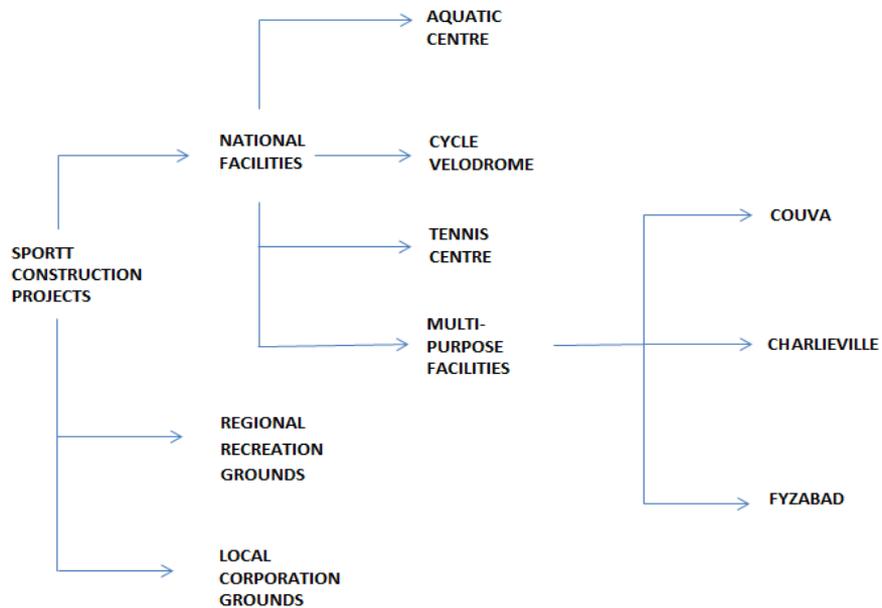
1. Successive Governments have sought to implement sport for all by developing and constructing sporting infrastructure that enables citizens' participation in sport. "Sport for All" falls within the Government's Medium-Term Policy Framework 2011-2014: Innovation for Lasting Prosperity; People-Centered Development.
2. In delivering "Sport for All", the Ministry of Sport makes recommendations to Cabinet for the development, construction and upgrade of sporting facilities. Following Cabinet approval of projects, the Ministry of Sport instructs The Sports Company of Trinidad and Tobago Limited (SPORTT) to deliver the projects. For the period 2009-2013, SPORTT has incurred expenditure in excess of \$411 million to provide sporting facilities that should enable "Sport for All".
3. This Report is an overview of SPORTT's operations, with particular emphasis on the delivery of high expenditure sporting facilities and the extent to which the Government's objective of "Sport for All" is being achieved. The Report is based on field work which was undertaken during the period October 2013 to March 2014.
4. SPORTT is currently undertaking development, upgrade and construction work in the following five key areas:
  - National Facilities:
    - Aquatic Centre;
    - Cycle Velodrome;
    - Tennis Centre; and
    - Three Multi-purpose Centres.
  - Regional Recreation Grounds;
  - Local Corporation Grounds;
  - Stadia; and
  - Regional and sub-regional grounds.

Work has also been undertaken in three other key areas:

- Caroni Facilities;
  - Development and upgrade for hosting of the Caribbean Games 2009; and
  - Construction of Youth Sporting Facilities.
5. We reviewed progress in the delivery of the National, Regional and Local Corporation Facilities (**Figure 1**). Our examination involved interviews, a focus group, review of

documentation, site visits, analysis of financial data and discussions with key personnel at the Ministry of Sport and at SPORTT (**Appendix 1**).

**Figure 1: Our Review of SPORTT Construction Projects**



**Source:** Auditor General’s Department

6. From 2005, the Ministry of Sport has sought and received approvals from Cabinet for a range of projects that have yet to be delivered. In all the high expenditure projects that we reviewed, progress has been slow. In one instance, approval was granted nine years ago, in April 2005, for the development and construction of three Multi-purpose Facilities that have not yet begun. The slow rate of progress, in all instances, has significantly increased estimated costs.
7. Our overall conclusion is that SPORTT is not giving sufficient attention to financial planning and risk management in the development and implementation of important projects, which has impacted the economy, efficiency and effectiveness of delivery of sporting facilities.

# Main Findings

## 1. Frequent changes in Chief Executive Officers

SPORTT has experienced frequent staff changes, throughout the organisation, since its establishment in 2004. Five Chief Executive Officers left the organisation over the ten-year period: the services of three were terminated and two resigned. Typically, the appointment of a new Chief Executive Officer was slow. On five separate occasions, totalling three years and six months, SPORTT was operating without a Chief Executive Officer. Up until 2012, the lack of a Chief Executive Officer adversely affected SPORTT's ability to deliver construction projects, produce Financial Statements, prepare Strategic Plans and hold Annual General Meetings. Similarly, and during the same period, three Chairmen of the SPORTT Board resigned. There were also several changes in Directors, whose tenures spanned one to two and a half years.

## 2. Fluctuations in staff departures

Over the period 2009-2013, staff numbers increased by 76 per cent. During this period SPORTT was marked by fluctuations in staff departures. The most challenging year was 2011 with 58 per cent of staff leaving SPORTT. This resulted from an Organisational Review and Redesign Exercise initiated by the then Ministry of Sport and Youth Affairs on 28<sup>th</sup> October 2010. The process was implemented by the Board of Directors, in January 2011. On 5<sup>th</sup> January 2011, SPORTT contracted De Edge Consulting, at a cost of \$1.06 million to begin the Exercise. Two days later, on 7<sup>th</sup> January 2011, 32 (43 per cent) of the staff members, including the Chief Executive Officer, were dismissed.

## 3. Litigation following restructuring

SPORTT's dismissal of staff resulted in litigation that is on-going. SPORTT has paid compensation in excess of \$2.5 million for nine settled cases and, in financial year 2014, has provided a further \$4 million to cover future costs. Whilst the cost for legal representation in one of the settled cases was over \$137,000, SPORTT has not established accurate costs for the remaining cases.

## 4. Performance indicators are not well defined or measurable

- a. A major component of any strategic plan is the identification of clear performance indicators, which will enable the reporting of success in the delivery of objectives. The performance indicators included in SPORTT's 2012-2016 draft Strategic Plan are neither well-defined nor measurable. Consequently, SPORTT is unable to measure appropriately, its success in the delivery of its objectives. Also,

SPORTT's Strategic Plan did not include information relating to baseline data, two-yearly targets and time-frames for completion of annual activities over a five-year period. This information is still not available at the time of this Report.

- b. SPORTT's 2012 Annual Administrative Report shows achievements gained for the year in review. This Administrative Report does not show any comparison with results from previous years or with appropriate annual targets. As a consequence, SPORTT can claim success even if there is no real improvement.

## **5. Rationale for construction of Sporting Facilities**

SPORTT is responsible for implementing the Ministry of Sport's programmes for Total Participation in Sport and High Performance Sport. SPORTT has included in its Sport Infrastructure Plan, 11 programmes under which 182 projects are being undertaken at a total estimated cost of over \$2.3 billion. The Ministry of Sport and SPORTT have undertaken the development and upgrading of the national facilities in cycling, swimming and tennis at an estimated total cost of \$677.5 million. These facilities are targeted for completion in May 2015.

The Ministry of Sport, in justifying the development and construction of the three national facilities, highlights the need to develop, on an incremental scale, potential athletes for competitions at the national and international levels. Neither the Ministry of Sport nor SPORTT was able to provide a "Sport for All" rationale for selecting high expenditure National Facility projects in cycling, swimming and tennis. Measures are not in place to collect or analyse data related to membership and participation from the National Sporting Organisations for each of these three and other disciplines. Additionally, SPORTT does not have performance indicators to measure potential growth in these sporting disciplines to inform the construction of these projects.

## **6. Justification of National facilities in delivering Elite performance**

During 2011-2013, the number of Elite Athletes increased from 38 to 57. For all three years, track and field accounted for the majority of Elite Athletes with, in 2013, a total of 41. The sporting disciplines selected for the National Facilities showed Elite Athlete increase only in tennis: from zero in 2011 and 2012 to one in 2013. Cycling and swimming showed no Elite Athlete increase; the number for both disciplines was three throughout the period.

**7. Justification for the National Facilities in encouraging Sport Tourism**

A key objective of the Ministry of Sport and SPORTT is to enable Trinidad and Tobago to become a premier destination for sport tourism. The National Facilities in cycling, swimming and tennis are important to the delivery of this objective. Despite the impending completion date, in May 2015, there is no defined strategy or a schedule of events to actively promote sport tourism in Trinidad.

**8. Progress in delivering the National Facilities has been slow**

Since its establishment in September 2004, there has been a slow rate of progress in SPORTT's development, construction and upgrade of sporting facilities. Commencing in April 2005, the Ministry of Sport has made several recommendations for projects, which Cabinet approved for SPORTT's implementation. The delay in commencement of projects resulted in substantial increase in costs.

**9. Our review of the construction of the three national facilities in Cycling, Swimming and Tennis revealed:**

- a. In October 2007, more than six and a half years ago, initial approval was granted for the development and construction of three National Facilities in cycling, swimming and tennis to be located in Mucurapo, Mount Hope and Tacarigua respectively. These facilities had a total estimated cost of \$120 million with an expected two-year completion date in 2009. This period elapsed and construction work on the facilities did not commence.
- b. In May 2013, more than six and a half years later, another approval was granted for the same facilities at a total estimated cost in excess of \$677 million, an increase of \$557 million, equivalent to 464 per cent of the 2007 estimated cost.
- c. The initial locations of the cycling and swimming centres were changed to Couva. At the time of this Report, construction is under way in Couva although the land acquisition aspect has not been finalised. Construction works on all three facilities are on-going with an expected completion date of May 2015. Total expenditure as at 30<sup>th</sup> September 2013 was \$170 million.
- d. SPORTT's delay in the implementation of construction projects and changes in locations of projects resulted in increased estimated costs.

