

INVESTIGATION INTO
NATIONAL CONSERVATION AUTHORITY
(NCA)

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Acknowledgements

First of all we would like to thank the Permanent Secretary of the Ministry of Social Transformation for demonstrating that level of unwavering confidence in the competence of the investigating team. We are particularly thankful to the Board and Management of the National Conservation Authority (NCA) for the unconditional access to accounting and other confidential documents, and the assistance given to us whenever the need arose.

Special thanks go to the accounting staff. Ms. Gabriella Regis and Mrs. Yvette Marshall are singled out for their patience in locating documents for the investigating team. Mrs. Geneva Destang cannot go unnoticed in the efficient manner by which she arranged appointments for the Lead Investigator.

Finally, we would like to thank everyone who took time from their very busy schedules to be interviewed; all of whom showed great courtesy and patience.

Executive Summary

This report addresses the following terms of reference:

Terms of Reference

Inquiry into the Management & Operations of the National Conservation Authority

1. The investigator will conduct a comprehensive management audit of the National Conservation Authority from the period 2001 to present.

The Investigator shall:

- (a) Investigate allegations of mismanagement and improper conduct levelled against, the General Manager of the National Conservation Authority, Mr. Henry Charles.
- (b) Determine whether the Board of Directors of the National Conservation Authority has effectively exercised its mandate in accordance with the provisions of the National Conservation Authority (NCA) Act, No.16 of 1999.
- (c) Investigate how confidential information from the NCA became public.

Chapter 1, the first part of the report, gives a historical background of the National Conservation Authority and also its outlined functions and mandate.

Chapter 2 deals with the methodology used in doing this research, which is as follows:

(i) The examination of the available financial records of the NCA for the periods April 1, 2000 to March 31, 2001; April 1, 2001 to March 31, to 2002; April 1, 2002 to March 31, 2003; April 1, 2003 to March 31, 2003; and April 1, 2004 to December 31, 2004.

(ii) The examination of the minutes of meetings of the Authority and other management reports.

(iii) Face to face interviews were conducted with the following:

- The National Conservation Authority Board
- The Chairman of the NCA Board
- The Staff of the National Conservation Authority
- The Former Permanent Secretary of the Ministry of Social Transformation
- The Permanent Secretary of the Ministry of Social Transformation
- The General Manager of the NCA
- The Senior Accountant, Ministry of Social Transformation
- Nineteen Members of the Public
- Mr. Claudius Francis at a Public Hearing

(iv) A telephone interview with a Royal Bank employee in St. Kitts

In chapter 3 allegations of mismanagement and improper conduct levelled against the General Manager were addressed. Included in these allegations were a list of findings, which the Accountant submitted as a result of an internal investigation commissioned by the NCA Board and allegations coming from the general public. The investigating team, however, treated these as simply allegations. Thus, all allegations, which spanned a period of four years from April 2000 to December 2004, were thoroughly investigated chronologically on a financial year basis.

Financial Year 2000/2001

This chapter also examined the accounts with a view to determine whether the principles of accounting were adhered to. The adherence to the dictates of the NCA Act was also carefully examined.

It was observed that there were no financial statements prepared for 2000/2001. Cheques were not written sequentially which resulted in extreme difficulty in the determination of missing cheques, if any. It was also difficult to arrive at a true cash balance for the following reasons:

- (i) Bank reconciliation was not done for the period
- (ii) Some records were incomplete and/or missing.

In summary the findings for 2000/2001 suggest that there needs to be a reconciliation of the funds allocated from Government to the NCA and what is reported in the NCA's accounts.

A summary of the key recommendations to address the above deficiencies include:

That bank accounts be reconciled monthly so that the true cash balance can be determined at all times. Cheques should be issued sequentially.

That the Board and management comply with the requirements of Section (14)1 Part IV of the National Conservation Authority Act.

With respect to the allegations applicable to the period 2000/2001, there were not sufficient evidence to give credence to some allegations; however, there were some cases, which warranted specific recommendations.

- **Allegation involving the awarding of two contracts to Ms. Cepal for a sum in excess of what is normally paid**

With respect to the allegation involving the awarding of two contracts in the amount of \$2,600.00 each to Ms. Cepal, which were far in excess of what is normally paid, the findings did not suggest that there was an over payment to Ms. Cepal. However, it appeared that the proper accounting procedure was not adhered to.

The following recommendation will seek to address this lapse in the application of proper accounting procedure:

Recommendation

That the Accounts Department satisfy itself that accompanying and relevant documentation is presented before cheques are written or payments made. An authorized person should certify accompanying documents before payment is processed. It is the responsibility of management to effect control mechanisms to minimise the incidence of fraud and error.

- **The sale of used Gym equipment to the National Conservation Authority by Ms. Cepal**

The findings indicate that the sale was legitimate; however, there was a lapse in the application of standard procedures in effecting the purchase.

Recommendation

There should be a policy governing the purchase of equipment or any capital expenditure of a specified limit. For the purchase of used equipment, management should present a recommendation to the Board for its consideration and approval.

For the purchase of any equipment, in excess of an amount to be determined by the Board, at least three quotations should be secured from established dealers. This will safeguard the integrity of any purchase and rule out any possible element of partiality.

- **The issue of granting advances to Board members and members of staff**

The findings revealed that advances are granted to Board members and staff of the NCA. However, the system of recovery of these advances is non systematic and ineffective. A recommendation to that effect follows:

Recommendation

It is not unusual for advances to be granted to employees of an organization; however, there should be a policy governing the granting of advances, for consistency and the prevention of abuse.

A section of the monthly management reports should include the current status of advances and balances outstanding to the NCA. A proper system of recovery should be in force to protect the Authority's cash resources.

The outstanding advance of \$4000.00 since 2001 should be recovered from the Chairman, Mr. Antonious Gibson.

- **The issue of nepotism on the part of management**

The findings did not reveal any clear case of nepotism. However, the following recommendation should be noted.

Recommendation

There should be a system where there is greater involvement of the Human Resource Committee in the employment of persons on the programme to ensure that there is objectivity and non-partiality.

Financial Year 2001/2002

For financial year 2001/2002 there were similar issues with the accounts, like the non-preparation of financial statements, the need to reconcile the cash contributions received from Central Government and what is reported by the NCA.

The following allegations and issues are applicable to this financial year:

- **The payment to Daniel Louis for the procurement of radios for the use of the Rangers**

The findings revealed that Daniel Louis was paid by bank draft #61944 on January 17, 2001 (*Appendix 7*) the sum of USD11,357.46, local equivalent EC\$30,857.08.

The ordered items on one invoice for the sum of USD425.25 (*Appendix 8*) were confirmed received by the NCA office. However, the radios and accessories have not been received to date.

Recommendation

There was a judgement lapse by management on this transaction. It is recommended that a sight draft facility be used so that both importer and exporter can get the requisite protection when orders are made from overseas.

The recovery of the amount of USD10,491.46 from Mr. Daniel Louis should be pursued.

- **The purchase of cellular phones from a company that is non-existent and a company's cheque cashed by General Manager**

The findings revealed that a company registered under the name H&M Holding existed in 2001. The cellular phones were purchased from the Company. The proceeds of the cheque went into the Company's account and was not cashed by the General Manager.

A bank official by letter dated 10th February 2005 confirmed that the proceeds of this cheque was actually deposited in the H&M Inc. account at the Royal Bank (*see appendix 12*).

- **The allegation of Mr. Joseph Sylvester working on the General Manager's estate and paid as an employee of the NCA**

The findings revealed that Mr. Joseph Sylvester is now dead. Consequently, the investigation into this allegation proved to be inconclusive due to Mr. Sylvester's unavailability as a result of him being deceased.

- **Celia Moise who it is alleged, works at the South-East Constituency Office and paid by the NCA**

The investigation revealed that Celia Moise is an employee of the NCA. Management confirmed that she is employed as a coordinator in the South East constituency. She coordinates ongoing projects in that constituency.

- **It is alleged that gaming licence application forms for a prospective Jamaican hotelier was paid for, using NCA funds but has not been refunded to date.**

The findings revealed that a \$500.00 cheque in favour of St. Lucia Gaming Authority was issued by the NCA for the payment of forms for a prospective hotelier to be reimbursed (*see appendix 15*).

Recommendation

Part 4 Section 12 (1) of the Act states: “The Authority shall apply its fund towards the discharging of its obligations or performing its functions under this Act.”

It does not seem that this was an appropriate application of the National Conservation Authority’s funds. It is recommended that the Authority comply with Part IV, Section 12 (1) of the Act.

Financial Year 2002/2003

Similar issues as obtained in previous years existed in 2002/2003. Financial statements were not prepared; however, one acknowledges the improvement shown in the preparation of reconciliation statements for the main account.

- **It is alleged that during the financial year 2002/2003 the General Manager borrowed \$600.00 from the cash on hand; the amount was never returned**

The investigation revealed that there were missing receipts books; consequently, it was difficult to determine the accuracy of any missing cash.

There is no written record of an advance to the General Manager. The General Manager denied any knowledge of this advance and stated that this had never been brought to his attention.

Recommendation

That handing-over statements be prepared and signed by both parties, i.e. the officer handing over and the officer taking over. The handing over document must also be witnessed and signed by a member of management or anyone appointed to play the role of witness.

