

SECOND

REPORT
FROM

THE PUBLIC ACCOUNTS
(ENTERPRISES) COMMITTEE

EXAMINATION
OF

The Audited Financial Statements of the Vehicle Management Corporation of Trinidad and Tobago Limited (VMCOTT) for the financial years 2013 and 2014, First Session, Twelfth Parliament.

Office of the Parliament
Parliamentary Complex
Cabildo Building
St. Vincent Street Port of Spain
Republic of Trinidad and Tobago



Public Accounts (Enterprises) Committee

The Public Accounts (Enterprises) Committee (P.A.(E).C) established under Section 119(5) of the Constitution of the Republic of Trinidad and Tobago is mandated to consider and report to the House of Representatives accordingly on:

“(a) the audited accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by or on behalf of the state; and

(b) the Auditor General’s Report on any such accounts, balance sheets and other financial statements.”

Current membership

Mr. Wade Mark	Chairman
Mr. Rushton Paray, MP	Vice-Chairman
Ms. Amrita Deonarine	Member
Ms. Renuka Sagramsingh-Sooklal	Member
Mr. Fitzgerald Hinds, MP	Member
Mrs. Laurel Lezama- Lee Sing	Member
Mr. Keith Scotland, MP	Member
Dr. Nyan Gadsby-Dolly, MP	Member

Committee Staff

The current staff members serving the Committee are:

Ms. Keiba Jacob	Secretary
Ms. Hema Bhagaloo	Assistant Secretary
Mr. Darien Buckmire	Graduate Research Assistant
Mr. Liu Metivier	Parliamentary Intern
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Publication

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Table of Contents

<i>Members of the Public Accounts (Enterprises) Committee.....</i>	<i>4</i>
<i>Executive Summary.....</i>	<i>5</i>
<i>Introduction.....</i>	<i>9</i>
<i>Establishment</i>	<i>9</i>
<i>Mandate</i>	<i>9</i>
<i>Ministerial Response.....</i>	<i>9</i>
<i>State Enterprises Performance Standards</i>	<i>9</i>
<i>Election of the Chairman and Vice-Chairman</i>	<i>10</i>
<i>Establishment of Quorum</i>	<i>10</i>
<i>Determination of Date and Time of Regular meetings</i>	<i>10</i>
<i>Methodology.....</i>	<i>11</i>
<i>First Session Work Programme</i>	<i>11</i>
<i>The Inquiry Process.....</i>	<i>12</i>
<i>Vehicle Management Corporation of Trinidad and Tobago Limited.....</i>	<i>13</i>
<i>Government Mandate</i>	<i>13</i>
<i>Vision Statement.....</i>	<i>13</i>
<i>Mission Statement.....</i>	<i>13</i>
<i>Core Values</i>	<i>14</i>
<i>Philosophy.....</i>	<i>14</i>
<i>Board of Directors.....</i>	<i>15</i>
<i>Management Team.....</i>	<i>15</i>
<i>Issues and Recommendations</i>	<i>16</i>
<i>Conclusion.....</i>	<i>24</i>
<i>Appendix 1: Minutes of Meeting.....</i>	<i>26</i>
<i>Appendix 2: Verbatim Notes.....</i>	<i>38</i>

Members of the Public Accounts (Enterprises) Committee



Mr. Wade Mark
Chairman



Mr. Rushton Paray
Vice-Chairman



Ms. Amrita Deonarine
Member



Mr. Fitzgerald Hinds
Member



Ms. Renuka Sagrarsingh-Sooklal
Member



Mrs. Laurel Lezama-Lee Sing
Member



Mr. Keith Scotland
Member



Dr. Nyan Gadsby-Dolly
Member

Executive Summary

The Public Accounts (Enterprises) Committee (PA(E)C) is the Parliamentary Financial Oversight Committee tasked with the responsibility of examining the audited accounts of all State Enterprises that are owned or controlled by the state. The Committee conducted an inquiry into the **Audited Financial Statements of the Vehicle Management Corporation of Trinidad and Tobago Limited (VMCOTT) for the financial years 2013 and 2014** and produced this report to highlight its findings and recommendations. This report details the issues, endorsements and recommendations made by the Committee to improve VMCOTT's performance.

The Report focuses on the following issues:

1. Late submission of Audited Financial Statements
2. VMCOTT's Continued Viability
3. Land Tenure Issue
4. Non-payment of Statutory Salary Deductions
5. Recovery of Monies Owed by other State Agencies
6. High Staff Turnover

In light of the Committee's findings, the following recommendations were made:

- VMCOTT should submit a report to the Parliament by September 6, 2021 of the initiatives to be taken to ensure:
 - That all its future audited financial statements are submitted within the statutory deadline of four months after the financial year-end as stipulated in the State Enterprise Performance Monitoring Manual;
 - Strengthen the internal controls of the Company to ensure the timely preparation and submission of Statements;
 - Intensify the monitoring of financial accounts to ensure prompt closure in books; and
 - Internal auditors should conduct quarterly assessment and prepare a report on the financial and performance activities needed to oversee systems of delivery and manage accountabilities;