**10. Our review of the development and construction of the three Multi-purpose Facilities showed:**

- a. In April 2005, approval was granted for the development and construction of three Multi-purpose Facilities at a total estimated cost of \$51 million. Almost six years later, SPORTT had failed to commence work on these facilities.
- b. In March 2011, another approval was given for SPORTT to undertake work on the same facilities at an increased estimated cost of \$165 million, an increase of \$114 million, equivalent to 223.5 per cent of the 2005 estimated cost.
- c. The initial approved locations for the Multi-purpose Facilities were changed from the North and East regions (Arima, Diego Martin and Sangre Grande) to the Central and South regions (Charlieville, Couva and Fyzabad) of Trinidad. Contrary to approved changed locations, SPORTT has spent \$18.6 million to develop Multi-purpose Facilities instead in Aranguez, Jerningham Junction (Cunupia) and Sangre Grande. Work is yet to commence on the approved locations.
- d. SPORTT's failure to deliver sporting facilities is further highlighted with the non-development and construction of the three Multi-purpose Facilities.

**11. Our review of the construction of Regional Recreation Grounds and Rehabilitation and Upgrade of Local Corporation Grounds revealed:**

- a. Cabinet was approached and approvals were granted on seven occasions spanning an eight-year period (April 2005 to July 2013) for Regional Recreation Grounds and on three occasions for Local Corporation Grounds.
- b. Total expenditure was in excess of \$103 million at the end of the 2013 fiscal year (30<sup>th</sup> September, 2013) for these two categories of sporting facility. Of the 104 Local Corporation Grounds, 42 have been completed at a cost of \$68 million, while none of the Regional Recreation Grounds has been completed.

**12. Construction of facilities in the same locality**

- a. SPORTT is currently undertaking development works to construct a Multi-purpose Facility in Cunupia. Works are also being carried out to develop a Regional Recreational Ground in the same locality.
- b. SPORTT has failed to deliver its construction projects. Delays in implementation of projects contributed to SPORTT not achieving the objectives of total participation in and high performance sport. This can lead to non-

accomplishment of the Government's Policy Framework objective to develop citizens through sport.

## Recommendations

1. SPORTT should measure performance by developing a comprehensive performance regime, which covers both its delivery of projects, as well as the key objectives of total participation and elite performance in sport. SPORTT should:
  - a. Define measurable Performance Indicators that fit with the approved Strategic Plan 2012-2016 and compare performance year-on-year.
  - b. Explore the scope for using international benchmarking of sporting performance to inform these indicators.
  - c. Develop systems to collect data on athletes' performance that include:
    - i. Collecting qualitative data on athletes' perceptions and motivation;
    - ii. Capturing feedback from a range of key stakeholders, including the National Sporting Organisations, coaches and event organisers; and
    - iii. Making use of the performance information generated to identify objective measures of sport funding effectiveness.

These improvements would ensure that SPORTT is better able to assess its own performance and the impact of its funding on projects and athletes.

2. To enable systematic progress in the monitoring and reporting of SPORTT activities, we recommend that SPORTT:
  - a. defines measurable targets relating to the key objectives; and
  - b. monitors robustly the cost effectiveness of the associated projects and programmes overall.

Performance measures should be designed to monitor the “value added” achieved by the projects and programmes, such as the extent of improvements in sporting achievement, the number of additional athletes generated by the National and Other Facilities and the number of citizens, of all ages and abilities, who have benefitted from the projects and programmes.

3. Where SPORTT’s targets apply to specific projects, programmes and sporting disciplines, the expected outputs and outcomes from each programme should be defined when setting the targets, as an aid to planning and monitoring. SPORTT’s staff and external stakeholders’ staff such as those from the National Sporting Organisations, should also understand the expected outputs and outcomes.
4. SPORTT should also ensure that lessons learned from internal project and programme activities and, in particular, external total participation and elite performance sources

(such as the National Sporting Organisations) are captured consistently and disseminated widely to all with an interest in SPORTT's effectiveness. Dissemination should include the SPORTT website and the Annual Administrative Report.

5. SPORTT should develop a clear strategy for funding the various National Sporting Organisations, elite performance and youth camps. In particular, there should be a clear rationale for the allocation of funding that includes developing funding criteria that are focused on improvement and success in the sporting arena.
6. To ensure that funding encourages wider participation and a focus on elite performance, the National Sporting Organisations should monitor and report systematically and SPORTT should review how it distributes the total available financial support in the light of its research into wider participation and elite performance funding. The National Sporting Organisations should monitor information on membership, coaching, athletic and other sporting events to ensure all groups are represented and to determine whether they need to attract more applications from groups with low representation.
7. SPORTT, in seeking to deliver the key objective of total participation in sport, should compile a database of the people participating in all types of sporting disciplines and events, which includes information on their age, gender, ethnicity and disabilities. The overall information should be reported annually.
8. SPORTT should make efforts to build a database of sporting statistics that would include participation and medal performance, particularly as these statistics are crucial for effective monitoring of progress against SPORTT's performance targets.
9. SPORTT should develop strategies and partnership arrangements to encourage sporting participation and usage through the setting of action plans with targets for individual facilities. This work should be supported by engagement with the National Sporting Organisations in developing appropriate publicity material and open events, as well as implementing systems for regular review and evaluation.
10. For those facilities in operation and those coming on stream, SPORTT should review the extent to which they are operating as intended, including assessing the objectives of total participation and elite performance in sport and are being achieved in practice.
11. SPORTT should recognise the importance of managing risks associated with the delivery of construction projects within agreed timeframes and budgeted costs. This Report shows that SPORTT did not recognise or manage well the project risks, in that projects were not delivered on time and projected costs to completion increased. For example:

- a. Assumptions should be supported by feasibility studies that are as realistic as possible from the outset.
  - b. Project risks should be assessed appropriately to allow for change in design or location requirements.
  - c. There needs to be greater realism regarding the timescales set for delivering projects based on Cabinet decisions.
12. SPORTT should ensure that it develops risk management plans and processes that include: risk identification, evaluation of the probability and impact of risks, risk mitigation, monitoring and review. SPORTT should implement all stages for an effective risk management system.
13. SPORTT should ensure that it produces and implements a communications strategy in order to facilitate any future organisational change process.
14. SPORTT should maintain proper records and produce audited financial statements on a regular basis which are essential to probity and public accountability. SPORTT should implement an appropriate system for its own management of records and reporting requirements as an immediate first step, with the Ministry of Sport usefully taking the lead.
15. SPORTT should ensure that the Board receives and reviews regular financial information on its activities to exercise sufficient oversight of its handling of public monies; and that the Board has considered, and taken appropriate action to manage, key risks relevant to SPORTT's activities.

# Part One – Introduction

1.1 The Sports Company of Trinidad and Tobago Limited (SPORTT) is a special purpose company and is a key implementation arm of the Ministry of Sport. Special purpose companies were created to assist Ministries that do not possess the institutional capacity to manage large and complex projects. SPORTT’s main responsibility is to achieve the objectives of the National Sport Policy of Trinidad and Tobago. This Policy is based on the principle of equality of opportunity for all citizens. The Policy identifies two key areas:

- Total Participation in Sport; and
- High Performance Sport.

The Policy is intended to encourage everyone to be involved in an active lifestyle. As a consequence, it provides for all sectors of society – children, youth, adults including senior citizens, and the differently-abled.

1.2 SPORTT’s programme to achieve total participation in sport has as one of its core activities: *The promotion of the concept of “Sport for All”*. This is designed so that programmes are accessible and affordable to all, through the encouragement of sport initiatives. The concept includes the construction and maintenance of sporting facilities. SPORTT, in delivering its mandate, is constructing and refurbishing sporting facilities that are designed to result in good health and wellness at all stages of life. The concept of “Sport for All” is seeking also to provide an environment for:

- *Socialization of all citizens as well as valuable opportunities for personal enjoyment, social contacts and integration, (National Sport Policy).*

## Audit rationale

1.3 The Government spent \$411 million over the five-year period 2009-2013, and plans to invest an additional \$1.9 billion, to develop and upgrade sporting facilities in Trinidad. The Tobago House of Assembly is responsible for the provision of sporting facilities in Tobago. In this Report, the Auditor General has focused only on Trinidad in conducting this value for money audit to:

- Assess whether SPORTT is developing and upgrading sporting facilities economically, efficiently and effectively throughout Trinidad, for use by citizens.

## Background

1.4 The Ministry of Sport is a social sector organisation that was established in 1982. Its mandate is to facilitate the development of sport and physical recreation. This mandate is achieved partly through the development and upgrading of sporting facilities by SPORTT.

1.5 SPORTT was incorporated on 27<sup>th</sup> September 2004 to facilitate the implementation of the National Sport Policy. SPORTT focuses on the management, administration and programming of sport, as well as the construction and operational maintenance of sporting facilities throughout Trinidad and the stadium in Tobago.

1.6 SPORTT has a Board of Directors that is accountable to the Minister of Sport. The Board's role is to provide oversight and strategic direction for SPORTT. The Chief Executive Officer is responsible for managing the affairs of SPORTT. This includes responsibility for implementing the strategic objectives, as approved by the Board of Directors. The Chief Executive Officer leads an Executive Management team to deliver SPORTT's objectives and reporting responsibilities. This team is responsible for nine functional departments that are incorporated in SPORTT's Organisational Structure (**Appendix 3**).

1.7 SPORTT's vision and mission are:

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**Vision:** *"SPORTT will be the premier National Agency for the Innovative and Sustainable development of Sport."*

**Mission:** *"SPORTT exists to foster and facilitate the holistic development of sport as a viable and sustainable industry through partnerships for the development and implementation of sporting initiatives using best practice, advanced technology and competent human resources."*

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1.8 In order to fulfil its vision and mission, SPORTT has divided its core activities into four main areas:

- Construction and Facility Maintenance;
- Sport for All;
- National Oversight and Support; and
- Support for Elite Athletes.