- **It is alleged that an employee of the NCA undertook duties at a restaurant owned by the General Manager, Henry Charles in 2003 during working hours and paid for by the NCA**

The findings confirmed that Mr. Henry Charles owned and operated a restaurant in 2003. There were two cooks employed at the Restaurant. The records revealed that Miss Helen Jeremy is on the NCA payroll. Miss Jeremy stated that she held on for one of the cooks during banana harvesting days. The cook in question confirmed that Miss Jeremy held on for her at the restaurant on harvesting days.

Recommendation

Part IV Section 12 (1) of the Act states: “The Authority shall apply its fund towards the discharging of its obligations or performing its functions under this Act.”

The Manager should seek to refund the Authority the four harvesting periods, which is equal to four working days that the cook confirmed Miss Jeremy held on for her at Mr. Charles’ restaurant.

Financial Year 2003/2004

For the financial year 2003/2004 Bank reconciliation statements for the main account were prepared.

Management reports were available for that period, however, like the other years financial statements were not prepared for the period. There were no reconciliation statements for the Beautification Account.

- **The issue of phantom employees relating to a case of seven persons paid by cheque**

The Electoral Office confirmed that there were names that were not listed as electors. While the letter from the Electoral Office indicated that some names were not listed as electors, there were valid contracts for the employees.

The findings revealed that there were contracts and it would appear that the payees endorsed all the cheques.

Recommendation

Persons at all times must have valid I.D cards before contracts are issued to them.

Accounting Period April-December 2004

There is an improvement in the daily cash receipt reporting system. The immediate banking of monies received is noted for the period April to December 2004. In particular, an imprest system for petty cash has been established. The Authority has also prepared a Draft Financial Procedures Manual to guide its financial operations.

- **The allegation that Annette Christopher who was relieved of her job at the NCA for embezzlement was re-employed later by the Authority**

The investigation confirmed that Ms Annette Christopher was dismissed by the NCA for embezzlement in April 2004. She was, however, re-employed on the Beautification Programme in November 2004.

There is no policy governing the re-employment of any individual who has been dismissed for embezzlement at the NCA.

Recommendation

Section 6 (1) of the NCA Act states that the Board may, with the approval of the Minister, appoint staff at remuneration and upon terms or conditions as it thinks necessary for the proper carrying out of the functions of the Authority under this Act.

According to public policy no officer who has been dismissed from the public service, shall be re-employed in any capacity without prior approval of the appropriate Service Commission.

It is therefore recommended that there be established policies at the Board level on the re-employment of dismissed officers.

- **Allegations and issues emanating from Mr. Claudius Francis' submission**

Two new allegations were brought to the attention of the investigating team relating to:

- (a) Sabina Leonce George
- (b) Magna points rewards

The findings on the Sabina Leonce George issue indicated that Miss Leonce George was paid from the Beautification Account.

The Manager, interviewed on March 1, 2005, expressed that he has no knowledge of who Sabina Leonce George is. He also stated that there are over one thousand persons employed on the STEP Programme, and for obvious reasons he would not know every individual employed under the STEP/Beautification Programme.

He further explained that there is a process by which persons are employed on the Programme. That is, the Parliamentary Representatives are the ones who submit their quota of names to the NCA after which contracts are drawn up for each individual employee.

Mr. Francis stated that he has in his possession a statement from Magna's Regional Head Office showing thousands of dollars in payments to Mr. Charles over the past few years. He further stated that his investigations revealed that whenever a vehicle of the Authority had to be supplied with petrol the card presented to the service station was Mr. Charles'.

The investigation revealed that Mr. Charles, the General Manager, is in possession of a Magna card.

The Accounts Section confirmed that there is a system whereby the driver is given a fuel voucher denomination of \$40.00 depending on the need for refuelling.

Ms. Doreen Gustave, a member of the investigating team, got in touch with Mr. Francis with a view to obtain copies of the documents relating to the two above issues, but to no avail. Mr. Francis then spoke with the Lead Investigator and promised to deliver copies of the documents relating to Sabina Leonce George, but declined making available documents on the Magna claims.

Copies of cheques relating to Sabina Leonce were delivered under confidential cover from the Office of Mr. Francis to the Lead Investigator. No documentation on the Magna card was received.

A letter received from the Manager, Magna Rewards St. Lucia Ltd. dated March 3, 2005, confirmed the Magna transactions from the inception of the Magna program in St. Lucia. The bulk of the spending was done at one of the participating supermarkets. The Magna card has not been in use since May 2003. The total value of cheques redeemed was \$115.10 (*see appendix 19A*).

Chapter 4 addresses the remaining objectives of the report and that include the following:

- **Determine whether the Board of Directors of the National Conservation Authority has effectively exercised its mandate in accordance with the provisions of the National Conservation Authority (NCA) Act, No.16 of 1999**

According to the NCA Act, the Board is supposed to undertake certain responsibilities to fulfil its mandate under the Act.

Reference may be made to section 1.1 of the report for a detailed listing of the specific responsibilities under the Act.

The Board's mandate is very clear in the Act. As regards the functions under the Act, which was mentioned earlier in the report, the Board did execute part of its mandate as is evident in the conservation of the natural beauty, and the topographic features of Saint Lucia by the planting of flowers and roadside landscaping.

Discussions with the Board, suggest that there were efforts in attempting to exercise its mandate in accordance with the Act. However its efforts, it is claimed, were frustrated by the management deficiencies of the General Manager.

However, the Board may not have been too successful in:

- (i) The provision of lifeguard service on a beach in St. Lucia.
- (ii) Advising the Minister on the recreational facilities at certain locations in the country.

Board members of the NCA also openly expressed that the Board had no power.

- **Determine how confidential information reached the public domain**

In summary one should first establish the authorised holders of keys to the building and offices. The next step was to work through a process of elimination. While one may not find any hard-core evidence as to how documents left the Accounts Section; however, there is circumstantial evidence.

The Accountant and the Senior Assistant Accountant are the only holders of keys to the Accounts Section and the Accountant's Office; consequently, they are ultimately responsible for any missing documentation. While they may not be solely responsible for disseminating information verbally to the public, however, for the accounting documents, they are responsible for its security and safety.

In a meeting on February 28, 2005 with Mr. Dylan Bourne and Ms. Anthia Bernadine, they agreed and established that they were the only ones privy to the information involving the cheque about Sabina Leonce George, which subsequently appeared on Mr. Francis' submission.

Mr. Bourne confirmed that he made the discovery during the course of the Ministry's appointed investigation.

Ms. Bernadine admitted that she gave the cheque to Mr. Bourne on his instruction, but no report accompanied the cheque. Whatever update made on his list of findings with this particular information was done by himself.

- **General recommendations for the effective and efficient operation of the National Conservative Authority**

Some general observations and recommendations may be made for the effective and efficient operation of the NCA as follows:

(1) Consideration may have to be given to the present composition of the NCA Board with a view to having a more balanced and focused Board. Some of the NCA Board members should be retained on the proposed reconstituted Board because of their demonstrated competence.

(2) The role of the Board should be clearly defined. The Board should not get unduly involved in the operational aspects of the Authority. The Board should concentrate its efforts on policy direction.

(3) The post of the General Manager should be retained in the proposed new NCA structure. The General Manager should be responsible for the overall management of the Authority and should report to the NCA Board.

(4) The day to day operational activities of the NCA has to be overseen by a competent Administrative Officer, with this person serving as Board Secretary. He/ she will report to the General Manager.

(5) An Operations Manager should be added to the proposed structure of the NCA. The Operations Manager should have responsibility for, inter alia, the development of parks, management of beaches, clearing activities etc. He should report to the General Manager.

(6) A qualified and competent Accountant should supervise the Accounts Section. The Accountant should be capable of implementing the necessary controls and accounting procedures to minimise the incidence of fraud and error. Persons appointed to the Accounts Department should be carefully selected. These officers should also have an appreciation for confidentiality where accounting documentation and information are concerned.

(7) The development of a proper public awareness programme is paramount to dispel negative notions about the NCA. The public should be made aware of the benefits derived

from the Authority. The role of the NCA in the development process of the country should be enunciated.

(8) It is recommended that a Restructuring Committee be set up with the Permanent Secretary of the Ministry of Social Transformation as chairperson. This Committee should seek to reform the National Conservation Authority to meet its mandate under the Act.

(9) It is further recommended that the restructuring be immediately commenced and that all employees at the NCA's Head Office be severed, after which suitably qualified persons be employed in accordance with the requirements of the Act. A process of advertising the different positions at the Authority should be adopted and applications invited.

(10) It is recommended that a three-man Interim Committee be put in place to oversee the operations of the NCA during the restructuring. This Committee should be mandated to report to the Minister of Social Transformation.

(11) The operational activities of the NCA should continue while the restructuring is being undertaken. It will be necessary to retain some officers in position to facilitate the transition.

Chapter 1

1. Introduction

1.1 General background

The National Conservation Authority Act, No. 16 of 1999 provides for the establishment of a National Conservation Authority in Saint Lucia. This replaced The Parks and Beaches Commission Act of 1983, which was repealed.