- VMCOTT should also submit a status update on the completion and submission of its 2016 financial statements and the scheduling of the audits of the 2017-2020 financial statements by September 6, 2021;
- The MoWT should report to the Committee by July 31, 2021 on the following:
 - The VMCOTT Board of Directors and the MoWT should discuss a way forward to secure the future of the company and its direction in considering revisiting the original mandate of the company in order to revamp its image with an attempt to create new and innovative ways for which the relevance of the VMCOTT can be increased;
 - The MoWT should conduct an assessment on the reasons state agencies hesitate to use the vehicle management services available by VMCOTT;
 - The MoWT should also approach Cabinet about to need to enforce Cabinet Minute No. 481 of March 5, 2009 thereby directing all State agencies to VMCOTT for their vehicular management needs i.e. procurement, repair and maintenance and disposal. This can be facilitated via the issuance of a Circular to all Ministries and State Agencies making it known that VMCOTT was incorporated to provide full Fleet Management services to the Public Sector as a whole;
 - To further its portfolio diversification and increase growth in profitability and in turn an extended the lifespan of the company, the MoWT should grant authorization to conduct motor vehicle inspections to VMCOTT and form a partnership/collaboration with the Ministry's Licensing Division;
- Similarly, the Ministry of Rural Development and Local Government and VMCOTT together should establish VMCOTT facilities at all the fourteen Municipal/Regional Corporations similar to the pilot project that was conducted at the Mayaro Rio Claro Regional Corporation. The establishment of these facilities should follow the development of a clear implementation plan over a defined period;
- Finally, Key Performance Indicators (KPI's) should be developed to measure the company's performance;
- The MoWT should write to the Committee by September 6, 2021 on plans/actions to be taken to address the regularization of the lands occupied by VMCOTT as is necessary to complete the infrastructure for VMCOTT to be granted the CNG license. This will require resolving the land issue with eTeck – for either ownership of the land, deed/letter of comfort,

significantly reduced lease affordable by VMCOTT or moratorium until VMCOTT can afford the lease payments;

- The Ministry of Works and Transport should submit a status update by September 6, 2021 on the urgent action to address the non-payment of the statutory deduction and its approach to Cabinet for the approval to source funding with respect to the settling of outstanding statutory payments;
- VMCOTT should compile a monitoring report in all regulatory requirements, date due and status of each, to ensure the Company is in adherence with all compliance requirements. This should be done at least monthly to ensure that the requirements are adequately tracked and reported to management enabling the avoidance of any violations to the Company's statutory obligations and the incurring penalties and/ or interest;
- VMCOTT should write to the Committee by September 6, 2021 on the necessary steps to be taken to ensure that all statutory requirements are adhered to and filed by the stated dates;
- The MoWT should provide an update by September 6, 2021 to the Committee on the actions taken to assist VMCOTT in the collection of debts owed to the company by all State Entities;
- VMCOTT should periodically review its aged receivables to ensure that all receivables which have been deemed uncollectible have been included in a proposal to be sent to the Board of Directors to be written off;
- VMCOTT should write to the Committee on the implementation of the following by September 6, 2021:
 - establishing a billing process that ensures accurate invoices are sent in a timely basis;
 - strengthen its internal processes to facilitate accurate reporting;
 - VMCOTT should thoroughly conduct an internal verification of all its accounts receivables to ensure that all its claims of amounts owed to the company are validated as well as ensure that there are no gaps in its record keeping such as ensure invoices and worksheets are held both electronically and on hardcopy and also in the possession of the clients;
 - VMCOTT should set out a clear time table for ultimately reducing its backlog of unrecoverable accounts receivable and report on its progress monthly;
 - VMCOTT must create a lessons learnt report in response to the various challenges in the accounts receivables. The report should document all critical issues encountered, how they

were handled; the outcomes of actions taken (or not taken); and how similar issues could be managed on other projects;

- The MoWT and the MoF should write to the Committee by September 6, 2021 on any consideration given to VMCO'TT recommendation of an alternative strategy: i.e. the GORTT channel/deposit budgetary allocations for maintenance of all State vehicles into a holding account controlled by the MoF and/or the Line Ministry. These allocations can be disbursed to VMCO'TT upon submission of invoices validated by the respective State Enterprise; and
- VMCO'TT should write to the Committee by July 31,2021 on the actions taken to ensure that with the frequent downsizing of the company, it does not take a toll or burden the employees who have been retained and that the company does not lose the bulk of its institutional knowledge though the retrenched employees.

Introduction

Establishment

The PA(E)C of the Twelfth Republican Parliament was established by resolutions of the House of Representatives and the Senate at the sittings held on Monday November 9, 2020 and Tuesday November 17, 2020 respectively.

Mandate

The Constitution of the Republic of Trinidad and Tobago mandates that the Committee shall consider and report to the House on the audited accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by, or on behalf of the State.

In addition to the Committee's powers entrenched in the Constitution, the Standing Orders of the House of Representatives and Senate also empower the Committee (but not limited) to:

- a. send for persons, papers and records;
- b. have meetings whether or not the House is sitting;
- c. meet in various locations;
- d. report from time to time; and
- e. communicate with any other Committee on matters of common interest.