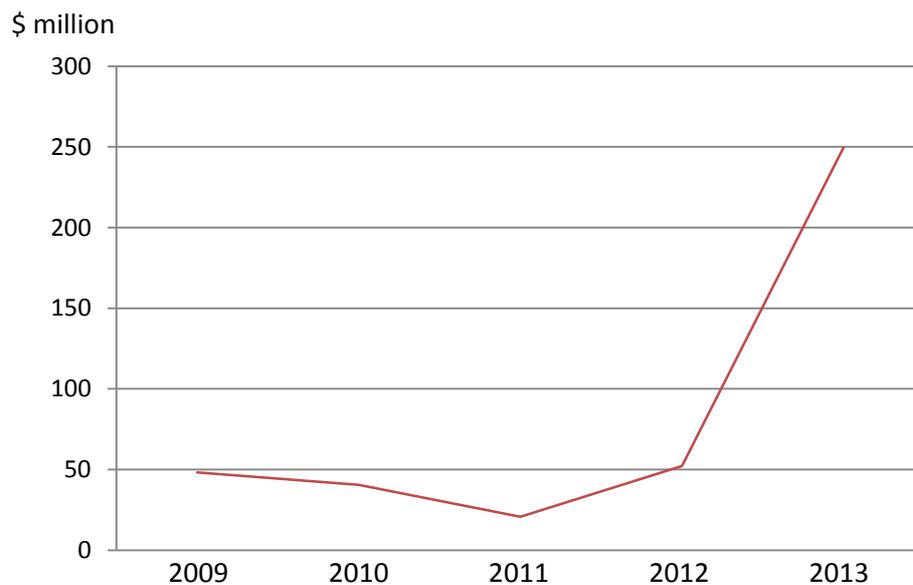
1.9 SPORTT’s activities are linked to one of the Government’s seven interconnected pillars for sustainable development in its Medium-Term Policy Framework 2011-2014:

*Innovation for Lasting Prosperity; People-Centered Development*, which includes sport.

1.10 SPORTT, in fulfilling its mandate, develops a three-year sport infrastructure plan, currently 2012-2014. This plan is prepared following Ministry of Sport’s instructions, which are based on projects prioritised by the Government.

1.11 Over the five-year period 2009-2013, SPORTT spent over \$411 million to provide sporting facilities (**Figure 2**). Expenditure increased from \$48.3 million in 2009 to nearly \$250 million in 2013. This overall increase of over \$201 million is equivalent to 417 per cent. However, SPORTT’s expenditure in seeking to deliver sporting facilities decreased by nearly 57 per cent during the three-year period 2009-2011, then increased eleven-fold from 2011 to 2013.

**Figure 2: Expenditure on Sporting Facilities**



**Source:** SPORTT Capital Expenditure Statement

1.12 SPORTT has focused development, upgrade and construction work in eight key areas as shown in **Figure 3**. Expenditure in **Figure 2** related to these eight areas.

**Figure 3: Sporting Facilities**

Projects	Details
<p><b>1. National Facilities:</b></p> <ul style="list-style-type: none"> <li>• <b>Aquatic Centre</b></li> <li>• <b>Cycle Velodrome</b></li> <li>• <b>Tennis Centre</b></li> <li>• <b>Three Multi-purpose Centres</b></li> </ul>	<p>Comprising an indoor swimming pool to host international swimming competitions; an outdoor warm-up pool designed to host 25- and 50-metre swimming competitions; and smaller pools for children. Total estimated cost is \$175 million. Actual expenditure as at 30<sup>th</sup> September 2013 was \$61.9 million</p> <p>Includes a 250-metre wood cycling track and accommodation for a maximum of 5,000 seats. Total estimated cost is \$255 million. Actual expenditure as at 30<sup>th</sup> September 2013 was \$80.1 million.</p> <p>Consists of seven outdoor courts and six indoor courts with a maximum seating capacity of 450 seats. Total estimated cost is \$140 million. Actual expenditure as at 30<sup>th</sup> September 2013 was \$27.4 million.</p> <p>Designed for multi-usage including sport, cultural and social events, and development of community and community-based activities. Total estimated cost is \$165 million. Actual expenditure as at 30<sup>th</sup> September 2013 was \$20.5 million.</p>
<p><b>2. Regional Recreation Grounds</b></p>	<p>Designed to support multi-sports such as football, hockey, rugby and basketball. Total estimated cost is \$827 million. Actual expenditure as at 30<sup>th</sup> September 2013 was \$35.6 million.</p>
<p><b>3. Local Corporation Grounds</b></p>	<p>Designed according to the sport played in each location. Includes pavilion, jogging track, changing rooms, office, exercise equipment, grassing and lighting. Total estimated cost is \$380 million. Actual expenditure as at 30<sup>th</sup> September 2013 was \$68 million.</p>
<p><b>4. Stadia</b></p>	<p>Six stadia, of which five are in Trinidad and one is in Tobago. Total estimated cost is \$197 million. Actual expenditure as at 30<sup>th</sup> September 2013 was \$57.2 million.</p>
<p><b>5. Caroni Facilities</b></p>	<p>Sporting activities including golf, tennis, swimming, recreation grounds, play-parks and multi-purpose courts. Total estimated cost is \$0.6 million. No cost incurred at the time of this Report.</p>
<p><b>6. Development and upgrade for hosting of the Caribbean Games 2009</b></p>	<p>Total expenditure as at 30<sup>th</sup> September 2013 was \$55.5 million.</p>
<p><b>7. Development of regional and sub-regional grounds</b></p>	<p>Total expenditure as at 30<sup>th</sup> September 2013 was \$4.5 million.</p>
<p><b>8. Construction of Youth Sporting Facilities</b></p>	<p>Total expenditure as at 30<sup>th</sup> September 2010 was \$0.6 million.</p>

1.13 In this Report, we reviewed progress in the delivery of the National, Regional and Local Facilities as shown at 1, 2 and 3 above. At the end of the fiscal year, 30<sup>th</sup> September 2013, the cost of these projects was over \$293 million, equivalent to 71 per cent of total expenditure on sporting facilities.

## Part Two – SPORTT had a high rate of turnover of directors and staff

2.1 Since 2009, SPORTT has experienced considerable staff changes throughout all sectors of the organisation. For example, the number of SPORTT employees increased from 75 in 2009 to 132 in 2013, equivalent to staff growth of 76 per cent. The current Organisational Structure (**Appendix 3**) was approved in 2012 with a staff complement of 149. Staff vacancies in 2012 and 2013 were 20 (over 13 per cent) and 17 (over 11 per cent) respectively. Prior to 2012, SPORTT had no approved organisational structure.

### Frequent changes in Chief Executive Officers

2.2 Since the establishment of SPORTT in 2004, the Ministry of Sport has overseen the appointment of six Chief Executive Officers over the ten-year period to date. Of the six Chief Executive Officers, three were terminated, two resigned and one is currently in-post (**Figure 4**).

**Figure 4: Chief Executive Officer Tenure**

Chief Executive Officer	Employment	Months	Remarks
John Mollenthienl <sup>1</sup>	01/06/2012		In-post
Vacant	16/02/2012 – 31/05/2012	3.5	
John Felix	09/11/2011 – 15/02/2012	3	Resigned
Vacant	20/08/2011 – 08/11/2011	2.5	
Errol Ashby	16 /03/2011–19/08/2011	5	Terminated
Vacant	10/01/2011 – 15/03/2011	2	
Margaret Birch-Sampson	01/04/2010 – 09/01/2011	9.33	Terminated
Vacant	06/07/2008 – 31/03/2010	20.75	
Carol Charles-Austin	18/12/ 2006 – 05/07/2008	18.75	Resigned
Vacant	01/06/2006 – 17/12/2006	6.5	
Kenneth Butcher	02/05/ 2005 – 31/05/2006	3	Terminated
Vacant	27/09/2004 -01/05/2005	8	

<sup>1</sup> Since the completion of the fieldwork, Mr. Mollenthienl resigned effective 18th June, 2014 and Mr. Adrian Raymond was appointed to act with effect from 19<sup>th</sup> June, 2014.

2.3 Over the ten-years, SPORTT was without a Chief Executive Officer for five separate periods totalling three years and six months. In one instance, the post was vacant for almost 21 months: from 6<sup>th</sup> July 2008 to 31<sup>st</sup> March 2010.

2.4 The absence and frequent changes of Chief Executive Officer adversely affected SPORTT's administration and operations. For example, prior to 2012:

- Construction projects were not being delivered;
- Financial Statements had not been produced;
- Annual General Meetings were not held; and
- There was lack of a strategic approach in tandem with a Strategic Plan.

Additionally, SPORTT had no records of confirmed Board Minutes prior to November 2011.

## Changes in Chairman of the Board of Directors

2.5 There has been more stability in the Board of Directors, with the appointment of four Chairmen since the formation of SPORTT in 2004. The previous three Chairmen all resigned (**Figure 5**).

**Figure 5: Tenure of Chairmen of the Board of Directors**

Chairman	Period	Months	Remarks
Sebastien Paddington	30/09/2011 and continuing		Currently at SPORTT
Vacant	10/09/2011 – 29/09/2011	0.5	
Rhett Chee Ping	26/10/2010 – 09/09/2011	10.5	Resigned
Vacant	23/02/2010 – 25/10/2010	10	
Kenneth Charles	01/02/2008 – 22/02/2010	24.75	Resigned
Vacant	01/12/2007 – 31/01/2008	2	
Gerard Ferreira	21/10/2004 – 30/11/2007	37.25	Resigned

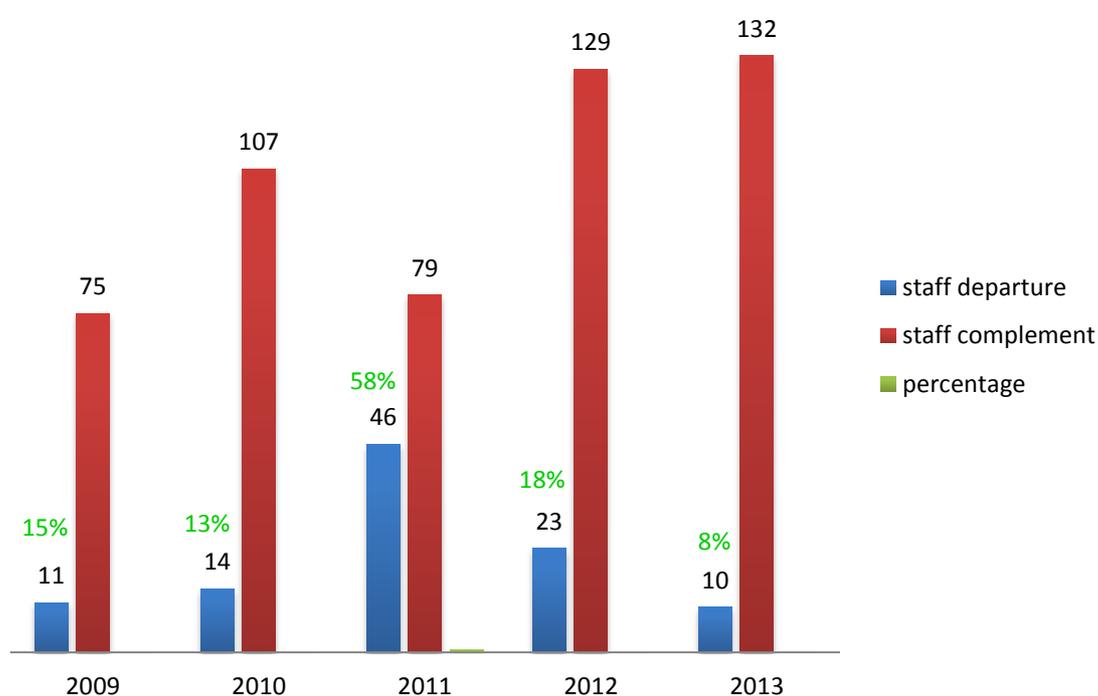
2.6 Prior to 2010, there were regular changes with Directors' tenure spanning one year to two and a half years. Since the appointment of the current Board, during 2010-2011, there has been stability in the tenure of the Board of Directors.<sup>2</sup>

<sup>2</sup> The Board of Directors was dissolved on 7<sup>th</sup> August, 2014. A new Board is yet to be appointed.