The functions of the National Conservation Authority (NCA) are:

- (a) to conserve the natural beauty and topographic features of Saint Lucia;
- (b) to remove derelict objects from a beach or a protected area;
- (c) to control, maintain or develop a beach or protected area or a public access to a beach or protected area;
- (d) to provide, as it think fit, a lifeguard service on a beach in Saint Lucia;
- (e) to secure sanitary conditions on a beach or protected area;
- (f) to maintain or assist in maintaining beach facilities;
- (g) to advise the Minister on-
 - (i) the construction of beach and ancillary recreational facilities;
 - (ii) the control of the construction in any protected area on any beach, of huts, booth, tents, sheds, stands, stalls, bath houses, shops or other structures (whether movable or immovable);
 - (iii) the removal of anything from the ocean bed which is likely to cause encroachment by the sea; and
 - (iv) the protection of the coastline of Saint Lucia from erosion or encroachment by the sea;
- (h) to beautify a public place and a protected area with fauna and flora;
- (i) to advise the Minister on an area to be declared as a protected area;
- (j) to enter into written agreement with the owners or occupiers of land for the right of access to a protected area.

The principal activity of the Authority is to control, maintain and develop the public parks, gardens and beaches of St. Lucia.

Finances of the Authority

The funds and resources of the NCA consist of:

- (a) Monies paid to its accounts out of monies voted by Parliament;
- (b) Monies accruing from the operations of the NCA.
- (c) Monies borrowed by the NCA for the purpose of its functions; or
- (d) Other monies available to the NCA from sources approved by the Minister.

Accounts and Audit

The Act stipulates that proper accounts and adequate financial records be kept to the satisfaction of, or in accordance with the direction of the Director of Audit or an auditor appointed for the purpose of auditing the accounts;

All information in relation to the operation of the Authority must be provided at the request of the auditor.

The NCA shall within six months of the end of each financial year, submit to the Minister a report containing:

- (a) an account of the activities and transactions of the Authority throughout that financial year in such detail as the Minister may direct.
- (b) A statement of accounts of the Authority for that financial year audited.

1.2 Terms of Reference

Inquiry into the Management & Operations of the National Conservation Authority

1. The investigator will conduct a comprehensive management audit of the National Conservation Authority from the period 2001 to present.
 - (a) Investigate allegations of mismanagement and improper conduct levelled against, the General Manager of the National Conservation Authority, Mr. Henry Charles.
 - (b) Determine whether the Board of Directors of the National Conservation Authority has effectively exercised its mandate in accordance with the provisions of the National Conservation Authority (NCA) Act, No.16 of 1999.
 - (c) Investigate how confidential information from the NCA became public.

1.3 Scope of investigation

The period to be covered by this investigation is April 2000 to March 2004 and April to December 2004. In the event that the investigation of any item leads to a period outside of this date, the Investigator will extend the scope of the investigation as required, after consultation with the Permanent Secretary of the Ministry of Social Transformation.

1.4 Objectives

- (a) To ascertain whether there is evidence of mismanagement and improper conduct on the part of the General Manager of the National Conservation Authority, Mr. Henry Charles.

- (b) To determine whether the Board of Directors of the National Conservation Authority has effectively exercised its mandate in accordance with the provisions of the National Conservation Authority (NCA) Act, No.16 of 1999.

- (c) To find out how confidential information from the NCA became public.

Chapter 2

2. Design and methodology

For the purpose of this investigation the following were examined:

(i) The available financial records for the periods April 1, 2000 to March 31, 2001; April 1, 2001 to March 31, 2002; April 1, 2002 to March 31, 2003; April 1 2003 to March 31, 2004; and April 1, 2004 to December 31 2004.

(ii) The minutes of the meetings of the NCA Board and other management reports.

The second stage in achieving the objectives of the report was done by face-to-face interviews. Face-to-face interviews were conducted with the following:

- The National Conservation Authority Board
- The Chairman of the Board
- The National Conservation Authority (NCA) staff
- The Former Permanent Secretary of the Ministry of Social Transformation
- The Permanent Secretary of the Ministry of Social Transformation
- The General Manager of the NCA
- The Senior Accountant, Ministry of Social Transformation
- Nineteen Members of the Public
- Mr. Claudius Francis at a Public hearing with

Chapter 3

3. Findings

The approach in reporting the findings and possible recommendations will be adopted on a financial year basis.

We noted that the National Conservation Authority did not operate a fully functional accounting system during the financial years 2000/2001 and 2001/2002. The absence of a functioning accounting system made it difficult to classify incurred expenditure accurately. Lack of internal controls also made it difficult to trace financial transactions.

3.1 Financial year 2000/2001

Financial statements were not prepared for 2000/2001. Cheques were not written sequentially which resulted in extreme difficulty in the determination of missing cheques.

It was also difficult to arrive at a true cash balance for the following reasons:

- (i) Bank reconciliation was not done for the period.
- (ii) Some records were incomplete and/or missing.

In summary the findings for 2000/2001 suggest that there needs to be a reconciliation of the funds allocated from Government to the NCA and what is reported in the NCA's accounts.

Management's Response

There was no accountant during the period 2000/2001; only an accounts clerk manned the section.

The Accountant informed that the financial statements for period 2000/2001 will be submitted in 2005 and is currently working on its preparation.

Recommendations

- (i) The accounts of the NCA should be reconciled with the Accountant General's records to correctly reflect the funds received.

- (ii) The bank reconciliation be done monthly. Cheques should be issued sequentially.

- (iii) The Authority operates two bank accounts namely the General Operating Account and the Beautification Account. These accounts should be reconciled monthly so that the true cash balance can be determined at all times. Cheques should be issued sequentially.

- (iv) The Authority complies with the requirements of the National Conservation Authority Act, Section (14)1 Part IV, which states that 'The Authority shall within six months of the end of each financial year, submit to the Minister a report containing:
 - (a) An account of the activities and transactions of the Authority throughout that financial year in such detail as the Minister may direct; and

 - (b) Provide at the request of the auditor, all information within his or her knowledge in relation to the operation of the Authority.

3.1.2 Alleged Questionable Payments

The following cheques were all issued on the same day and cashed at Royal Bank:

<u>Name of Payee</u>	<u>Cheque #</u>	<u>Date</u>	<u>Amount</u>
Stephen Augustin	718559	15/12/00	\$1,500
Anthony Drakes	715149	15/12/00	900
Julianus Felix	715145	15/12/00	600
Urius Pierre	715155	15/12/00	600
Germanus Cherry	715156	15/12/00	600
Alan Melchor	715222	15/12/00	200

Findings

The examination of these NCA cheques drawn on the National Commercial Bank of Saint Lucia, were all cashed at the Royal Bank of Canada. With the exception of Allan Melchor who has an account at the Royal Bank, the remaining payees do not have accounts at the Bank. In seeking clarification from the Bank, an official at the Bank interviewed on January 28, 2005, explained that it is unusual to cash cheques for persons drawn on another bank; however, one must have an account with the bank where the cheque is cashed, in this case Royal Bank. In the absence of an account, there must be special approval from a supervisor.

Mr. Stephen Augustin, an employee of the bank at the time, is currently based at a Royal Bank Branch in St. Kitts. At the time of these transactions he was a supervisor who authorized the cashing of these cheques. His initials are on all the cheques, which is part of the Bank's procedure for authorising the payment of cheques that are drawn on another bank.

A cheque in the name of Stephen Augustin for \$1,500.00 was confirmed cashed by him. The five cheques listed above were all cashed on December 15, 2000.

The investigation also revealed that Mr. Stephen Augustin held a contract as driver for the disposal of garbage for \$1500. A cheque #718559, dated December 15, 2000 (see appendix 2) endorsed by Mr Augustin confirms his receipt of the amount.

The authenticity of the remaining payees could not be immediately determined because there was the absence of any identification features; no N.I.S or other identification numbers on the reverse side of the cheques, which under normal circumstances would have been inscribed before cashing. This, however, is a standard procedure for cashing cheques over-the-counter where the payee's ID number or social security number is required for the cashing of cheques more so, the cashing of cheques that are drawn on another bank.

In a telephone interview on Friday, February 25, 2005 with Mr Stephen Augustin, he stated that he was not a holder of a contract, rather his 4-wheel drive pickup was contracted by Nestor Petit to transport garbage under the Beautification Programme, for which he was given a cheque for \$1,500.00 from the NCA. He further stated that he recalls receiving only one payment of \$1,500.00 and no other payments.

In an interview on March 7, 2005 with Mr. Nestor Petit, a field officer on the Beautification Programme, he informed the Lead Investigator that he had a job to dispose of the garbage generated from the cleaning. He had his own transport at the time to do the disposal; however the General Manager, Mr. Charles advised that he should not use his own transport since this may be interpreted as a conflict of interest. He then engaged Mr. Stephen Augustin's 4-wheel drive pickup in the disposal of the garbage. For this he was paid \$1,500.00.

On the issue regarding the cashing of cheques on behalf of persons who did not have accounts at the bank and the cheques that were drawn on another bank, Mr. Petit explained that he was a part-time employee of Royal Bank and he knew Mr. Augustin very well. Consequently, Mr Augustin facilitated him and the other members of his gang by initialling those cheques thereby authorising payment. He explained that this is in perfect order as long as there is recourse.