Ministerial Response

The Standing Orders¹ provide for the Minister responsible for the Ministry or Body under review to submit within sixty (60) days a paper to the House responding to any recommendations or comments contained in the Report which are addressed to it.

State Enterprises Performance Standards

The (PA(E)C used the State Enterprises Performance Monitoring Manual as a benchmark to examine the performance of State Enterprises. The manual outlines the framework for compliance with official policy and the monitoring mechanisms to be used in assessing such compliance. The Government of Trinidad and Tobago monitors the performance of State Enterprises to ensure that these enterprises

¹ Standing Order 110 (6) in the House of Representatives and 100(6) of the Senate.

successfully execute their mandates and maximize value for money for the national stakeholders and shareholders²

Election of the Chairman and Vice-Chairman

In accordance with section 119(6) of the Constitution, the Chairman must be a member of the Opposition in the Senate. At the first meeting held virtually on Wednesday November 18, 2020, Mr. Wade Mark was elected Chairman and Mr. Rushton Paray was elected Vice-Chairman of the Committee.

Establishment of Quorum

The Committee is required by the Standing Orders to have a quorum so that decisions can be made by Members during the meeting can be considered valid. A quorum of three (3) Members, inclusive of the Chair or Vice-Chairman), with representatives from both Houses was agreed to by the Committee at its First Meeting.

Determination of Date and Time of Regular meetings

The Committee is required by the Standing Orders to sit notwithstanding any adjournment of the House. At its Second Meeting, the Committee agreed to meet on the First and Third Wednesday of each month at 9:30 a.m.

² <http://www.finance.gov.tt/wp-content/uploads/2013/11/State-Enterprise-Performance-Monitoring-Manual-2011.pdf>

Methodology

First Session Work Programme

At the Committee's Second meeting held virtually on Wednesday November 25, 2020, the Committee identified the following entities for examination during the First Session of the 12th Parliament:

- Urban Development Corporation of Trinidad & Tobago Limited
- Vehicle Management Corporation of Trinidad & Tobago
- National Gas Company of Trinidad & Tobago Limited
- Export-Import Bank of Trinidad and Tobago Limited
- National Information and Communication Technology Company Limited
- Education Facilities Company Limited
- East Port of Spain Development Company Limited
- National Schools Dietary Services Limited
- Estate Management & Business Development Company Limited
- Community Environmental & Protection Enhancement Programme Company Limited
- Point Lisas Industrial Port Development Corporation Limited
- Sports Company of Trinidad & Tobago Limited
- National Infrastructure Development Company Limited
- Tourism Trinidad Limited
- National Export Facilitation Organisation of Trinidad and Tobago

The Inquiry Process

The Inquiry Process outlines steps taken by the Committee to conduct the inquiry into the operations of VMCOTT. The following steps outline the Inquiry Process agreed to by the PA(E)C:

- I. Identification of issues in the VMCOTT's Audited Financial Statements for the financial years 2013 and 2014;
- II. Preparation of Inquiry Proposal for VMCOTT. The Inquiry Proposal outlines:
 - a. Background;
 - b. Objective of Inquiry; and
 - c. Proposed Questions.
- III. Questions were forwarded to VMCOTT on December 28, 2020. Written responses were received from VMCOTT on February 1, 2021;
- IV. Determination of the need for a Public Hearing based on the analysis of written submissions. In this instance, a public hearing was held on February 3, 2021;
- V. Submission of a written request for additional information to VMCOTT, the Ministry of Works and Transport (MoWT) and the Ministry of Finance – Investments Division (MoF-ID) on February 15, 2021. All responses were subsequently received by March 26 2021.
- VI. Report the Committee's findings and recommendations to Parliament upon conclusion of the inquiry.
- VII. Carrying out follow-up to monitor progress in the implementation of recommendations.

Vehicle Management Corporation of Trinidad and Tobago Limited³

Government Mandate

VMCOTT has a mandate to ensure the roadworthiness of the vehicles of the public sector – Ministries and State Agencies – as a priority, as well as to private sector interests.

Accordingly, the Cabinet of Trinidad and Tobago approved VMCOTT as a “Central Controlling Agency providing full Fleet Management services to the.....”

1. “Public Sector as a whole” (Cabinet Minute No. 481 of March 5, 2009), and to
2. “Private sector interests” (Cabinet Minute No. 1030 of April 21, 2005)

VMCOTT is also mandated to be a Central Controlling Agency providing full Fleet Management services to “Trinidad and Tobago Police Service” (in accordance with the re-affirmed decision of Cabinet by Minute No. 527 of March 8, 2012), Further, by the aforementioned Minute No. 527 of March 8, 2012, Cabinet also mandated that “any private firm that is contracted to repair and maintain vehicles owned and operated by the TTPS, must first be certified and approved by VMCOTT.”

Vision Statement

It is the vision of Management that the Vehicle Management Corporation of Trinidad and Tobago Limited (VMCOTT) be recognized as:

“The Leader in delivery of Total Fleet Management Services in Trinidad and Tobago.”