## Staff change

2.7 The number of management staff at SPORTT, aside from the 76 per cent growth from 2009-2013, has been uneven (**Figure 6**). A positive outcome is that staff leaving SPORTT in 2009 was 15 per cent, as compared to a reduction in staff departures down to 8 per cent in 2013. The period of stability presented by the current Board of Directors and Chief Executive Officer is reflected in the lowest rate of staff departures from SPORTT in 2013. However, the period in between is marked by fluctuations in staff departures.

**Figure 6: Annual Staff Turnover**



2.8 The year 2011 presented challenges, with more than 58 per cent of staff leaving. This resulted from an Organisational Review and Redesign Exercise implemented by SPORTT's Board of Directors, in January 2011. De Edge Consulting Limited was engaged for this exercise. SPORTT did not keep records of the contractual agreement, consultant reports or payments made to them.

2.9 We examined De Edge Consulting Limited's proposal that was submitted to SPORTT. The proposal indicated that:

- *The rationale for the exercise was that SPORTT was short of its capability requirements to deliver on the mandate of the Board. SPORTT was therefore seeking*

*in the interest of efficiency, effectiveness and stakeholder satisfaction to 'right fit' the organisation in the shortest possible time; and*

- *The cost of the exercise was \$1.06 million.*

2.10 De Edge Consulting Limited's proposal defined the period of the exercise as 5<sup>th</sup> January 2011 to 13<sup>th</sup> May 2011, with an Inception Report due on 20<sup>th</sup> January 2011. However, on 7<sup>th</sup> January 2011, two days after De Edge Consulting Limited's proposed start date, 32 of the 75 staff members including the Chief Executive Officer, were dismissed.

### **Litigation following the redesign exercise**

2.11 On 7<sup>th</sup> January 2011, the Chairman of the Board required all SPORTT staff to attend a meeting at the Hasely Crawford Stadium. The Chairman and the Corporate Secretary of SPORTT informed staff of the Organisational Review and Redesign Exercise, and that it was currently underway. As a result, staff were ordered to leave and not to re-enter SPORTT's premises until further notice. Staff, who were absent from office were called and informed of the decision.

2.12 The Chairman of the Board wrote to all staff, 32 of whom were dismissed with one month's salary; and the remaining staff were required to report to SPORTT's office on 10<sup>th</sup> January 2011 to resume their employment. Just over two months after the meeting at the Hasely Crawford Stadium, the Board appointed the Corporate Secretary as Chief Executive Officer with effect from 16<sup>th</sup> March 2011.

2.13 Individual staff, whose employment at SPORTT was terminated, took legal action for compensation. Nine cases have been finalised with total settlements in excess of \$2.5 million. In five of the nine cases, SPORTT had no record of contractual agreements for the respective staff. However, the respective terminated staff had their contracts in their possession. In one of the concluded cases, a former employee, who worked for less than one day, was awarded \$90,000 in that person's claim for unfair dismissal. SPORTT informed us that there is an expectation of legal outcomes, relating to six outstanding cases, that could result in a payment of nearly \$2 million. SPORTT anticipates further payments relating to terminated staff and has made a provision of \$4 million in the financial year 2014 for all potential payments.

- 2.14 Legal representation for SPORTT has cost over \$137,000 for one of the nine settled cases. Legal costs for the remaining eight cases and the six outstanding cases have yet to be clearly quantified.
- 2.15 SPORTT is required to inform the Ministry of Finance of all litigation proceedings on a quarterly basis, in accordance with the State Enterprises Performance Monitoring Manual. SPORTT informed the Ministry of Finance of all litigation proceedings only from April 2014. Prior to April 2014, SPORTT failed to comply with the litigation requirements of the State Enterprises Performance Monitoring Manual.

## Part Three – SPORTT’s strategic approach in delivering sporting facilities

### SPORTT’s performance indicators are not measurable

3.1 In February 2012, SPORTT published its Strategic Plan for 2012-2016. Prior to this period, SPORTT did not prepare or publish a strategic plan. The current Strategic Plan is intended to meet the objectives of the National Sport Policy which include:

- Total Participation in Sport; and
- High Performance Sport, which includes elite programme development and achievement of results.

In its Strategic Plan, SPORTT has published desired end-results and performance indicators, for the key objectives above, to be achieved by the end of 2016 (**Figure 7**).

**Figure 7: Performance Indicators**

Development Pillars	Desired Result	Performance Indicators
Total Participation in Sport	A society in which the majority of citizens are participating in sport	Number/ percentage increase of population participating in physical recreation and exercise
Elite Programme Development and Results Achievement	Athletes medal count continuously increasing	Increase in number/ percentage of medals won at regional and international sport events

**Source:** SPORTT 2012-2016 Strategic Plan

3.2 In 2003, the Government engaged the Australian Sport Commission to develop a National Sport Policy. The Australian Sport Commission, in its 2004 report, outlined recommendations for an appropriate structure and operational approach to be adopted. Specifically, SPORTT did not implement the following key recommendations in the 2004 report:

- *That baseline data is researched and reported on to provide an understanding of the strengths and weaknesses within the existing system and to form a reference point for the implementation policy; and*

- *That key performance indicators and measures of success are determined for the policy and that these are written into the policy and regularly referred to and measured in the future to guide each stakeholder in their area of responsibility.*

3.3 SPORTT's Strategic Plan shows the contributions required of its functional departments for effective and successful delivery. In all instances, key input requirements of the Strategic Plan had not been entered, for example, there was no information relating to:

- 2011 Baseline Data;
- Two-year targets for 2012, 2014 and 2016; and
- Time frames for completion of annual activities over a five-year period.

The Strategic Plan does not provide specific and measurable performance indicators to enable SPORTT's reporting of success in the delivery of its objectives. This has been the situation since 2012 and the position remains the same as at June 2014.

3.4 SPORTT originally submitted an incomplete Strategic Plan dated 15<sup>th</sup> February 2012, for approval by its Board of Directors, the Ministry of Sport and the Ministry of Finance and the Economy. More than two years later, the Strategic Plan is not approved and is still in its incomplete state. SPORTT has yet to appropriately address the gaps and finalise its Strategic Plan.

3.5 In 2012, a Parliamentary Joint Select Committee conducted an inquiry into SPORTT. In June 2012, the Committee published its report, which included the following recommendation:

- *The completion of a strategic plan within the next three months which will facilitate the alignment of responsibilities and prescribe yearly operational goals.*

SPORTT prepared a draft Strategic Plan in February 2012, that is, before publication of the Joint Select Committee's Report in June 2012. However, despite the Joint Select Committee's recommendation, SPORTT has made no progress in defining annual specific and measurable operational goals. SPORTT has failed to implement the Joint Select Committee's recommendation.

3.6 SPORTT publishes an annual Administrative Report designed to show achievements gained throughout the respective year. The last Report published was in 2012. SPORTT highlights individual in-year sporting activities in its Administrative Report. There is no comparison with results from previous years or with appropriate annual targets. Given

the absence of baseline data and targets, SPORTT is unable to measure progress in activities and achievements that appropriately demonstrate success with respect to total participation and elite performance in sport.

## Rationale for the Sporting Facilities

3.7 As noted above, SPORTT is responsible for implementing programmes for Total Participation in Sport and High Performance Sport. Funding for these programmes is provided by the Ministry of Finance and the Economy or is sourced by loans from the local private sector or internationally (**Figure 8**). Each programme was recommended by the Ministry of Sport and received Cabinet approval. The programmes comprise 182 projects, with an estimated cost of \$2.3 billion. We examined the high expenditure projects, representing just over 99 per cent of the overall estimated cost of \$2 billion, as follows:

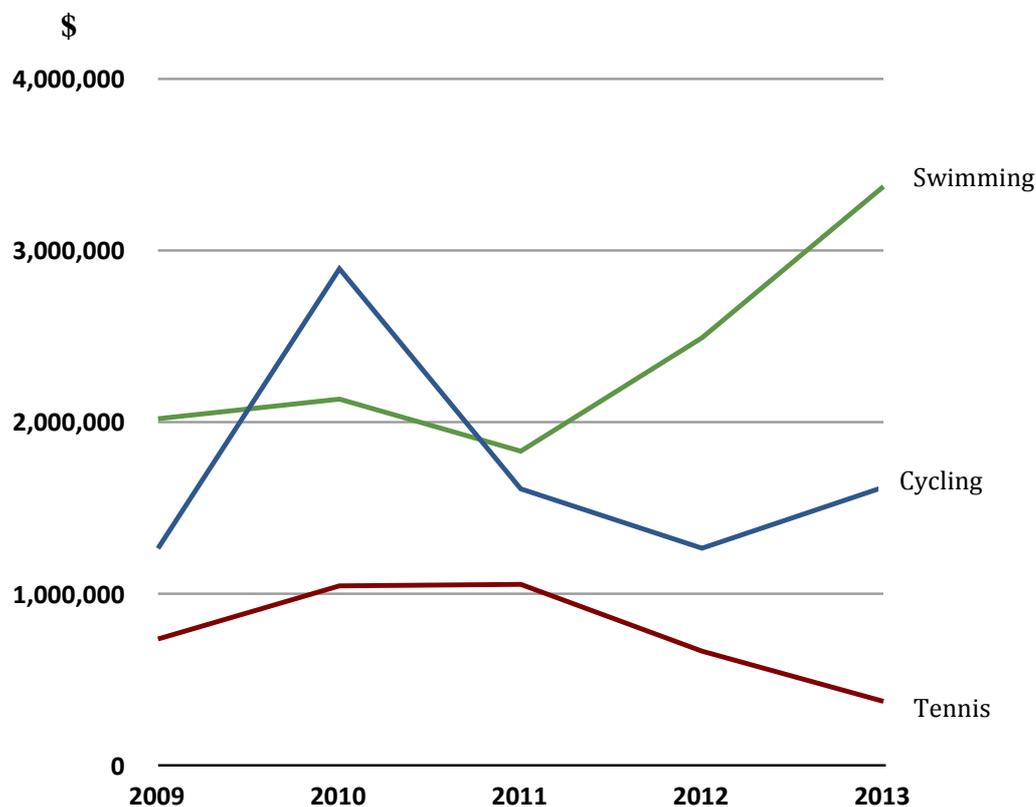
**Figure 8: Funding for Total Participation in Sport and High Performance Sport**