Management's Response

Management confirmed that payments would have been made on the basis of the list of names submitted on the contract forms. Cheques would be written in favour of the contracted names and the coordinator would collect and distribute cheques to the workers.

Management, however, explained that this procedure was subsequently reviewed on the recommendation of the Director of Audit. There is now an arrangement in place for someone from the office to go out and pay. This arrangement has been in force since 2004.

Recommendation

The system of distributing cheques should be further reviewed. Persons collecting cheques should present their identification (I.D.) cards before a cheque is given out. Anyone collecting a cheque on someone else's behalf should present a signed letter of authorisation with the person's I.D. card numbers. The I.D. numbers of the authorised person should be inscribed on the authorisation letter.

3.2 Investigation into allegations of misconduct specific to the financial year 2000/2001

3.2.1 Allegation no.1

Ms. Esther Cepal, it is alleged, received two cheques in the sum of \$2600.00 each dated December 7, 2000 and December 21, 2000. These represent payments to the driver for the Christmas Beautification Programme. The normal payment to a driver as claimed by the Accountant was \$1,000.

Findings:

Two cheques were written in favour of Esther Cepal drawn on National Commercial Bank *(see appendix 3)*:

Cheque # 402356 dated December 7, 2000 for \$2,600 was cashed by Ms. Esther Cepal on December 12, 2000.

Cheque # 718687 dated 21st December 2000 for \$2,600 was also cashed by Ms. Esther Cepal on December 28, 2000.

Completed contract forms could not be found for the garbage disposal jobs, neither were there certified bills from the NCA field officer.

Esther Cepal, when contacted and interviewed on the January 26, 2005, explained that she was the recipient of two contracts from the NCA for the removal of soils, the disposal of debris, the cutting of grass, and also the trimming of overhanging branches alongside the road in the Vanard Community for \$2,600.00 each. She also stated that she had several persons employed with her including her mother, and brother whose pickup was engaged in the transporting of soils and debris; Sylvester Joseph (deceased); Alexander Cepal; and one Peter was also on the job. When asked whether the work done was worth the money received, she replied, 'After I was through paying everybody there was hardly anything left for myself.'

Mr. Duncan Sylvester, who was the Field Officer/Supervisor at the time for the area, explained that there was value for money and extensive work was done. He confirmed that the work output was much more than what is normally done for the usual \$1,000.00.

General Manager's Response

The General Manager, Mr Henry Charles, in response to the circumstances surrounding this transaction explained that in fact, Miss Cepal was given two contracts to do work in the Vanard Community. The contract payment was \$2,600.00 each.

He further explained that while the contract was in the name of Miss Cepal, her whole family, including her brother, the driver of pickup truck Reg. #TA10 which the family owns, were involved in executing the job. When asked whether he got value for money, and that monies paid to her was commensurate to the work that she did, his response was ‘I got value for money.’ When ask what sort of relationship existed between himself and Miss Cepal in 2000 the date of the transaction, his candid response was ‘there was no existing relationship, intimate or otherwise.’

His testimony corroborated with that of Miss Cepal.

Recommendation

The Accounts Department should satisfy itself that accompanying and relevant documentation is presented before cheques are written or payments made. An authorized person should certify accompanying documents before payments are processed. This is to ensure that services contracted for, have been satisfactorily delivered, or the goods have been correctly received. It is the responsibility of management to effect proper control mechanisms to minimise the incidence of fraud and error.

3.2.2 Allegation no.2

It is alleged that NCA Board members facilitated themselves with advances and also authorized advances to employees of the National Conservation Authority.

Findings

There was reason for the Lead Investigator to go beyond the scope of the investigation with the permission of the Permanent Secretary. In researching the policy on advances at the NCA, the Investigator found out that two advances of \$5,000 and \$2,500 were given to Board members Jahto Mahal and St. George Samuel respectively; these advances have been repaid. Further investigation revealed that an amount of \$5,000 was advanced to Chairman Gibson in August 2001 to be recovered from his monthly Chairman’s fees. There were also on record, advances granted to staff as recent as December 2004 for example, Joseph Antoine (*see appendix 4*).

The Accountant was questioned on the existing policy on advances; he stated ‘We have had reasons to grant advances to Board Members depending on the circumstances, at the direction of management.’

The Accountant explained that it is precedent not policy that staff have been granted loans; however, there is a system of recovery.

The Chairman, Mr. Antonius Gibson concurred with the Accountant, and reiterated ‘it is not a board policy but an in house arrangement between the General Manager and myself.’ He went on to explain the circumstances under which advances are granted and made reference to emergency cases like the incidence of fire, sickness, or death in the family.

Further probing revealed that the system of recording advances was grossly inadequate. The advance of \$5,000.00 given to the chairman was not recorded anywhere except for the payment voucher and the cleared cheque from the bank (**see appendix 5**).

There were no payments towards the clearing of the advance throughout the remainder of the year 2001. The only payments on record towards the advance were \$500.00 in January 2002 and \$500.00 in February 2002. The balance of \$4,000 remains outstanding (*see appendix 5*).

Recommendations

It is not unusual for advances to be granted to employees of an organization. However, there should be a policy governing the granting of such advances, to allow for consistency and the prevention of abuse.

A section of the monthly management reports should include the current status of advances and balances outstanding to the NCA. A proper system of recovery should be in force to protect the Authority’s cash resources.

The outstanding balance of \$4,000.00 should be recovered from the Chairman.

3.2.3 Allegation no.3

It is alleged that Ms Esther Cepal received a cheque for \$6,500 dated March 23, 2001 for the sale of used home gym equipment. This equipment was received defective and never became fully functional.

Findings

The Gym equipment, comprising the following items:

- 1 York 2000
- 1 Gym Bench
- Gym Weights
- 1 York Bicycle
- 1 Tread-Mill
- 2 Bars

was sold to the National Conservation Authority; reference cheque #400714 dated March 23 2001 for \$6500 issued in favour of Esther Cepal (there was no breakdown of cost for the different pieces of equipment).

Corporal Eugene certified the bill as being correct before the actual purchase (**see appendix 6**).

In an interview with Miss Cepal on January 26, 2005, she confirmed that she operated a Gym. However, business was not as anticipated; consequently, she decided to close business and offer the equipment for sale. She then went on to explain that Mr. Eugene, the head of the Ranger Unit at the time, came to inspect the equipment and certified that it was in good working condition and recommended its purchase to the management of the NCA. When asked whether any of the pieces of equipment was defective, she answered emphatically ‘No, most of the equipment was relatively new.’

The investigator went in search of the equipment and on December 30, 2005, contacted Mr. Kim Louis, the head of the ranger unit at the Police Headquarters. Mr Louis explained the circumstances leading up to the point of transfer of the ranger unit to the Police.

Mr Louis led the investigator to where the equipment was located. He stated that all the equipment were transferred from the Walcott Building with the exception of two pieces of equipment that were defective, the bicycle and the Treadmill. These, he said, were not carried over because of their non-functional state.

It would seem that Board approval for the purchase of the Gym equipment was not sought, as a decision to that effect could not be found in the Board's minutes.

Management's Response

The General Manager informed the Lead Investigator that there was a policy for the rangers to be engaged in physical exercises. Constable Eugene, the head of the Ranger Unit was made aware of a Gym that was no longer operational. Consequently, Mr Eugene went to see the available equipment offered for sale by Miss Cepal.

The General Manager stated that prior to 2001 there was nothing in place to govern expenditure in excess of \$5,000.

Recommendations

- (i) There should be a policy governing the purchase of equipment or any capital expenditure of a certain limit.

- (ii) For the purchase of used equipment management should present a recommendation to the Board for its consideration and approval.

For the purchase of any equipment in excess of an amount to be determined by the Board, at least three quotations should be secured from established dealers. This will safeguard the integrity of any purchase and to rule out any possible element of partiality.

3.2.4 Allegation no.4

It is alleged that a cheque #403663, dated March 2, 2001, written in favour of Madonna Flavien, who was the step daughter of the General Manager at the time did not work on the Beautification Programme. However, the General Manager instructed that this amount be shown as wages under the Beautification Programme, although she never worked on any such programme.

Findings

Madonna Flavien received a payment of \$400 as per cheque # 40663, dated March 1, 2001. There was no written contract form for this individual.

Management's Response

‘This was a legitimate payment, and there was no nepotism involved; she was one of the unemployed who was given employment under the beautification programme.’

Recommendation

There should be a system where there is greater involvement of the Human Resource Committee in the employment of persons on the various programmes to ensure that there is objectivity and non-partiality.

3.3 Financial year 2001/2002

Similar issues as obtained in the previous years existed in 2001/2002 financial year, financial statements were not prepared. Cheques were not written sequentially which resulted in extreme difficulty in the determination of missing cheques if any. There were no bank reconciliation statements as a result it was extremely difficult to arrive at a true cash balance for the same reasons as noted above.

Recommendations

- (i) The accounts of the NCA should be reconciled with the Accountant General's records to correctly reflect the funds received.

- (ii) The Bank reconciliation be done monthly so that the true cash balance can be determined at all times. Cheques should be issued sequentially.