Mission Statement

It is anticipated that VMCOTT’s vision will be achieved via the successful pursuit of its mission to:

“Delivering value to our customers through innovative products and reliable fleet management services in Trinidad and Tobago.”

³ VMCOTT STRATEGIC BUSINESS PLAN 2020 – 2025

Core Values

VMCOTT's core values supports its vision and is aimed at shaping and sustaining the organization culture to be in sync with the leadership styles. The core values represent the company's identity and guide the principles/philosophy.

- **Professionalism**
Maintaining undaunted integrity through the provision of on-time, high quality service, whilst adhering to the best ethical standards.
- **Dependability**
Ensuring reliable and trustworthy service delivery to our customers and stakeholders is guaranteed.
- **Efficiency**
Providing the best known, timely and cost-effective solutions that benefit customers and stakeholders through competent use of resources and optimized workflows and business processes.
- **Service Excellence**
Guaranteeing a service delivery that exceeds the expectations of our customers and stakeholders through high levels of engagement and best practices.

Philosophy

- Dedicated continuous improvement in the quality and efficiency of our service delivery to our valued customers.
- Pride in the provision of professional service and expert advice, as a fleet specialist with the use of modern high-tech equipment and a qualified and skilled technical team.
- Use of quality replacement parts – genuine or OEM – to meet original equipment manufacturer's specifications (unless otherwise requested by the customer).
- Commitment to prompt, friendly service from an honest team of automotive professionals.
- Promotion of Preventative/Predictive Maintenance as a paramount to achieving consistent roadworthy fleets.

Board of Directors

Lt. Col. Neil Bennett (Ret'd.)	Chairman
Roddy Batchasingh	Deputy Chairman
Melissa Boodhoo-James	Director
Mark Lee Son	Director
Fazal Khan	Director

Management Team

Natasha Prince	Chief Executive Officer
Learie Cummings	Internal Auditor
Lyndon James	Finance Manager
Dominic Grell	Chief Operations Officer
Kendell Garcia	Operations Manager

Line Ministry - Ministry of Works and Transport

Minister of Works and Transport - Senator the Honourable Rohan Sinanan

Permanent Secretary - Mrs. Sonia Francis-Yearwood

Deputy Permanent Secretaries: Ms. Dhanmattee Ramdath

Mrs. Chandrani Jagrup

Ms. Charmaine Jennings

Issues and Recommendations

In the Committee's examination of VMCOTT, the following issues were identified and the corresponding and recommendations proposed:

1. Late submission of Audited Financial Statements

The timely submission of audited financial statements and administrative reports to Parliament is pivotal in accounting for the utilization of public funds. The failure of State Enterprises to submit Audited Financial Statements significantly delays the work of the PAEC. The Committee noted in some instances the delay occurred because of the inability of the Investments Division to hold Annual General Meetings, which is a requirement in accordance with the Companies Act chapter 81:01 for the approval of Audited Financial Statements.

VMCOTT Audited Financial Statements have not been submitted in a timely manner to the Parliament within a period of four months after the financial year-end as stipulated in the State Enterprise Performance Monitoring Manual. At the time of the public hearing, VMCOTT's financial statements had been outstanding for the financial years ending September 30, 2015 through September 30, 2020. Officials from VMCOTT indicated that the untimely submission of these audited accounts commenced with the 2010 Audit; for which the main reasons were as follows:

- Delay in having an AGM during periods when the organization was without a Board of Directors
 - May 2010 to February 2011 (9 months); and
 - September 2015 to June 2016 (9 months)
- Auditors scheduling (i.e. Times set by external auditors for audit of VMCOTT).
- Delays due to audits taking longer than planned.
- Delays by VMCOTT to begin audit due to staffing and financial limitations, etc.

On January 7th 2021, VMCOTT's external auditors PKF submitted the completed 2015 Audited Financials to VMCOTT. Officials from VMCOTT indicated that once all supporting documents and relevant information relating to the 2015 financials had been reviewed, the financial statements will be approved at its next AGM, thereafter the 2015 audited financial statement would be sent to Parliament for laying.

Furthermore, officials from VMCOTT indicated that they had already approached PKF to have the financial statements for the period 2016 and 2017 audited and completed. PKF however, advised that

they could only complete 2016 at the time, due to manpower shortages on their end. As it relates to current position/status of the audits for 2016, PKF completed their physical work for the period's audit on November 30th, 2020. The next stage was to achieve sign-off for the 2016 audit by the end of March 2021. Officials from VMCOTT stated that the audit for the financial statements for the years 2017 to 2020 would be pursued with the intention of having them ready for audit once the company received the requisite approval from its Shareholders (MOWT and MOF).