<b>High Expenditure Projects</b>	<b>Estimated Cost (\$ million)</b>	<b>Expenditure September, 2013 (\$ million)</b>
<b>National Facilities</b> including the Aquatic Centre, Cycle Velodrome, Tennis Centre and three Multi-purpose Centres	842	190
<b>Regional Recreation Grounds</b> including parks and spaces	827	35
<b>Local Corporation Grounds</b>	380	68
<b>Total</b>	<b>2,049</b>	<b>293</b>

3.8 The Ministry of Sport, in justifying the development and construction of the National Facilities, points to the development of infrastructure to increase the level of participation in various sporting disciplines. The Ministry of Sport also highlights the need to develop, on an incremental scale, potential athletes for national and international sporting events at all levels. Additionally, the Ministry of Sport is supporting sporting participation through the development of regional recreation grounds and local corporation grounds. Neither the Ministry of Sport nor SPORTT has defined Performance Indicators or data to measure previous and future growth in any sporting discipline in Trinidad and Tobago. The source for an understanding of sports participation in Trinidad should be ideally the National Sporting Organisations. SPORTT is

currently funding 14 National Sporting Organisations, although prior to and including 2013, it was 16. For the period 2009-2013, SPORTT allocated nearly \$143 million to the 16 National Sporting Organisations, which represents nearly 28 per cent of recurrent expenditure (**Figure 9**).

**Figure 9: SPORTT Funding to the 16 National Sporting Organisations 2009-2013**



**Source:** SPORTT summary of releases and expenditure statement

3.9 The National Sporting Organisations are responsible for the sustainable growth and development of their respective sports. They are required to submit to SPORTT their strategic plans, annual operational and action plans, annual budgets and evidence of annual general meetings, together with their funding requests before funds are allocated. Despite the submitted documentation that enables funding, SPORTT does not have:

- Accurate contact information for the individual National Sporting Organisations;
- Data relating to athlete participation numbers; and
- Data to show whether participation in a particular sport is increasing or not.

- 3.10 Although the National Sporting Organisations submit annual documentation to capture funding, SPORTT does not agree medal-based targets or review and report performance against them. Consequently, SPORTT is unable to report the effectiveness of its allocations of funding in a measured way. Additionally, SPORTT is not working with the National Sporting Organisations to capture athletes' views on whether its investment is beneficial at the competitive level. For example, the extent to which coaching, training and competition are making a difference or at a sufficiently high standard.
- 3.11 SPORTT and the Ministry of Sport, in not collecting relevant basic data, are unable to determine the extent of total participation in sport or whether high expenditure on a select group of projects is going to result in positive outputs and outcomes.
- 3.12 In contributing to its objectives of increase in total participation in sport and high performance sport, the Ministry of Sport recommended in 2007 the construction of three major sporting facilities: the National Aquatic Centre, National Cycle Velodrome and National Tennis Centre. Neither the Ministry of Sport nor SPORTT was able to provide a clear rationale for selecting these three sporting disciplines. It was noted that , during the development period of these three major sporting facilities, SPORTT's funding to the relevant National Sporting Organisations was inconsistent (**Figure 9**). A plausible rational approach would have resulted in SPORTT funding being consistent and in accordance with the priority being given to the three selected projects. For the period 2009-2013, SPORTT's contribution in the three areas highlighted was as follows:
- Swimming increased from just over \$2 million to nearly \$3.4 million, equivalent to 67 per cent;
  - Cycling increased from nearly \$1.3 million to just over \$1.6 million, equivalent to 28 per cent; and
  - Lawn Tennis reduced from \$736,914 to \$373,747 equivalent to nearly 51 per cent.

### **Justification for the national projects in delivering elite performance**

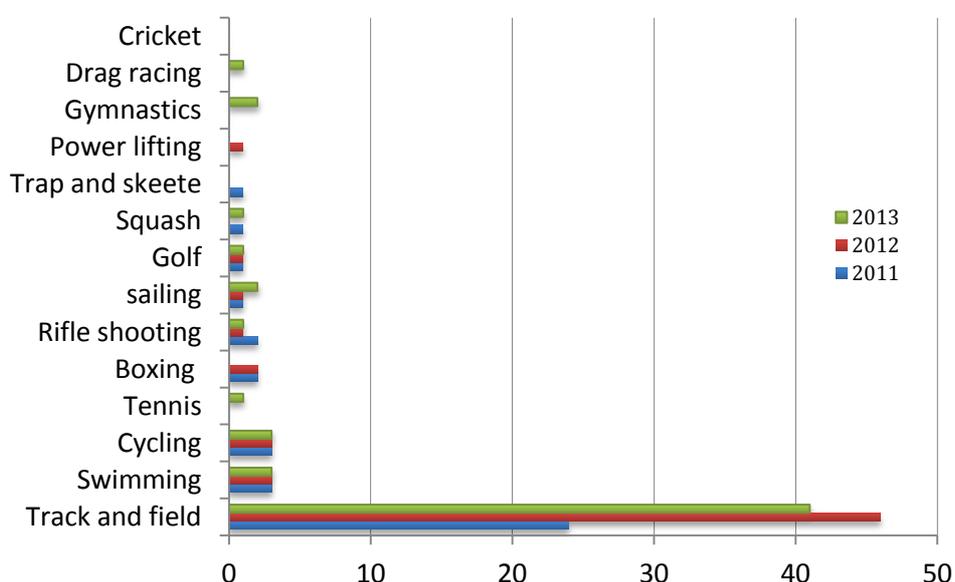
- 3.13 High Performance Sport, by its very nature, tends to focus on an elite set of athletes. A country's position on the Medal table is an important indicator of achievement with the benefit that it is widely understood by stakeholders and the public. Despite this understanding, SPORTT is not making use of this key indicator appropriately as part of its performance measurement framework. Additionally, in granting funding to the National

Sporting Organisations, there is no well-defined strategic approach. For example, funding could be based on previous medal performance and future winning potential.

3.14 In 2013, Track and Field accounted for the majority of elite athletes in Trinidad and Tobago, with a total of 41 or 79 per cent (**Figure 10**). In contrast, during the period 2011-13, the numbers of elite athletes for the three National Facility sporting disciplines were:

- **Swimming:** three in each of the years 2011-2013
- **Cycling:** three in each of the years 2011-2013
- **Tennis:** one in 2013 only.

**Figure 10: Number of Elite Athletes**



3.15 SPORTT has an important role in developing elite performance, but a clear strategic rationale would be to concentrate funding on those sports likely to win medals. The Ministry of Sport and SPORTT investment in the Aquatic Centre, Cycle Velodrome and Tennis Centre present the related sports as a priority on the basis of allocation of resources. The winning medal records for Trinidad and Tobago would suggest that athletics is the key strategic sport for which resources should be allocated. For example, 14 of the 18 medals won in the Olympic Games since 1948 were in athletics (**Figure 11**).

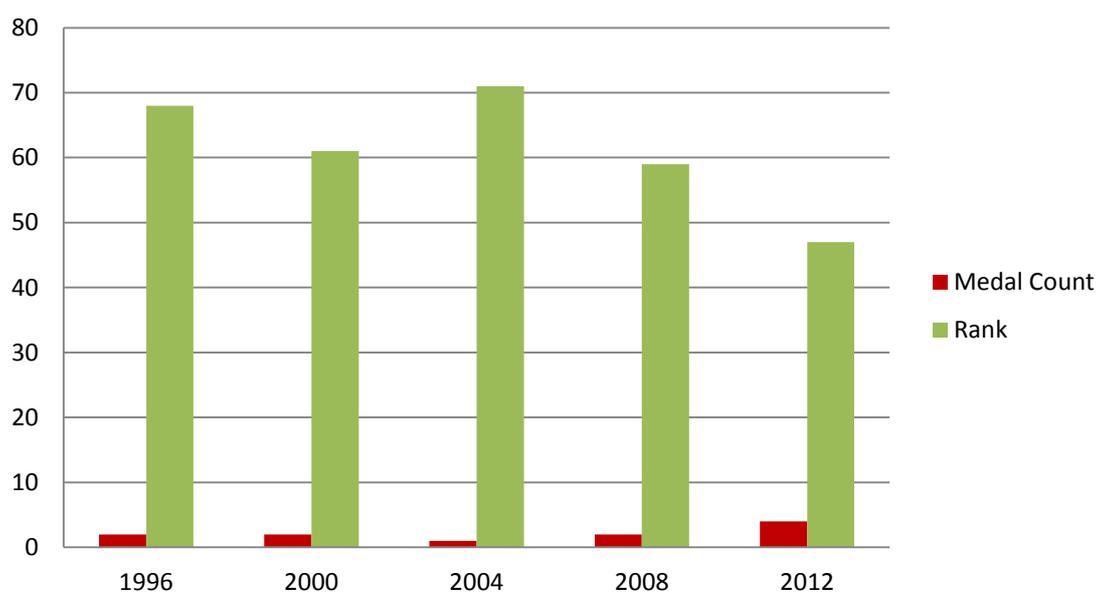
**Figure 11: Olympic Games Medal Performance**

Olympic event	Olympic year	Medal count
Athletics	2012, 2008, 2000, 1996, 1976, 1964	14
Swimming	2004	1
Weightlifting	1952, 1948	3

**Source:** Data Compiled by the Auditor General’s Department

3.16 Despite SPORTT’s non-strategic approach, Trinidad and Tobago’s Olympic Games ranking has improved from 71 in Athens in 2004 to 47 in London in 2012 (**Figure 12**). Similarly, during SPORTT’s involvement since 2004, the overall medal count has risen from one in 2004 to four in 2012.