- (iii) The Authority complies with the requirements of the National Conservation Authority Act section (14) 1 part IV, which states that 'The Authority shall within six months of the end of each financial year, submit to the Minister a report containing:
 - (a) An account of the activities and transactions of the Authority throughout that financial year in such detail as the Minister may direct; and

 - (b) A statement of accounts of the Authority for that Financial year audited in accordance with Section 13.

- **Employee contract documents**

The following individuals were paid in Feb/March 2002 without written contract documents :

Name	Amount	Cheque number
Alton Denis	\$400.00	406661
Curtis Christopher	\$400.00	406660
Curtis Christopher	\$400.00	405369
Hamish Christopher	\$400.00	405366
Hamish Christopher	\$500.00	401307
Hamish Christopher	\$500.00	400938

Recommendation

That written contract documents be drawn up for each employee with relevant identification information.

3.4 Investigation into allegations of misconduct specific to the Financial year 2001/2002

3.4.1 Allegation no. 1

Mr. Daniel Louis, a U.S. resident was issued a bank draft #61944 dated January 17, 2001 for the sum of \$30,868.33. The draft was for the purchase of CB radios on behalf of the Beach Ranger Department of the Authority. To date, however, no such radios have been received, neither has the unused funds been refunded to the Authority.

Findings

Payment to Mr. Daniel Louis of USD11,357.46, local equivalent EC\$30,857.08 was remitted by bank draft #61944 on 17, January 2001(*Appendix 7*).

Two invoices from Gateway Marketing (*see appendix 8*) in the amounts of USD425.25 and USD10,491.46 dated January 4, 2001, totalling USD10, 916.71 were recovered from the files. A difference of USD 866.00 was remitted in excess of the invoices in favour of the Company. The draft, however, was written in the name of Mr. Louis, the owner of Gateway Marketing.

The ordered items on one invoice for the sum of USD425.25 (**Appendix 8**) were confirmed received by the NCA office. However, the radios and accessories have not been received to date.

According to the Gateway Marketing invoices, Daniel Louis appears to be a salesperson for the Company.

According to a letter sent to Mr. Louis on June 13 2001, by the National Conservation Authority (**see appendix 9**) he was asked to repay the said sum of USD10, 491.46 failing which the matter will be placed in the hands of US Attorneys.

There is on record a letter dated August 6 2001 from solicitor, Baden Allain, NCA solicitor, to engage Mr. Robert Mc Grath to lodge a civil claim against Mr. Daniel Louis (*see appendix 10*).

In an interview on February 1 2005 with the Manager, Mr. Charles, he indicated that he had done the appropriate relevant checks about Mr. Louis and the Company. He further stated that the National Lottery had done business with him in the past and had sought advice from the General Manager of the National Lottery even before doing business with him. He had every reason to believe that Mr. Daniel Louis was a reputable, credible and a dependable dealer.

The question of paying up front to Mr. Daniel Louis was posed to the General Manager. He explained at the time, the NCA was desperate for the radios for the rangers, and that was a condition for the Company to send the goods.

Management's Response

The Board knew of the transaction and the chairman personally spoke to Mr Daniel Louis on the phone in relation to the equipment. Mr. Peterson Francis who was a member of the Board at the time and who was the Manager of a brokerage company was given the documents for the clearance of the goods on arrival.

The General Manager stated categorically that if he knew about the character Mr. Daniel Louis turned out to be, he would never have done business with him.

Recommendations

There was a judgement lapse by management on this transaction. It is recommended that a sight draft facility be used so that both importer and exporter can get the requisite protection when orders are made from overseas.

The recovery of the amount of USD10,491.46 from Mr. Louis should be vigorously pursued.

3.4.2 Allegation no.2

It is alleged that cheque # 404891 dated Nov. 30, 2001 for \$3,000 issued to H&M Holdings Inc., to purchase cellular telephones for workers during general election campaign for 2001, was to be refunded to the Authority. It is also alleged that this cheque was endorsed by the General Manager and cashed by him. The cheque amount, however, was never refunded but instead the cellular telephones purchased were distributed among the employees in the Beach Rangers Department.

Findings

N.C.B Cheque # 404891 for \$3,000 dated Nov 30, 2001 in favour of H&M Inc was presented for payment at the Royal Bank (**see appendix 11**).

A bank official, confirmed by letter dated February 10 2005, that this cheque was actually deposited in the H&M Inc. account at Royal Bank (**see appendix 12**).

The investigation, however, revealed that the Company H&M Inc. is a registered company in St.Lucia. Date of incorporation is July 26 2001 (**see appendix 13**).

On the reverse side of the cheque is inscribed the General Manager's name, and his social security number. The General Manager of H&M was interviewed on December 30, 2004, and he confirmed that this is normal procedure. It is a requirement of the management of the Company that anyone presenting a cheque should inscribe one's full name and social security number at the back of the cheque. This is for ease of reference if there is a need to refer to drawer.

The General Manager of H&M also confirmed that ten (10) Nokia cell phones were sold to the NCA manager at \$300.00 per unit. He expressed that it was reasonable at the time, considering the novelty of cell phones. These phones are bigger and larger than the modern mobile phones of the day.

The Lead Investigator then proceeded to the Ranger Unit at Police Headquarters where five of the phones were confirmed to be in use by the rangers. The 10 phones were originally distributed as follows: one to Soufriere, one to Vieux-Fort, the remaining eight were distributed to four supervisors and four rangers on duty.

The head of the ranger unit confirmed that five of the phones are in use, while the remaining five are with Cable and Wireless for repairs.

3.4.3 Allegation no.3

It is alleged that Mr. Joseph Sylvester was paid cheque # 231690 dated December 17,2001 for \$600 and cheque #231453 dated Dec 18, 2001 for \$400. He was employed under the Beautification Programme but assigned by the General Manager to a portion of land at Millet that he owns.

Findings

Mr. Joseph Sylvester is now deceased. In an interview on the February 6, 2005 with Mr. Duncan Sylvester, field officer for the Anse-La-Raye District stated that he is not aware that Mr Sylvester worked on the General Manager's estate and was paid with NCA money. He supervised Mr. Sylvester while on the Beautification Programme and confirmed that he was always on the job. He is aware, however, that when the STEP Programme was not on, there were times when Mr. Sylvester used to be on the Manager's estate. As to the arrangement between them he is not privy.

Management's Response

'I do not have an estate, I only have a piece of land and I am not engaged in commercial farming'. These were the words of the General Manager, Mr. Charles. Mr. Charles stated that he has never employed Joseph Sylvester on his estate and paid him with NCA money. However, he does not deny, the gentleman being on his land during the time that the Beautification Programme was not on.

Recommendation

Investigation on this allegation proved to be inconclusive due to Mr. Sylvester's unavailability as a result of him being deceased.

3.4.4 Allegation no.4

It is alleged that Cilia Moise received a cheque #231453 dated December 18, 2001 for \$800.00 for work done on the Beautification Programme. She never worked on the Programme and is still being paid to date as a regular payroll employee of the Authority.

Findings

Cilia Moise is an employee of the National Conservation Authority as confirmed by its management. She is on the NCA payroll.

In an interview with Miss Moise on February 02, 2005, she stated that she has been employed with the NCA for about four to five years. She explained that she was first employed as a supervisor on the Beautification Programme, but was promoted to coordinator in the South-East constituency and also supervises other persons that are assigned to the ongoing Beautification Programme by the NCA. As coordinator, she coordinates the work of the NCA in the South-East constituency. She is also engaged in the verification of work done from the Bexon Gap to Cul-de-Sac and from the Bexon Gap to the Barre-de-Lisle. She is also assigned the responsibility of identifying areas needing attention by the NCA.

When asked why she is stationed at the constituency office, she pointed out that she was assigned to this location so that she could liaise with the District Representative when necessary. She also stated that she was involved in the management of the STEP Programme and the other assigned NCA duties in the South-East constituency. There is a secretary at the office that is paid by the Parliamentary Office.

Management's Response

Management indicated that it is not unusual for Miss Moise to be frequenting the Parliamentary Office because she has to liaise with the Parliamentary Representative on programmes and projects undertaken in the South-East constituency by the NCA. Her work also involves the coordination of ongoing projects in the constituency.

3.4.5 Allegation no.5

It is alleged that Margaret Jean was paid \$2400 cheque# 231456 dated Dec.18, 2001 as a project field officer under the Beautification Programme, while at the same time employed with a project under St. Lucia Heritage Tourism. Field Officer payments are a standard \$900.00 maximum monthly. According to the Authority's policy, only unemployed persons can qualify for inclusion in the programme.

Findings

The management of The Nature Heritage Project confirmed that Ms. Margaret Jean was employed under the project, with Bare Foot Holidays as a sales person for tours. Barefoot Holidays confirmed by letter dated 15, February 2005 that Ms. Margaret Jean was employed during the months of October and November 2001 (*see appendix 14*). The hours of work, as confirmed by an official of the Company, is from 8:00 am to 5.00 pm.

She was paid by the NCA for the months of November and December 2001 at the rate of \$1,400 per month as per information on check stub # 231456 (**see appendix 14**).

In an interview with Miss Margaret Jean, she stated that she was employed with Bare Foot Holidays for a short period. She explained further that her grandfather was very sick at the time and so there was a verbal agreement between Miss Louisy, her supervisor, and herself, and that she left the organisation sometime towards the ending of October and the beginning of November 2001. She does not remember the exact date at present since this took place over four years ago. She performed the duties of field officer for the NCA during the period November 2001 up to the first half of January 2002 and got paid.