Recommendations

- ***VMCOTT should submit a report to the Parliament by September 6, 2021 of the initiatives to be taken to ensure:***
 - ***That all its future audited financial statements are submitted within the statutory deadline of four months after the financial year-end as stipulated in the State Enterprise Performance. Monitoring Manual;***
 - ***Strengthen the internal controls of the Company to ensure the timely preparation and submission of Statements;***
 - ***Intensify the monitoring of financial accounts to ensure prompt closure in books;***
 - ***Internal auditors should conduct quarterly assessment and prepare a report on the financial and performance activities needed to oversee systems of delivery and manage accountabilities; and***
- ***VMCOTT should also submit a status update on the completion and submission of its 2016 financial statements and the scheduling of the audits of the 2017-2020 financial statements by September 6, 2021.***

2. VMCOTT's Continued Viability

While VMCOTT is mandated to provide fleet management services to public sector, the Trinidad and Tobago Police Service (TTPS) in particular, the Government of the Republic of Trinidad and Tobago (GORTT) had not enforced this mandate; since the public sector i.e., GORTT and State-Owned-Enterprises (SOEs) were not given any directive to utilize VMCOTT's services. The results of the lack of patronage from the GORTT and SOEs were over-capitalized operations as well as under-utilization of VMCOTT's facilities, equipment and workshop staff. This has meant that VMCOTT has always operated at a loss and depended heavily on GORTT for subventions to sustain its operations. VMCOTT's accumulated losses as at September 30, 2020 was \$90,925,854.00.

Another major factor contributing to the VMCOTT's current financial status was the inability to turn receivables to cash. The issue of late payments/bad-debts/non-payment by GORTT customers stems from those very few GORTT Ministries and SOEs that utilize VMCOTT's operations. These agencies were proven delinquent in honouring the credit facilities extended, or were extremely tardy with payment at most disbursing in very small instalments; accumulating significant debts and resulting in large receivables accounts. VMCOTT indicated that they have received no support from the GORTT in retrieving monies owed from GORTT and SOEs for completed services and delivered vehicles. These cash flow problems have negatively impacted VMCOTT's ability to meet overhead expenses; pay creditors and/or purchase spares/parts required to repair customers' vehicles; purchase in bulk (enjoy economies of scale); and pass on cost savings to customers as expressed by the GORTT and SOEs.

VMCOTT's inability to purchase parts/spares required to repair vehicles has formed the basis for further withdrawal of vehicles/fleets by the GORTT and SOEs, (such as the TTPS all except the Transit Police Unit) The TTPS was noted as the client with the highest receivables account.

The current Board of Directors and Management Team, in recognizing VMCOTT's position, embarked on renewing strategies and business processes that moved VMCOTT to the desired levels of improved quality and efficiencies in its service delivery. These strategies and business processes were:

- Institutional strengthening through revision/development, roll-out and implementation of essential policies and procedures;
- Service Portfolio Diversification (New facets of Fleet Management, Compressed Natural Gas (CNG), Electric Vehicles (EVs));
- New customer targets (Joint ventures with Regional & Municipal Corporations; more focus being placed on the Private Sector and building a steady client base);
- Organization Reengineering (Purchasing Department, Service Reception and Workshops) aimed at Improved Operational Efficiencies;
- Revision of the Organization Structure for adapting to anticipated Business Growth;
- Rebrand of VMCOTT and launch of VMCOTT Auto Stop for the Private Sector;
- Discontinuation of the procurement of spares/parts for all late/non-paying clients, even while remaining committed to providing services to the ALL clients;

- Adequate staff levels in suitable positions to deliver and maintain improvements made. (With the retrenchment of workers in June 2018—as recommended by the Parliament Joint Select Committee – and employee movement strategies.);
- Implementation of Employee Motivation and Empowerment through training of Technical staff; and
- Employees have not received a salary increase since 2009.

Recommendations:

- *The MoWT should report to the Committee by July 31,2021 on the following:*
 - *The VMCOTT Board of Directors and the MoWT should discuss a way forward to secure the future of the company and its direction in considering revisiting the original mandate of the company in order to revamp its image with an attempt to create new and innovative ways for which the relevance of the VMCOTT can be increased;*
 - *The MoWT should conduct an assessment on the reasons state agencies hesitate to use the vehicle management services available by VMCOTT;*
 - *The MoWT should also approach Cabinet about to need to enforce Cabinet Minute No. 481 of March 5, 2009 thereby directing all State agencies to VMCOTT for their vehicular management needs i.e. procurement, repair and maintenance and disposal. This can be facilitated via the issuance of a Circular to all Ministries and State Agencies making it known that VMCOTT was incorporated to provide full Fleet Management services to the Public Sector as a whole; and*
 - *To further its portfolio diversification and increase growth in profitability and in turn an extended the lifespan of the company, the MoWT should grant authorization to conduct motor vehicle inspections to VMCOTT and form a partnership/collaboration with the Ministry’s Licensing Division;*
- *Similarly, the Ministry of Rural Development and Local Government and VMCOTT together should establish VMCOTT facilities at all the fourteen Municipal/Regional Corporations similar to the pilot project that was conducted at the Mayaro Rio Claro Regional Corporation. The establishment of these facilities should follow the development of a clear implementation plan over a defined period; and*
- *Finally, Key Performance Indicators (KPI’s) should be developed to measure the*

company's performance.