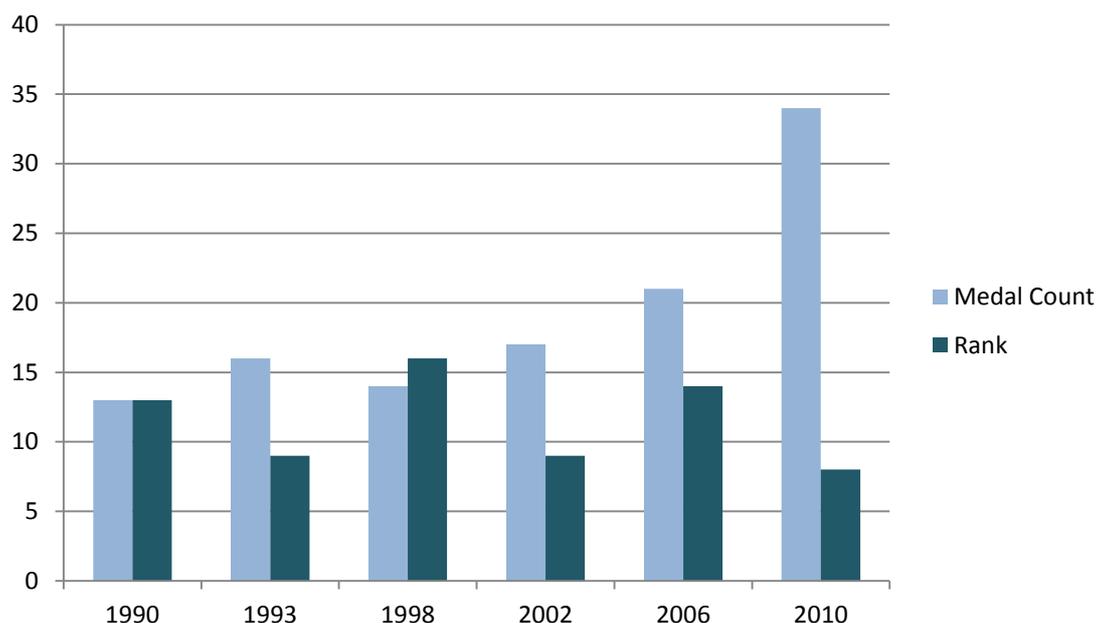
**Figure 12: Olympic Games Medal Count and Ranking 1996-2012**



**Source:** Data Compiled by the Auditor General’s Department

3.17 The Caribbean and Central American Games provide interesting data for linking medal and ranking performance. We reviewed the overall medal results (Gold, Silver and Bronze) for the years 1990-2010 (**Figure 13**). Medal performance has increased since 1998, with 2010 producing the highest overall medal tally of 32 since 1990. SPORTT’s positive influence would have been in the lead up to the 2008 and then the 2010 Games. Although Trinidad and Tobago’s ranking performance has been inconsistent over the period 1990-2010, the rise-fall pattern culminated with the best ranking of eight in 2010.

**Figure 13: Caribbean and Central American Games Medal Count and Ranking 1990-2012**



**Source:** Data Compiled by the Auditor General's Department

3.18 Despite the relative overall success for both the Caribbean and Central American Games and the Olympic Games, SPORTT has operated an inconsistent and non-strategic approach to supporting elite performance in sport. During the period 2009-2013, SPORTT's allocation of direct funding to elite performance was nearly \$1.4 million, which represents less than 1 per cent of recurrent expenditure (**Figure 14**). However, for the three years 2009-2011, SPORTT did not allocate any funding to elite performance.

**Figure 14: SPORTT Funding to Elite Performance and Youth Sport Camps 2009-2013**

Year	Elite performance \$	Youth sport camps \$
2013	396,418	31,331,457
2012	974,065	16,349,376
2011	0	2,710,499
2010	0	16,625,416
2009	0	17,420,339
<b>Total</b>	<b>1,370,483</b>	<b>84,437,087</b>

3.19 In addition, SPORTT runs annual youth sports and Easter camps. SPORTT's broad objective for the camps is to identify talented athletes and give them the opportunity for further training and development. However, SPORTT does not have a systematic approach for talent progression which leads to future medal success. In 2011, the penultimate year for the London 2012 Olympic Games when interest was peaking, SPORTT did not run any sport camps. In 2009, 25,000 children participated in the camps, but this reduced to 14,112 children in 2013, a decrease of 43 per cent. However, the costs of running the camps over the same period increased from \$17.4 million in 2009 to \$31.3 million in 2013, an increase of 80 per cent (**Figure 14**). In 2011, the \$2.7 million relates to prior year expenditure which has not been substantiated.

3.20 We found that SPORTT has no clear published participation or elite performance rationale for the investment in the three National Facilities, as shown by:

- No understanding of current or projected participation numbers;
- No evidence of growth, as well as limited elite performance capability; and
- Inconsistent SPORTT approaches in terms of funding the three National Facilities, National Sporting Organisations, elite performance, and youth camps.

### **Justification for the National Facilities in encouraging sport tourism**

3.21 A key objective of the Ministry of Sport's 2011-2015 Strategic Plan is to enable Trinidad and Tobago to become a premier destination for sport tourism. In delivering this objective, the Ministry of Sport has undertaken the development and upgrading of several sporting facilities, including the National Facilities. Sport tourism was first defined in the National Tourism Policy 2010, which provides for the future growth of the tourism industry in Trinidad and Tobago.

3.22 The National Sport Policy states that the Ministry of Tourism shall collaborate with the Ministry of Sport in matters relating to sport tourism. As a result in February 2013, the Ministry of Tourism, Tourism Development Corporation, Ministry of Sport and SPORTT, came together to formulate a Sport Tourism Policy. At the date of this Report the Policy is still a draft document awaiting publication and implementation.

## Part Four – SPORTT development, construction and upgrade of facilities

### Ministry of Sport’s role in delivering the National Facilities

- 4.1 Public sector procurement is important because failure to purchase goods and services cost effectively can put the achievement of key objectives and services at risk. Typically, large public sector projects are inherently risky and they can often run over long timescales. Consequently, a strategic approach is essential, with a clear link between procurement goals and the achievement of policy and business objectives. We have established that SPORTT has been operating without a well-defined strategic approach.
- 4.2 The management of these capital projects, and the resolution of any problems, rests with SPORTT. However, the Ministry of Sport has a substantial investment in the delivery of projects that link to both theirs and SPORTT’s main objectives and, as such, they should be concerned to ensure successful completion of projects. SPORTT’s history of frequent changes in Board Directors, Chief Executive Officers and staff generally has not contributed to effective delivery of the National Facilities.
- 4.3 The Ministry of Sport’s role, in monitoring SPORTT to ensure that projects are properly managed, adequately financed, built to an appropriate standard and deliver the benefits intended, has not been sufficiently gripped. We found that there has not been sufficient focus on the problems and risks that would flow from effective project development and monitoring, which have been manifested in the various project delivery schedules. For the high expenditure projects that we reviewed, progress has been slow in terms of the building works completed. We reviewed the delivery history of the National Facilities in the next section.

### Progress on delivering the National Facilities has been slow

- 4.4 Development and construction of the three National Facilities in cycling, swimming and tennis has a long history of Ministry of Sport requests, Cabinet approvals and SPORTT lack of delivery (**Figure 15**).

**Figure 15: Cabinet approvals for National Facilities – Timeline**



#### **October 2007: First Cabinet approval**

- The Ministry of Sport recommended, and Cabinet approved, the development and construction of three National Facilities with an initial estimated cost of \$120 million (**Figure 15**).
- SPORTT was expected to implement the projects over a two-year period beginning in fiscal year 2008 with Ministry of Finance funding.

#### **October 2009: Second Cabinet approval**

- Two years later, SPORTT had not made any progress in delivering the three National Facilities, with the result that Cabinet's approval had effectively lapsed.
- In October 2009, the 2007 exercise was repeated with the Ministry of Sport recommending and Cabinet approving the request for design-build services and project briefs relating to the construction of the three National Facilities.
- Neither the Ministry of Sport nor SPORTT has maintained proper records that include copies of the project briefs and their associated costs.

#### **March 2011: Third Cabinet approval**

- 17 months after Cabinet's October 2009 approval, SPORTT had made no progress in delivering the three National Facilities.
- In March 2011, three years and five months after the initial request, the Ministry of Sport recommended to Cabinet the development of the same National Facilities with an estimated cost of \$570 million, equivalent to an increase of 375 per cent (**Figure 15**).
- The Ministry of Sport, informed us that the increased cost of the three National Facilities was as a result of changes to the project's scope and design, relocation, as well as inflationary cost due to delays in beginning construction.
- The Cabinet Minute did not specify a time frame for the development and construction of these Facilities.

- The locations of the three National Facilities were initially planned as follows:
  - Mount Hope - Aquatic Centre;
  - Mucurapo - Cycle Velodrome; and
  - Tacarigua - Tennis Centre.
- Following a technical review of two of the Facilities (the Aquatic Centre and Cycle Velodrome), the Ministry of Sport decided to interchange the respective locations to better reach the target population.
- Despite the approval of Cabinet, SPORTT did not proceed with the relocation.
- SPORTT and the Ministry of Sport have not maintained proper records and as a result cannot provide evidence of changes to scope and design, the technical review and associated rationale for the 375 per cent increase in estimated cost.

#### **May 2013: Fourth Cabinet approval**

- More than five and a half years after the original Cabinet approval in October 2007, the Ministry of Sport recommended, and Cabinet approved, the relocation of the National Aquatic Centre and the National Cycle Velodrome to Couva.
- The shift from Mount Hope and Mucurapo to Couva necessitated a Ministry of Sport's request for increased funding of \$107.5 million. The estimated cost of the three National Facilities increased from \$570 million in March 2011 to \$677.5 million in May 2013, an increase of nearly 19 per cent.