Management's Response

The payment of \$2,400 paid to Ms Jean was justified and the NCA had gotten value for money.

3.4.6 Allegation no.6

Cheque #406876 dated Feb 19, 2002 for \$500 was issued to the St Lucia Gaming Authority to purchase gaming licence application forms for a prospective Jamaican hotelier, to be refunded to the Authority. The amount has not been refunded to date.

Findings

The records revealed that a \$500.00 cheque #406876 dated February 19, 2002 in favour of St. Lucia Gaming Authority was issued by the NCA for the payment of forms for a prospective buyer, to be reimbursed (*see appendix 15*).

Management's Response

In an interview with the General Manager on the February 3, 2005, he reported that he was surprised that the amount advanced was not refunded and will do what is necessary to recover outstanding advance.

Recommendation

Part 4 Section 12 (1) of the Act states: "The Authority shall apply its fund towards the discharging of its obligations or performing its functions under this Act."

It does not seem that this was an appropriate application of National Conservation Authority funds. It is recommended that the Authority comply with part 4 section 12 (1) of the Act.

The Authority should endeavour to recover the outstanding amount.

3.5 Financial year 2002/2003

Findings

Bank reconciliation statements for the main account were prepared for financial year 2002/2003.

Financial statements were not prepared for the period 2002/2003. However incomplete records of transactions for the period were available.

Management's Response

Work is currently being done on the backlog with a view to bringing the accounts to currency.

Recommendation

The contributions received from the Central Government should be reconciled with what is reported by the NCA.

3.6 Investigation into allegations of misconduct specific to the financial year 2002/2003

3.6.1 Allegation no.1

It is alleged that in August 2003, the Administrative Assistant, Miss Ramona Henry, in handing over to the Manager's Secretary Karen Vidal, informed her that the General Manager owed her cash of \$600 loaned to him from the cash till.

Findings

Receipts books were missing; consequently, it was difficult to determine the accuracy of any missing cash.

There is no written record of an advance to the General Manager. Miss Anthia Bernadine, Senior Accounts Clerk, who was present at the handing over by Miss Ramona Henry to Miss Karen Vidal, confirmed in an interview on the February 10, 2005, that only cheques and no cash were handed over to Miss Karen Vidal. She also recalls Miss Vidal asking Miss Henry about the cash that she had written receipts for, but Miss Henry replied 'Ask the Manager.' She also confirmed that a handing-over statement was not prepared.

When asked if any amount of \$600.00 was quoted during the handing over, she stated that the amount was not mentioned in her presence.

The Accountant was asked whether he brought this to the attention of the General Manager, his response was in the negative.

At the time of the investigation, it was confirmed that Miss Henry is studying in the United Kingdom.

Management's Response

The General Manager stated that he knows absolutely nothing about the transaction and that matter was never brought to his attention.

Recommendation

That handing-over statements be prepared and signed by both parties, i.e. the officer handing over and the officer taking over. The handing over document must also be witnessed and signed by a member of management or anyone appointed to play the role of witness.

3.6.2 Allegation no. 2

Mr Henry Charles, it is alleged operated a restaurant in 2003 and Miss Helen Jeremy, Office Assistant at the NCA held on for one of Mr. Henry Charles' cooks, who had to attend to her bananas on reception days and was paid by the NCA.

Findings

Mr. Henry Charles owned and operated a restaurant in 2003. There were two cooks employed at the Restaurant. The records revealed that Miss Helen Jeremy is on the NCA payroll.

The Lead Investigator got in touch with one of the cooks, Mrs Albertina James, who it is alleged Miss Helen Jeremy held on for. When asked whether anyone held on for her during

banana harvesting days, she replied in the affirmative. She went on to explain that Miss Jeremy may have held on for her about three to four times which to her mind is not considered to be a long time, before Mr. Charles had another arrangement in place.

On February 7, 2005 eleven members of the administrative staff were interviewed on that issue. Four members of staff stated that they are not aware that Miss Jeremy worked for Mr Charles at his Restaurant. They are aware, however, that Miss Jeremy's daughter worked there and as a result she frequented the place. Two members of staff stated that they have seen Miss Helen Jeremy at the restaurant during its operation; however, they are not aware of the arrangement between Miss Jeremy and the Manager. Four employees stated that Miss Helen Jeremy held on for one of the cooks on banana reception days. One employee recalls that Miss Jeremy held on for the cook only once and that was when she reported sick.

A session was conducted by the Human Resource Committee under the guidance of the HR Committee Chairperson, Miss Arletta Walcott. At that meeting members of staff were supposed to bring their grievances and matters affecting them before the Committee.

Miss Walcott confirmed that nothing was said about the above incident by Miss Jeremy. When asked why she did not apprise the Committee about this, she explained that she was afraid.

Management's Response

The Manager, Mr. Henry Charles, stated that this was the first time he was hearing this allegation of Miss Jeremy holding on for one of the cooks in his restaurant, on banana reception days. However, he heard the claim that Miss Jeremy, the Office Assistant, used to work at his home, doing the ironing. This he vehemently denied and recalled only once that he brought some clothes for Miss Jeremy to iron for him. She went home with it and returned the ironed clothes the next morning and paid her \$150.00 for the job.

He admitted operating a restaurant in 2003. There were two cooks, one from Coolie Town and one from Vanard. Only one cook worked on banana harvesting days. The other cook

prepared the food the evening before and stored it in the refrigerator. In the morning he and his common law wife came in early to do what was required. Consequently, there was no need for Miss Jeremy.

Recommendation

Part 4 Section 12 (1) of the Act states: “The Authority shall apply its fund towards the discharging of its obligations or performing its functions under this Act.”

The Manager should seek to refund the Authority the four harvesting periods, which is equal to four working days that the cook confirmed the office assistant held on for her at Mr. Charles’ restaurant.

3.7 Financial year 2003/2004

Findings

Bank reconciliation statements for the main account were prepared for the financial year 2003/2004. There were no reconciliation statements for the Beautification Account. Financial statements were not prepared for the period 2003/2004. However, records of transactions for the period were available.

3.7.1. Observation

It was observed that the cheques below were all written on September 26, 2003 and cashed on the same day, 26/09/03. These cheques were all endorsed and cashed by Ms. Natasha Cenac.

Name	Cheque #	Amount
Vickie Joseph	413619	\$ 400.00
Barry Leonce	413614	400.00
Michael Magawong	413612	400.00
Cidano Prospere	413611	400.00
Cleathia Antoine	413625	400.00
Natalie Prospere	413626	400.00
Natasha Cenac	413628	400.00
Claudius Auguste	413632	400.00
Richard Francois	413634	400.00
Esther Antoine	413637	400.00
Frederick Biscette	413639	400.00
Claudius Fontenelle	413640	400.00
Simon Auguste	413662	1,000.00

According to a letter from the Electoral Office dated February 24, 2005 the following names on the above listing were not listed as electors (**see appendix 16**):

Vickie Joseph
Michael Magawong
Frederick Biscette
Shawn Virgil
Barry Leonce
Claudius Fontenelle
Austin Nelson

Findings

While the letter from the Electoral Office indicated that some names were not listed as electors, there were valid contracts for the above- named employees.

The findings revealed that there were contracts for the above names and it would appear that the cheques were all endorsed by the payees.

Management's Response

There were cases where persons did not have any I.D. cards.

Recommendation

Persons at all times must have valid I.D cards before contracts are issued to them to confirm their existence.

Allegations specific to the period April 2003 to March 2004.

3.7.2 Allegation no. 1

Frederick Thorpe, it is alleged, received a salary of \$1,600.00 for the month of January and for the same period received a cheque for \$600.00 on the Beautification Programme.

Findings

Mr. Thorpe is a supervisor/beach-cleaners who is on the monthly payroll of the NCA (see attached payroll sheet *Appendix 17*) and was paid a salary of \$1,600.00

He was also paid a \$600.00 cheque from the Beautification Account on February 02, 2004 for the same period.

In an interview with Mr. Thorpe on February 24, 2005 he explained that he received the cheque on behalf of a group of men working along the Sans Souci and Lanse Road areas who had no I.D's. He further explained that while the cheque was written in his name, he distributed the money to the guys. When asked how many men worked and how much was each paid, he stated that there were seven men and they were paid an average of \$95.00 each. He then further explained that the payment covered a period of two days.

Management's Response

The Manager confirmed Mr Thorpe's story and stated that this action was just to facilitate the payments of these temporary workers who had no I.D's.

Recommendation

While this is not a contravention of any of the provisions of the NCA Act, however such an arrangement allows room for manipulation and fraud. Prospective employees should be encouraged to secure I.D cards, temporary or otherwise.

Management should ensure that there are proper accounting controls to minimise the incidence of fraud and error.

3.8 Accounting period April to December 2004

There seemed to be a marked and notable improvement in the daily cash receipt reporting system and the immediate banking of monies received. Some of the improvements entail the establishment of an imprest system for petty cash, and a draft financial procedures manual.