3. Land Tenure Issue

VMCOTT's inability to regularize the occupation of the lands at Beetham, which are owned, by Evolving Technologies and Enterprise Development Company Limited (eTeck) remains the sole hindrance to obtaining its CNG Service Licence from the Ministry of Energy and Energy Industries (MEEI) which the company needs in order to carry out CNG conversions and services. While eTeck has proposed a lease arrangement with an annual fee of \$1.4M, VMCOTT is not in a position to meet such a financial obligation at this time. This was communicated to the Line Ministry (MOWT) whose Deputy Permanent Secretary made the suggestion that the Chairmen of VMCOTT and eTeck meet to discuss a mutually beneficial way forward; particularly since both agencies were State owned. The options proposed were either to negotiate terms for the possible vesting of the lands to VMCOTT or failing this, a deduction of the proposed lease. Efforts on VMCOTT's part to arrange this meeting with eTeck's Chairman Mr. Imtiaz Ahamad in this regard have not been successful and a response from eTeck remain outstanding.

Recommendation:

- ***The MoWT should write to the Committee by September 6, 2021 on plans/actions to be taken to address the regularization of the lands occupied by VMCOTT as is necessary to complete the infrastructure for VMCOTT to be granted the CNG license. This will require resolving the land issue with eTeck – for either ownership of the land, deed/letter of comfort, significantly reduced lease affordable by VMCOTT or moratorium until VMCOTT can afford the lease payments.***

4. Non-payment of Statutory Salary Deductions

VMCOTT owes over \$2.3m in statutory deductions from the salaries of employees, to the National Insurance Scheme (NIS), national health surcharge and Pay As You Earn (PAYE) which was broken down as follows: NIS \$1.246 million, \$1.1 million in PAYE and \$45,350 in health surcharge.

It was stated that the company's cashflow problems had been preventing it from making these monthly payments and instead, the money was used to maintain its operations like paying off overhead expenses and suppliers threatening litigations against VMCOTT for unpaid debts. VMCOTT assured the Committee that no retired employee had been hampered whilst VMCOTT was not remitting their salary deductions to the relevant agencies. By letter dated March 26, 2021, the MoWT as the line

Ministry for VMCOTT, stated that it was in the process of approaching Cabinet to seek approval to source funding with respect to the settling of outstanding statutory payments.

Furthermore, it was indicated that an examination of VMCOTT's receivables, revenue streams and expenditure was being undertaken to allow for necessary discussions with the MoF on a way forward.

Recommendation:

- ***The Ministry of Works and Transport should submit a status update by September 6, 2021 on the urgent action to address the non-payment of the statutory deduction and its approach to Cabinet for the approval to source funding with respect to the settling of outstanding statutory payments;***
- ***VMCOTT should compile a monitoring report in all regulatory requirements, date due and status of each, to ensure the Company is in adherence with all compliance requirements. This should be done at least monthly to ensure that the requirements are adequately tracked and reported to management enabling the avoidance of any violations to the Company's statutory obligations and the incurring penalties and/ or interest; and***
- ***VMCOTT should write to the Committee by September 6, 2021 on the necessary steps to be taken to ensure that all statutory requirements are adhered to and filed by the stated dates.***

5. Recovery of Monies Owed by other State Agencies

VMCOTT's system/records, showed that Public Transport Service Corporation (PTSC) was indebted a total of TT\$11,850,367. In contrast though, PTSC representatives communicated that PTSC's system/records shows indebtedness to VMCOTT of \$6,355,251.85 (\$6.4M). To finalize this long outstanding matter, both parties agreed that the Permanent Secretary, MOWT will perform the role as mediator with the view to settling the debt; MOWT being Line Ministry to both entities. At the end of the mediation session, the parties agreed to a settlement of \$6.4M payment to VMCOTT. To date VMCOTT has not received any payment. The MoWT has however informed that the payment will be processed during the fiscal year 2021.

With regard to the TTPS, the Commissioner of Police (COP) appointed a committee to review all the records and the invoices, and claims that VMCOTT made. VMCOTT's records reflect TTPS indebtedness of \$15,628,304. Based on the reconciliation committee's work, only \$194,546.00 toward invoices for the period 2013-2017 were verified and paid. In a letter dated the January 14, 2021

addressed to the PAEC, the COP stated that VMCOTT needs to provide proper supporting documentation including the TTPS job sheets and the VMCOTT worksheet for each outstanding invoice before payments can be made. It was further stated that this had been the position of the TTPS from the first reconciliation and was still the main issue that needs to be resolved. The TTPS was willing to settle all legitimate outstanding claims but will not make payments for outstanding invoices without substantiated documentation. This ultimately raises the issue of either absent or improper record keeping which maybe causing the confusion in terms of the amounts the TTPS needs to pay VMCOTT.