**Figure 16: Increase in estimated cost of the National Facilities**

<b>Project</b>	<b>Start date</b>	<b>Estimated end-date</b>	<b>Estimated cost (2007) (\$ million)</b>	<b>Estimated cost (2011) (\$ million)</b>	<b>Increase (\$ million)</b>	<b>Percentage increase</b>
National Aquatic Centre, Mount Hope	22/09/2011	30/05/2015	65	175	110	169
National Cycle Track, Mucurapo	22/09/2011	01/05/2015	30	255	225	750
National Tennis Centre, Tacarigua	22/09/2011	09/01/2015	25	140	115	460
<b>Total</b>			<b>120</b>	<b>570</b>	<b>450</b>	<b>375</b>

## Managing effective delivery

4.5 The projects are currently under way and, as at the end of the 2013 fiscal year, total expenditure was nearly \$170 million (**Figure 17**). However, SPORTT has not managed effectively, the delivery of the National Facilities. This is evidenced by the repeated requests for Cabinet approval beginning October 2007. SPORTT has not put in place appropriate risk assessment, management and processes to ensure the delivery of the projects on time. For example, risks, related to the impact of costs in changes of design and location have not been considered and mitigated against. This is further evidenced by SPORTT's decision to acquire land near the Ato Boldon Stadium, since March 2011, for the Aquatic Centre and the Cycle Velodrome. The land acquisition process is currently ongoing between the Ministry of Sport and the Commissioner of State Lands. Despite the non-finalization of the acquisition, Cabinet gave approval in May 2013 for the relocation of the two Facilities to Couva. With estimated costs increasing to \$677.5 million (**Figure 15**), SPORTT has not ensured value for money in the delivery of these Facilities.

**Figure 17: National Facilities Expenditure 2010-2013**

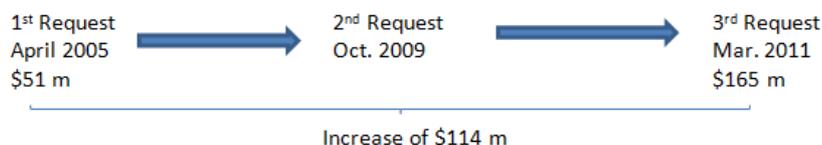
Project	2010 (\$ million)	2011 (\$ million)	2012 (\$ million)	2013 (\$ million)	Total (\$ million)	Ministry of Finance and Economy releases (2010- 2013) (\$ million)
Aquatic Centre	0.3	0.2	9.8	51.6	61.9	69.4
Tennis Centre	0.3	0.2	7.9	19.0	27.4	25.7
Cycle Track	0.3	0.4	15.7	64.0	80.4	81.8
<b>Total</b>	<b>0.9</b>	<b>0.8</b>	<b>33.4</b>	<b>134.6</b>	<b>169.7</b>	<b>176.9</b>

Source: Auditor General's Department summary of SPORTT data

## Multi-purpose Facilities

4.6 As with the three previously reviewed National Facilities, there is a long and changing delivery history for the development and construction of the Multi-purpose Facilities (**Figure 18**).

**Figure 18: Cabinet Approvals for Multi-Purpose Sport Facilities Timeline**



#### **April 2005: First Cabinet approval**

- The Ministry of Sport recommended and Cabinet approved the development and construction of three Multi-purpose Facilities located at Arima, Diego Martin and Sangre Grande.
- The total estimated cost was \$51 million.

#### **October 2009: Second Cabinet approval**

- Nearly four and a half years after April 2005, the Ministry of Sport again recommended to Cabinet, designs and project briefs for the same Multi-purpose Facilities.

#### **March 2011: Third Cabinet approval**

- Cabinet approved the relocation of the Multi-purpose Facilities to Charlieville, Couva and Fyzabad.
- The revised estimated cost of the relocated Facilities was \$165 million. The projected cost increase was \$114 million representing almost two and a quarter times the April 2005 budget.

4.7 SPORTT failed to deliver the three Multi-purpose Facilities as approved by Cabinet in March 2011. Further, the Ministry of Sport reported to the Joint Select Committee Inquiry in January 2012, that it intended to invest in the construction of the three projects over the next two years, i.e. by January 2014. As at September 2013, and despite SPORTT's \$20.5 million expenditure in consultancy and other fees, construction of the Multi-purpose Facilities has yet to begin in Charlieville, Couva and Fyzabad.

4.8 A further complication is that subsequent to Cabinet approval in March 2011, \$18.6 million (incurred in 2012-2013) being part of the \$20.5 million expenditure over the period 2010-2013 is being used to construct three Multi-purpose Facilities instead in Aranguez Savannah, Jerningham Junction (Cunupia) and Sangre Grande. SPORTT's change of the location of the Multi-purpose Facilities, was not recommended by the Ministry of Sport, and not approved by Cabinet.

## Development and upgrading of Regional Recreation Grounds, Parks and Spaces

4.9 The Regional Recreation Grounds are intended to be community-based resources. The Recreation Grounds should accommodate various sporting disciplines, such as football, cricket, basketball, netball, swimming and track. Consistent with all of the National Facilities, there has also been an involved delivery history for the development and upgrade of the Regional Recreation Grounds (**Figure 19**).

**Figure 19: Cabinet approvals for Development and Upgrading of Regional Recreation Grounds**



### April 2005: First Cabinet approval - \$60 million

- The Ministry of Sport recommended and Cabinet approved the development and construction of five Regional Recreation Grounds:
  - Brian Lara Ground, Santa Cruz;
  - Diego Martin Recreation Ground;
  - Mahaica Oval, Point Fortin;
  - Pleasantville, San Fernando; and
  - Toco Recreation Ground.
- The total estimated cost was \$60 million.

### August 2007: Second Cabinet approval - \$75 million

- Nearly two and a half years after April 2005, the Ministry of Sport recommended and Cabinet approved an increase of \$3 million for each of the Regional Recreation Grounds.
- The total budget for the five Regional Recreation Grounds increased from \$60 million to \$75 million, equivalent to 25 per cent. The Ministry of Sport described the \$15 million increased costs as due to its changes to the original design proposals and failure to account for Value Added Tax and consultancy fees (**Figure 19**).

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**February 2010: Third Cabinet approval - \$413 million**

- The Ministry of Sport recommended and Cabinet approved the development and construction of seven additional Regional Recreation Grounds, at an estimated cost of nearly \$413 million, located, as follows: Chaguanas, Cunupia, Marabella, Point Fortin, Siparia, San Fernando and Sangre Grande.
- SPORTT awarded a design/build contract to an American company for the construction of the seven additional Regional Recreation Grounds at a cost of \$412.7 million.
- SPORTT cancelled the contract.
- Neither SPORTT nor the Ministry of Sport produced records to substantiate whether payments were made to the company and to determine if there was a penalty clause built into the contract.

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**March 2011: Fourth Cabinet approval - \$1 billion**

- The Ministry of Sport recommended and Cabinet approved that SPORTT should initiate a tender procurement process to select a contractor for the development of 16 Regional Recreation Grounds (now called Sporting Centres) at a total estimated cost of over \$1 billion, to be located in the following areas: Chaguanas, Couva, Cunupia, Endeavour, Fyzabad, Malabar, Maraval, Moruga, Mayaro, Marabella, Penal, Princes Town, Point Fortin, Siparia, Sangre Grande and Tacarigua.

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**July 2012: Fifth Cabinet approval - \$496 million**

- The Ministry of Sport recommended and Cabinet approved that funding of \$496 million be sourced from a loan on the local market to cover the costs of the development and construction of the following nine of the 16 Regional Recreation Grounds: Siparia, Penal, Malabar, Princes Town, Tacarigua, Santa Cruz, Cunupia, Carapo and Diego Martin.

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**May 2013: Sixth Cabinet approval - \$752 million**

- The Ministry of Sport recommended to Cabinet revised estimated costs of \$752 million for the development and construction of the nine Regional Recreation Grounds. However, Cabinet approved only four of the nine Regional Recreation Grounds at the revised cost of \$495 million. This represented an increase of \$230 million or 87 per cent on the July 2012 Cabinet approved expenditure of \$264.5 million.

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**May 2013: Seventh Cabinet approval - \$257.4 million**

- The Ministry of Sport recommended to Cabinet revised estimated costs of \$257.4 million for the development and construction of the remaining five of the nine Regional Recreation Grounds as stated in the July 2012 approval, this represented an increase of \$26 million or 11 per cent.
-

4.10 In December 2013, \$495.9 million was obtained through a 17-year fixed rate bond from ANSA Merchant Bank Limited. The balance of \$256 million was to be funded from the Ministry of Finance and the Economy.

4.11 Over the nine-year period since April 2005 that SPORTT has been developing Regional Recreation Grounds, none has been completed. Of the nine Regional Recreation Grounds being developed, construction work has begun on six, at a cost of \$35.5 million as at September 2013, this represents 4.7 per cent of the total estimated cost of \$752 million.

### **Construction of facilities in the same locality**

4.12 SPORTT is currently undertaking development works on Multi-purpose Facilities at locations in Aranguez, Cunupia and Sangre Grande, which have not been approved by Cabinet. One of these locations, Cunupia has also been approved by Cabinet for the development and upgrade of a Regional Recreational Ground.

4.13 The construction of both Multi-purpose Facilities and Regional Recreation Grounds in the same locality is likely to result in the underutilization of facilities. Instead attention should be focused in developing sporting facilities throughout Trinidad to meet the Government's objective of "Sport for All".

### **Local Corporation Grounds**

4.14 SPORTT is acting as project manager for the rehabilitation and upgrade of Local Corporation Grounds. Consistent with other Programmes, there have been several Cabinet decisions for the rehabilitation and upgrade of Local Corporation Grounds:

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#### **February 2010: First Cabinet approval**

- The Ministry of Sport recommended and Cabinet agreed to the rehabilitation and upgrade of 32 grounds at an estimated cost of nearly \$54.3 million.
- SPORTT started work on six of the Corporation Grounds with actual expenditure totalling \$2.7 million. SPORTT did not start work on 26 of the grounds, i.e. 81 per cent.