3.9 Allegations specific to period April 2004 to December 2004

3.9.1 Allegation No.1

It is alleged that Gregory Thomas received cheque #419559 August 31, 2000 for \$800.00. This individual was included on the August/September 2004 Beautification Programme in the position of Field Officer, while at the same time he was involved in a concrete drainage contract for the Ministry of Communication and Works at Millet.

Findings

Gregory Thomas was paid \$800.00 cheque#419559 of August 31, 2004. He was also a Field Officer on the August/September 2004 Beautification Programme.

In an interview on January 4, 2004 with Mr. Thomas, he explained that he had a supervisor in place for the construction of the concrete drain at Millet. He also stated that he was not doing the work himself but his appointed supervisor got the job done in his absence.

In an interview with the General Manager on February 1, 2005, he explained that Gregory Thomas does occasional work for the NCA. He is sometimes employed under the STEP Programme when it is on stream, if he is not otherwise engaged.

The General Manager was questioned as to the policy on the employment of STEP workers and whether it was contrary to existing policy to employ persons who are otherwise employed. He explained that the duration of a day's work under the STEP Programme is half day; that is 7:00 am to 11:00 am or 8:00 am to 12 noon. He further explained that there is no policy to debar one from employment under the STEP Programme if he is otherwise employed. He also stated that there is no way of determining whether one is employed otherwise, unless it is permanent employment.

3.9.2 Allegation No. 2

Step workers were assigned by the General Manager to clean up the Roseau Beach area during National Beautification Programmes, as recently as August/September 2004 even though the Authority had contracted Matthew James to clean this Beach, inter alia, at a monthly cost of \$9,000.

Findings

Mr. Matthew James is a holder of a monthly \$9,000.00 contract to clean the Marigot, Roseau, and Tours Langé Beaches, and also the disposing of plastics.

In an interview on February 2, 2005 with Mr. James, he stated that he has a contract to clean flowers aligning the road side from Venus Gap to Roseau Gap. Inclusive in this contract is the cleaning of the Roseau, and Marigot beaches.

He explained that he has a crew with him who executes the work. When asked about the STEP workers cleaning the Roseau Beach, he explained that prior to him receiving the contract, the STEP workers were responsible for cleaning during the period that the Programme was on. He explained further that when he got the contract to clean the beach the STEP workers erroneously came to clean. However, when he informed the workers that he had been awarded the contract, The STEP workers left and never returned.

Management's Response

The General Manager stated that the Roseau Beach was cleaned by beach cleaners and paid by NCA; however, the cleaning was not being done efficiently. The suggestion of privatisation came about and a contract was given to Mr Matthew James to do the cleaning inclusive of the Marigot, Roseau and Tours Langé beaches.

The General Manager was asked to respond to the allegation that STEP workers being assigned to the Roseau Beach even after it was contracted out. He stated that was a problem with the foreman who may have lost control of his gang and who insisted on working on the beach since it was away from the roadside. There is a stigma attached to working and cleaning along the roadsides; consequently even if the foreman instructed that they should not go to the beach, "They were hell-bent on disobeying his orders". However he stated that the issue has been resolved. The cleaning of the Roseau Beach is strictly the responsibility of Mr. James.

3.9.3 Allegation No. 3

It is alleged that Annete Christopher was employed during the Beautification Programme in December 2004. Ms Christopher was discharged from her duties at the NCA earlier that year for embezzlement.

Findings

Ms Annette Christopher was dismissed by the NCA for embezzlement in April 2004. She was, however, re-employed on the Beautification Programme in November 2004.

There is no policy governing the re-employment of any individual who has been dismissed for embezzlement.

Management's Response

The General Manager, in an interview with the investigating team on the February 1, 2005 declared that the Authority could not determine who gets employment on the Beautification Programme from the various constituencies. He contends that it is the responsibility of the District Representative to submit names for employment.

Recommendation

Section 6 (1) of the NCA Act states that the Board may, with the approval of the Minister, appoint staff at remuneration and upon terms or conditions as it thinks necessary for the proper carrying out of the functions of the authority under this Act.

According to public policy no officer who has been dismissed from the public service, whether from a pensionable or non-pensionable post should be re-employed in any capacity without the prior approval of the appropriate Service Commission.¹

It is recommended, that there be established policies at the Board level on the re-employment of dismissed officers.

1. Staff orders for the public service of St. Lucia.

3.10 Other allegations and issues emanating from Mr. Claudius Francis' submission

Two new allegations emanating from Mr. Francis' submission are discussed below:

3.10.1 Allegation no.1

Sabina Leonce-George was paid a cheque #403220 dated Nov. 26, 2001 for the sum of \$400.00 as Castries South East campaign agent, for house to house.

Findings

Sabina Leonce George was paid \$600.00 as per cheque #404889 dated November 5, 2001; \$400.00 as per cheque #403220 dated November 26, 2001 and \$200.00 cheque as per #404298 dated December 14, 2001. The cheques were written from the Beautification Account (*See appendix 18*).

Management's Response

The Manager, interviewed on 1st March 2005, expressed that he does not know who Sabina Leonce George is, and explained that there are over one thousand persons employed on the STEP Programme, and for obvious reasons he would not know every individual employed under the programme.

He further stated that there is a process by which persons are employed on the programme, that is, the Parliamentary Representatives are the ones who submit their quota of names to the NCA after which contracts are drawn up for each individual employee.

3.10.2 Allegation no.2

Mr. Francis stated that he has in his possession a statement from Magna's regional head office showing thousands of dollars in payments to Mr. Charles over the past few years. He further stated that his investigations revealed that whenever there was a need to refuel a vehicle of the Authority, the card presented to the service station was that of Mr. Charles.

Findings

Mr. Charles, the General Manager is in possession of a Magna card.

The Accounts Section confirmed that there is a system whereby the driver is given a fuel voucher denomination of \$40.00 depending on the need for refuelling.

In an interview on the March 01, 2005 with the driver, he stated that he is responsible for refuelling the NCA vehicle consequently he is the one who makes the actual purchase at the service stations. When asked whether Mr. Charles' Magna card was ever used when purchases are made he replied 'no' and that he has never been in possession of Mr Charles' Magna card.

A letter received from the Manager, Magna Rewards St. Lucia Ltd. on 03rd March 2005 confirms the magna transactions from the inception of the Magna programme in St. Lucia. The bulk of the spending was done at the participating supermarkets. The Magna card has not been in use since May 2003. The total value of cheques redeemed was EC\$115.10 (*see appendix 19A*)

Miss Doreen Gustave, member of the investigating team got in touch with Mr. Francis and attempted to obtain copies of documents on the two above issues raised by Mr. Francis but to no avail. Mr. Francis then spoke with the Lead Investigator and promised to deliver copies of the documents relating to Sabina Leonce, but declined making available documents on the Magna claims.

Copies of cheques relating to Sabina Leonce were delivered under confidential cover to the Lead Investigator. No documentation on the Magna card was received.

Management's Response

The Manager explained the process in procuring fuel for the vehicle. He stated that the Accounts Section prepares a cheque for the purchase of fuel voucher books. The books are held in the custody of the Accounts Department. When the refuelling of an NCA vehicle becomes necessary, the Accounts Section issues a fuel voucher to the driver for the purchase of fuel.

He further stated that he has never purchased fuel for the NCA vehicle. This is the responsibility of the driver.

However, he is in receipt of a magna card; the most he has ever received is \$23.00 worth of groceries as the statement confirms.

Chapter 4

4. Remaining terms of reference addressed

4.1 Determine whether the Board of Directors of the National Conservation Authority has effectively exercised its mandate in accordance with the provisions of the National Conservation Authority (NCA) Act, No.16 of 1999

As regards the above-caption the following observations were made:

Findings

Audited financial statements for 2000/2001, 2001/2002, 2002/2003, 2003/2004 are all outstanding.

Mrs. Jacinta St. Helen, former Permanent Secretary of the Ministry Of Social Transformation, in an interview stated that there were reporting deficiencies with the NCA, consequently, the Authority is not in compliance with the Act. She went on to state that there were no periodic reviews, and updates. Late 2002/2003, she noted that some reports were done; however the Accountant was unclear as to the reporting responsibilities.

It is important to note that possible fraud and error may go undetected when there are no timely reports and audited financial statements.

Discussions with the Board, suggest that there were efforts in attempting to exercise its mandate in accordance with the Act, however their efforts, it is claimed, were frustrated by the management deficiencies of the General Manager.

The Board's mandate is very clear in the Act. As regards the functions under the Act, which were mentioned earlier in the report, the Board did execute part of its mandate as is evident in the conservation of the natural beauty, and the topographic features of Saint Lucia by the planting of flowers and roadside landscaping.

It is also evident that the sanitary conditions on beaches are secured, beach facilities are maintained by the authority.

However the Board may not have been too successful in:

- (i) The provision of lifeguard services.

- (ii) To advise the Minister on the recreational facilities at certain locations in the country.

In an interview with the Board on January 13, 2005, the Board members complained of their inability to have management to take policy direction from them. Recommendations are made for the efficient and effective running of the Authority, which are always disregarded by management.

The Board is of the view that the General Manager reports to another authority because he takes no directives from the Board. Members of the Board openly expressed that the Board had no power.

Management's Response

Work is being done on the backlog with the hope of bringing the accounts to currency.