Recommendations:

- *The MoWT should provide an update by September 6, 2021 to the Committee on the actions taken to assist VMCOTT in the collection of debts owed to the company by all State Entities;*
- *VMCOTT should periodically review its aged receivables to ensure that all receivables which have been deemed uncollectible have been included in a proposal to be sent to the Board of Directors to be written off;*
- *VMCOTT should write to the Committee on the implementation of the following by September 6, 2021*
 - *establishing a billing process that ensures accurate invoices are sent in a timely basis;*
 - *strengthen its internal processes to facilitate accurate reporting;*
 - *VMCOTT should thoroughly conduct an internal verification of all its accounts receivables to ensure that all its claims of amounts owed to the company are validated as well as ensure that there are no gaps in its record keeping such as ensure invoices and worksheets are held both electronically and on hardcopy and also in the possession of the clients;*
 - *VMCOTT should set out a clear time table for ultimately reducing its backlog of unrecoverable accounts receivable and report on its progress monthly;*
 - *VMCOTT must create a lessons learnt report in response to the various challenges in the accounts receivables. The report should document all critical issues encountered, how they were handled; the outcomes of actions taken (or not taken); and how similar issues could be managed on other projects; and*

- *The MoWT and the MoF should write to the Committee by September 6, 2021 on any consideration given to VMCOTT recommendation of an alternative strategy: i.e. the GORTT channel/deposit budgetary allocations for maintenance of all State vehicles into a holding account controlled by the MoF and/or the Line Ministry. These allocations can be disbursed to VMCOTT upon submission of invoices validated by the respective State Enterprise.*

6. High Staff Turnover

VMCOTT, in August 2018 retrenched a total of twenty (20) employees on the basis of recommendations made in 4th Report of the Joint Select Committee on State Enterprises on an inquiry into the operations and administration of the Vehicle Management Corporation of Trinidad and Tobago Limited (VMCOTT) (with specific focus on the repair and acquisition of vehicles for State Bodies.) The total cost of the 2018 retrenchment was TT \$1,309,528.76. The necessary approvals from the Board of Inland Revenue and the severance costs were covered by the MoWT. In addition, two (2) employees were retrenched in 2020, due to the reduction of business resulting from the COVID-19 pandemic. The cost of this retrenchment exercise was TT \$15,875.00. Another year that also had significant staff turnover was 2015. VMCOTT stated that in 2015 and 2018, 52% and 55% respectively of the persons separated from the Company were due to resignations. These resignations were due mainly to uncertainties as it relates to job security resulting from the GORTT announced divestiture of VMCOTT in 2014 and 2017 respectively. In 2015, 43% and in 2018, 5% of the separations were due to the non-renewal of contracts while 5% and 40% respectively, were due to terminations.

Recommendation:

- *VMCOTT should write to the Committee by July 31,2021 on the actions taken to ensure that with the frequent downsizing of the company, it does not take a toll or burden the employees who have been retained and that the company does not lose the bulk of its institutional knowledge though the retrenched employees.*

Conclusion

VMCOTT was established in 2000, and became active in 2001, and in that period from 2001 to approximately 2010 it was receiving a subvention of \$30 million, making no profit during that period. Subsequently, the subvention was reduced to 14 million, then 12 million, and in 2016 it was reduced to 10 million annually, all whilst still not being profitable. It was a vision of the then Government to establish a mechanical services agency to treat with all of the vehicles that were falling under the Government's domain or responsibility.

Despite the mandate given to the company, various Ministries and other public sector agencies were granted moneys for the purchase and for the maintenance and repairs of vehicles annually in their budget allocation. With the exception of the TTPS and PTSC, all other Ministries and SOEs chose to do their repairs and maintenance elsewhere, siphoning the allocations to other uncertified mechanical services agencies throughout Trinidad and Tobago.

With there being no formal directive that mandates State Agencies, to send their vehicles to VMCOTT for maintenance, VMCOTT services and resources were being underutilized giving rise to the company's loss making. This is exacerbated with the company's cash flow problems stemming from the non-payment of debts for services rendered from those State agencies that actually use VMCOTT. While the vision behind the conceptualization of VMCOTT was a brilliant idea, the fact that the company is Government owed hereby lays the problem. The company's receivables problem has existed since its inception and given that other Government agencies are its largest debtors, there was so hurry for these debtors to pay off their debts as opposed to if it was a private garage because there was no fear of litigation. While VMCOTT cannot sue its fellow state agencies, it was sued for failing to pay its suppliers on a timely basis to the point where the company uses the statutory deductions from its staff to pay off operating expenses, which is a cause for concern. In essence, VMCOTT appears to have no sustainable or viable future when looked at under a microscope.

While the company states it could turn its fortunes around by at least breaking even by fiscal 2025, there is some doubt on that becoming a reality because the company is so reliant on the interventions and collaborations with other State Agencies when they have no obligation to do so. The fact that so many Ministries and SOEs get funds for vehicular procurement, repair and maintenance and choose not use VMCOTT should indicate that company's existence is fleeting.

The Public Accounts (Enterprises) Committee respectfully submits this Report for the consideration of the Parliament.

Sgd.

Mr. Wade Mark
Chairman

Sgd.

Mr. Rushton Paray, MP
Vice-Chairman

Sgd.

Ms. Amrita Deonarine
Member

Sgd.

Ms. Renuka Sagrarsingh-Sooklal
Member

Sgd.