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#### **March 2011: Second Cabinet approval**

- One year later, the Ministry of Sport recommended and Cabinet agreed to the rehabilitation and upgrade of 46 Corporation Grounds at an estimated cost of almost \$133 million. Of the 46 Grounds, seven were from the original 32.
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- Between February 2010 and March 2011, SPORTT did not start work on the rehabilitation and upgrade of 19 of the original 32 Corporation grounds.
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**September 2012: Third Cabinet approval**

- The Ministry of Sport recommended and Cabinet agreed to the rehabilitation and upgrade of a further 55 grounds at an estimated cost of just over \$190 million.
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**November 2012: Fourth Cabinet approval**

- The Ministry of Sport recommended and Cabinet agreed to the rehabilitation and upgrade of a further 7 grounds at an estimated cost of \$3 million.
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4.15 As at September 2013, the Ministry of Sport mandated SPORTT to undertake rehabilitation and upgrade works on 133 Local Corporation Grounds. SPORTT is currently managing the rehabilitation and upgrade of 104 Local Corporation grounds, of which 42 (40 per cent) have been completed. SPORTT's total expenditure in delivering these projects for the period 2010-2013 was \$68 million.

4.16 SPORTT's management of finance in developing appropriate budget estimates for projects is manifestly weak. For example, SPORTT started work on 104 grounds and delivered 42 of the 133 projects at a total cost of \$68 million. SPORTT has spent only 18 per cent of the total Cabinet approved budget of \$380 million. Consequently, SPORTT is not setting realistic budgets which would present potential problems for the Ministry of Sport and the Ministry of Finance and the Economy in the management of public finance.

4.17 As part of our review in November – December 2013, we visited 19 of the Corporation Grounds, representing a sample of 18 per cent. The situation with respect to these 19 Corporation grounds is as follows :

- Ten had been completed;
- Work was in progress on three;
- Work was yet to commence on four;
- One had been abandoned, and
- One is the subject of a legal matter.

Figure 20 illustrates examples of completed, partially completed and failed Local Corporation Grounds projects.

Figure 20: Case studies

<p><b>Beucarreau Recreation Ground</b></p>  <p>4<sup>th</sup> December, 2013</p>	<ul style="list-style-type: none"> <li>• Beucarreau Recreation Ground is one of the recently completed grounds.</li> <li>• SPORTT handed it over to the Regional Corporation in 2014. It was in acceptable condition with functioning facilities.</li> <li>• Total expenditure was \$5,011,169.</li> </ul>
<p><b>Morne Diablo Recreation Ground</b></p>  <p>5<sup>th</sup> December, 2013</p>	<ul style="list-style-type: none"> <li>• Morne Diablo Recreation Ground is currently under construction.</li> <li>• During December 2013, the construction works were more than half completed. Works were still ongoing in constructing the football ground and perimeter fence.</li> <li>• As at 31<sup>st</sup> December 2013, total expenditure was \$1,986,594.</li> </ul>
<p><b>Grande Riviere Recreation Ground</b></p>  <p>5<sup>th</sup> November, 2013</p>	<ul style="list-style-type: none"> <li>• In February 2007, SPORTT awarded a contract to D&amp;L Contracting, for just over \$2.4 million, to undertake construction works at Grande Riviere Recreation Ground. The completion date was April 2008. Payments in excess of \$2 million (93 per cent of the contract value) were made, but SPORTT did not ensure completion of the works.</li> <li>• In March 2012, five years later, SPORTT awarded a contract for almost a quarter of a million dollars to Exeqtech Limited for consultancy services. SPORTT paid \$125,000, but the project was not completed.</li> <li>• In March 2013, SPORTT contracted another company at a cost of \$307,000 for design works.</li> <li>• The works are unfinished and deteriorating.</li> </ul>

## Part Five – Agency’s Comments

1. By letter dated 15<sup>th</sup> September 2014, the draft Report of the Auditor General of the Republic of Trinidad and Tobago on a “Special Audit on the Operations of the Sports Company of Trinidad and Tobago with particular reference to the development and upgrading of Sporting Facilities in Trinidad” was forwarded to the Acting Chief Executive Officer for information and comments.
2. By letter dated 7<sup>th</sup> October 2014 a response was received, some extracts of which are reproduced hereunder.

### **“FUNDING AND PROJECTS**

It should be noted that SPORTT received less than half of our requested budget and as such were unable to complete targeted and projected works on multiple projects. The issue lies within our funding allocation and the lengthy process by which funds are released. Given the necessary resources SPORTT will then be in a position to complete planned and realistic targets. “

### **“COMMUNICATION POLICY**

Please note that SPORTT currently has a DRAFT Communication Policy document.... However, we are currently awaiting approval by the Board of Directors once they are installed.”

### **“AUDITED FINANCIALS**

Please note that the SPORTT has submitted all Audited Financials for as far back as 2005-2013 to the Ministry of Finance which are essential to probity and public accountability.”

### **“ADMINISTRATIVE REPORT**

Please note that the last Administrative report – Administrative Report **2013** was published and submitted to the Ministry of Sport in June 2014, within the stipulated timeline. The 2014 report is due for submittal in June 2015.”

3. Further comments were received by letter dated 16<sup>th</sup> October 2014. Some extracts are reproduced hereunder.

**Executive Summary – Page 7, Paragraph 4a.**

“... At the Board meeting held on 14th May 2014, during discussions about a Strategic Plan, the CEO reported that as far as he was aware there was a strategic plan and he thought so because a plan was forwarded to the Ministry of Sport. However the Board informed the CEO that they never approved any Strategic Plan. In fact no Board minutes reflect any Strategic Plan being approved by the Board. The conclusion was that the Strategic Plan had been forwarded prematurely.

The Board requested a revamp and review of the strategic plan and this was done on a number of occasions by the Management Team but no approval was granted. The draft plan has been used as a guideline for the company and an action plan was developed based on the adjusted draft plan.”

**Recommendations**

- **Financial Statements – Page 13, Paragraph 14**

“... SPORTT is well aware of its duty to produce financial statements on a regular basis. The last Board and Raymond-led staff had to do not only the financial statements for their tenure but also those which should have been completed and submitted by previous Boards and staff. It is highly commendable that the financial statements are up to date especially since for seven (7) years previous Boards failed to produce any.”

- **Organizational Structure – Page 21, Paragraph 2.1**

“This states that prior to 2012 SPORTT had no approved organizational structure. An org structure was presented to the Board in 2012 and approved. However this is not the final approval that is required. The CEO then had to forward that structure to the line Ministry (MOS) for comments and then onward forwarding to the relevant Parliamentary Committee for final approval. The org structure was forwarded to the MOS, but no information was given to SPORTT with respect to approval.”

- **Organizational Review and Redesign Exercise – Page 23, Paragraph 2.8**

“The Organizational Review and Redesign Exercise was implemented by the then CEO, Mrs. Margaret Birch Sampson with the advice of the then Legal Corporate Secretary, Mr. Errol Ashby (it was not implemented by the Board because this is not an executive Board. The initiative was that of the MOS. The BOD would have known but it is Margaret Birch Sampson and Errol Ashby who implemented and liaised with De Edge Consulting).

With respect to the statement that "SPORTT did not keep records of the contractual agreement, consultant reports or payments to De Edge" - this is not a fair statement. The persons who would have received the reports or agreements and executed the agreement with De Edge were the then CEO Margaret Birch Sampson and Mr. Errol Ashby. If the contractual agreement and reports were not left in their offices or they never forwarded it to the document control or accounts, how can anyone else be blamed for that but them.”

- **Strategic Plan – Page 28, Paragraph 3.4**

“In June 2012 a Parliamentary Joint Select Committee recommended the completion of a strategic plan. A draft plan had been done in February 2012 and was forwarded to Ministry of Sport for approval, this however was without the official approval of the BOD. The draft and the redrafts done since have been the strategic guide of the company since 2012.”

# Appendix 1

## Methodology

1. The aim of our study focused on SPORTT's operations, with particular emphasis on the delivery of the high expenditure sporting facilities and the extent to which the Government's objective of Sport for All is being achieved.
2. The main elements of our fieldwork which took place between October 2013 and March 2014, are listed below:
  - Interviews and discussions with key personnel of the Ministry of Sport and SPORTT;
  - Review of documentation at the Ministry of Sport and SPORTT;
  - Review of Cabinet Minutes;
  - Analysis of financial data at the Ministry of Sport and SPORTT;
  - Focus group of SPORTT's staff; and
  - Site visits to a sample of the projects.

## Interviews and discussions held with key personnel

3. **Ministry of Sport:** The interviews and discussions covered the Ministry's roles and responsibilities in relation to SPORTT. These interviews and discussions were held with the:
  - Permanent Secretary;
  - Deputy Permanent Secretary;
  - Senior staff of the Monitoring and Evaluation Unit; and
  - Members of the Finance department.
4. **SPORTT:** We interviewed the Chief Executive Officer, Chairman's Assistant, Corporate Secretary, and Heads of the following Departments/Units:
  - Accounts;
  - Corporate Communication;
  - Human Resources;
  - Procurement;
  - Projects; and
  - Sports Development and Performance.

These interviews were held with a view to assessing whether SPORTT is allotting sufficient time to the financial planning and risk management in the development and implementation of projects.

### **Review of Cabinet Minutes**

5. Analysis of Cabinet Minutes was done in order to track all approvals and map the expenditure identified per facility.

### **Document review at the Ministry of Sport and SPORTT**

6. We reviewed key documents relating to the Ministry of Sport oversight function as the line ministry for SPORTT. We reviewed documents relating to both its strategic and operational functions.

### **Focus group**

7. We conducted a focus group with a cross section of SPORTT's staff. The session included discussions on several areas such as staff concerns, accounting records, document control, project management, procurement and human resources.

### **Site visits**

8. Site visits were made to 26 sporting facilities to determine their various state of completeness and whether there was any construction of facilities in the same locality.

## Appendix 2

### Bibliography

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  - Ministry of Sport; A Change Assessment Report; February 2012
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6. Life Sport Programme Implementation, 18<sup>th</sup> March, 2013
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  - Infrastructure Development Fund (IDF) Expenditure Statement 2009-2012
  - The Sport Development and Performance Unit: National Government Bodies Performance Report, October 2012 to September 2013
  - Revised Policy Guidelines for the Grant of Financial Assistance to High Performance Athletes, March 2010
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11. SPORTT Financial Statements for financial years 2007-2011
12. Trinidad and Tobago Football Federation: Five year Development Plan 2010-2015 in pursuit of Global Excellence