Recommendation

Section 13 (1) (b) states that The Authority shall apply its funds towards the discharging of its obligations or performing its functions under the Act.

Section 14 (1) The Authority shall within six months of the end of each financial year, submit to the Minister a report containing:

(a) an account of the activities and transactions of the Authority throughout that financial year in such detail as the Minister may direct: and

(b) a statement of accounts of the Authority for that financial year audited in accordance with section 13.

The Board of Management may have failed to exercise due care and diligence in executing its duties; consequently, there were lapses in the operations of the NCA.

It is recommended that there be strict adherence to the provisions of the Act.

4.2 Investigate how confidential information from the NCA became public

As regards to how confidential information from the NCA became public the following observations were made:

Findings

Persons having access to the building are the General Manager, Mr. Henry Charles; the Administrative assistant, Mr. Rupert Polius; the Accountant, Mr. Dylan Bourne; Miss Anthia Bernadine, Senior Assistant Accountant and the driver. All of the above-mentioned individuals have keys to the main door. There are separate keys to individual offices.

All accounting/financial documents are kept in the Accounts Section and the Accountant's Office. The keys to the Accounts Section and the Accountant's Office are held by the Accountant, Mr. Bourne and the Senior Assistant Accountant, Miss Anthia Bernadine. The Accountant is responsible for opening his office on mornings and closing after work. Likewise, the Senior Assistant Accountant is responsible for opening and closing the Accounts Section. However, Miss Bernadine states that, there are times when Mr Bourne closes the Accounts Section after work when he needs to do research on records or any other accounting responsibility. Mr. Bourne confirmed that there are times he may stay back to do

work and may need access to the accounts. On occasions like these, he closes the offices after work. He is a holder of keys from February 16, 2004, while Miss Bernadine held keys to both offices from 2000 to present.

The Accountant is responsible for all accounting documents within his office and the Accounts Section. In his absence Miss Anthia Bernadine, the more senior of the accounting assistants is ultimately responsible for the safety and security of all accounting documents.

In an interview exercise with the staff, no one expressed knowledge of anyone being responsible for communicating the contents of any document to the public. However, some of those interviewed suggested ways by which it may have been done. It was suggested that disgruntled fired employees who are ‘getting back’ at the Authority might have taken documents from 2000 to 2003. In response to questions on recent documents being in the public domain, the majority of persons interviewed are of the view that the Accounts Section is responsible for information “leaking out.”

Speaking with the Accountant on the issue of recent documents being leaked out, he explained that he is of the view that the principle of confidentiality is not being observed at this organisation and the respect for confidentiality is non-existent.

The Accountant explained that there was a preliminary investigation commissioned by the Board, but he was asked to discontinue because of an official inquiry that would be commissioned by the Minister. The list of findings was presented to the Chairman, Mr. Antonious Gibson a day or two ahead of a Board meeting. He declared that there were no supporting documents (copies of cheques etc) submitted along with the findings.

The Accountant presented to the Lead Investigator a list of his findings; however, the Lead Investigator treated these findings as a list of allegations, which was thoroughly investigated.

Through some strange reason all of the allegations read out by Mr. Francis were consistent with the Accountant’s findings (*see appendix 19*). This speaks volumes as to the source of his

submission. The Accountant handed a document containing his findings on December 14, 2004 to the Lead Investigator. The issue of the points earned on the Manager's personal Magna card, the cheques involving Sabina Leonce and also the issue involving Stephen Augustin were not included in his findings.

The Lead Investigator interviewed all the members of the Accounts Unit including Miss Anthia Bernadine, Assistant Accountant, and inquired whether they knew anything about Sabina Leonce. With the exception of Miss Bernadine, they all replied in the negative. The Lead Investigator then approached Mr. Bourne, the Accountant. He stated that he had knowledge about the name and claimed that the name was included on the list that was given to the Lead Investigator. The Lead Investigator went for his copy (**Appendix 19**) to verify but absent from that listing was the issue involving Sabina Leonce. At that point the Accountant pulled another document on his computer and found the findings he gave the Lead Investigator including the findings on Sabina Leonce on a separate document (**see attached appendix 20**). After questioning him about the new information on the document he explained that he had updated the document. It must be noted that the only update on this document was the issue about Sabina Leonce

When asked whether the Board had this document, he replied that the Board did not have this updated document and went on to explain that the document was recently updated.

The accounts staff were interviewed and no one demonstrated any knowledge about the Sabina Leonce transaction.

In a meeting on February 28, 2005 with Mr. Bourne and Anthia Bernadine, they both agreed and established that they were the only ones that were privy to this information. Ms Bernadine admitted providing the information to Mr. Bourne on his instruction.

Mr. Bourne stated that this allegation involving Ms Leonce was discovered during the course of the Ministry appointed investigation. When asked why he did not inform the Lead Investigator or one of the investigators about it, he responded and said, 'I thought that Ms

Pamphille was aware.’ Although he confirmed earlier that he and Miss Bernadine were the only ones privy to the information.

It must be noted that there was no report of forced entry into the Accounts Section, nor the Accountant’s Office.

The fact that the list of findings by the Accountant was updated by himself during the course of the Ministry’s appointed investigation, and the fact that the content of the updated material form part of Mr. Francis’ presentation is an indication that the information may have leaked from that source.

Chapter 5

5. Other findings and general recommendations

5.1 Other findings in relation to administration

In the course of this investigation other findings in relation to the conduct of the administration of the NCA were made. Below these findings may be summarised as follows:

(a) Over staffing, high level of idling, administrative staff unclear as to their responsibilities. Underutilization of skills.

(b) Chairman's over involvement in operational matters of the NCA resulting in the undermining of the General Manager.

(c) Based on the interviews with staff it would seem that the General Manager is not rigid enough.

(d) Some members of staff exhibit the attitude that the NCA is obligated to them in respect to the provision of a job.

(e) Very few people at the Head Office are punctual at work. Hours of work is from: 8:00 am to 12: 30 pm, and 1:30pm to 4:30pm. Some officers arrive at work very late and leave promptly at 12:30 pm for lunch and return between 2:00 and 2:30 and in certain instances 3:00 pm; consequently, the abuse of the Authority's time. There is a poorly kept register. It is obvious that the work ethics of the NCA staff is exceedingly poor.

(f) General personal relations in the office have deteriorated to the extent that there are two factions of employees in the organization. One faction loyal to the Chairman and another to the Manager. It would seem that before orders are carried out they would have to be sanctioned by the Chairman. This 'tug of war' is really affecting the operations and confidentiality of the Authority.

(g) It would seem that very little use is made of the Manager's secretary; she is definitely underutilized. The relationship is less than cordial and the manager seems to have lost confidence in her. Most of the tasks ordinarily carried out by the secretary are undertaken by the receptionist.

(h) Updated personal files for all employees are inadequately kept; job descriptions are non-existent.

(i) A poorly equipped Public Relations Department. This department leaves much to be desired.

(j) Based on the foregoing it would appear that there was a lack of order at the Administration Office of the NCA: no respect for authority, no clear structure; consequently, the absence of a functional reporting structure..

5.2 General recommendations for the effective and efficient operation of the National Conservation Authority

Some general observations and recommendations may be made for the effective and efficient operation of the NCA as follows:

(1) Consideration may have to be given to the present composition of the NCA Board with the view to having a more balanced and focused Board. Some of the NCA Board members should be retained on the proposed reconstituted Board because of their demonstrated competence.

(2) The role of the Board should be clearly defined. The Board should not get unduly involved in the operational aspects of the Authority. The Board should concentrate its efforts on policy direction.

(3) The post of the General Manager should be retained in the new NCA structure. The General Manager should be responsible for the overall management of the Authority and will report to the NCA Board.

(4) The day to day operational activities of the NCA has to be overseen by a competent Administrative Officer, with this person serving as Board Secretary. He/ she will report to the General Manager.

(5) An Operations Manager should be added to the new structure of the NCA. The Operations Manager should have the responsibility for the development of parks, management of beaches, clearing activities etc. He/she should report to the General Manager.

(6) The Accounting Section should be supervised by a qualified and competent Accountant who is capable of implementing the necessary controls and accounting procedures to minimise the incidence of fraud and error. Persons appointed to the Accounts Department must be carefully selected, and should have an appreciation for confidentiality where accounting documentation and information are concerned.

(7) The development of a proper public awareness programme is paramount to dispel negative notions about the NCA. The public should be made aware of the benefits derived from the Authority. The role of the NCA in the development process of the country should be enunciated.

(8) It is recommended that a Restructuring Committee be set up with the Permanent Secretary as the chairperson of this Committee. This Committee should seek to reform the National Conservation Authority to meet its mandate under the Act.

(9) It is further recommended that the restructuring be immediately commenced and that employees at the NCA head office be severed, after which suitably qualified persons be employed in accordance with the requirements of the Act. A process of advertising the different positions at the Authority should be adopted and applications invited.

(10) It is recommended that a three man interim committee be put in place to oversee the operations of the NCA during the restructuring. This committee should be mandated to report to the Minister of Social Transformation under whom the NCA falls.

The operational activities of the NCA should continue while the restructuring is undertaken. It will be necessary to retain some officers in position to facilitate the transition.