Mr. Fitzgerald Hinds, MP
Member

Sgd.

Mrs. Laurel Lezama- Lee Sing
Member

Sgd.

Mr. Keith Scotland, MP
Member

Sgd.

Dr. Nyan Gadsby-Dolly, MP
Member

Appendix 1: Minutes of Meeting

**THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE –
FIRST SESSION, TWELFTH PARLIAMENT**

**MINUTES OF THE FOURTH MEETING HELD VIRTUALLY ON
WEDNESDAY, FEBRUARY 03, 2021 AT 9:30 A.M.**

Present were:

Mr. Wade Mark	-	Chairman
Mr. Rushton Paray	-	Vice-Chairman
Mrs. Laurel Lezama-Lee Sing	-	Member
Ms. Amrita Deonarine	-	Member
Mr. Keith Scotland	-	Member
Dr. Nyan Gadsby- Dolly	-	Member
Ms. Hema Bhagaloo	-	Assistant Secretary
Mr. Darien Buckmire	-	Graduate Research Assistant

Excused was:

Ms. Renuka Sagramsingh-Sooklal	-	Member
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Absent was:

Mr. Fitzgerald Hinds	-	Member
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CALL TO ORDER

- 1.1 At 9:30 a.m., the Chairman called the meeting to order and welcomed those present. Ms. Renuka Sagramsingh-Sooklal was excused from the meeting.

THE EXAMINATION OF THE MINUTES OF THE THIRD MEETING

- 2.1 The Committee examined the Minutes of the Third (3rd) Meeting held on Wednesday January 20, 2021.
- 2.2 There being no omissions or corrections, the Minutes were confirmed on a motion moved by Mr. Rushton Paray and seconded by Ms. Amrita Deonarine.

MATTERS ARISING FROM THE MINUTES OF THE THIRD MEETING

- 3.1 With reference to item 8.2, the Chairman informed Members that questions for additional information were sent to the Ministry of Finance – Investments Division and UDeCOTT on

February 2, 2021. Additional questions were received from Member Deonarine and incorporated into the request for additional information.

PRE-HEARING DISCUSSION RE: VEHICLE MAINTENANCE CORPORATION OF TRINIDAD & TOBAGO LIMITED (VMCOTT)

- 4.1 The Chairman reminded Members that at this virtual meeting, the Committee would examine the Audited Financial Statements of the Vehicle Maintenance Corporation of Trinidad & Tobago Limited (VMCOTT) for the financial years 2013 and 2014.
- 4.2 The Chairman invited Members to review the Issues Paper on the Vehicle Maintenance Corporation of Trinidad & Tobago Limited based on the written submission received from the company.
- 4.3 The Chairman invited Members to raise any issues or questions on the examination into the Vehicle Maintenance Corporation of Trinidad & Tobago Limited. Members discussed the issues of concern and the general approach for the public hearing.

SUSPENSION

- 5.1 There being no further business for discussion in camera, the Chairman suspended the meeting at 9:55 a.m., to be reconvened in public.

EXAMINATION OF THE AUDITED FINANCIAL STATEMENTS OF THE VEHICLE MAINTENANCE CORPORATION OF TRINIDAD AND TOBAGO FOR THE YEARS 2013 AND 2014

- 6.1 The Chairman called the public meeting to order at 10:10 a.m.
- 6.2 The following officials joined the meeting:

Vehicle Management Corporation of Trinidad and Tobago Limited (VMCOTT)

- Lt. Col. Neil Bennett - Chairman
- Mr. Roddy Batchasingh - Director
- Mrs. Melissa Boodoo-James - Director
- Mr. Mark Lee Son - Director
- Ms. Natasha Prince - Chief Executive Officer
- Mr. Learie Cummings - Internal Auditor
- Mr. Lyndon James - Finance Manager
- Mr. Kendell Garcia - Operations Manager
- Mr. Nigel Floyd - Corporate Secretary

Ministry of Works and Transport (MoWT)

- Ms. Dhanmattee Ramdath - Deputy Permanent Secretary (Ag.)
- Ms. Dianne Shim - Director of Finance and Accounts
- Ms. Srisati Seeram - Senior Economist (Ag.)

Ministry of Finance – Investments Division (MoF-ID)

- Ms. Sharon Mohammed - Director, Social and Economic Transformation (Ag.)
- Mr. Suresh Dan - Senior Business Analyst (Ag.)
- Ms. Kimberlene Pascall - Business Analyst (Ag.)

6.3 The Chairman welcomed the officials.

6.4 The Chairman outlined the mandate of the Committee and the purpose of the hearing. Introductions were then exchanged.

6.5 Key Issues Discussed:

- The role of the MoWT and the MoF-ID with regard to the recovery of monies owed by the Trinidad and Tobago Police Service (TTPS) and the Public Transportation Service Corporation (PTSC) to VMCOTT;
- The annual subvention allocated to VMCOTT from the year 2013;
- The viability of the operations of VMCOTT;
- The status of VMCOTT's profitability since its inception in 2001;
- The status of the company's statutory deductions from NIS, PAYE, Green Fund and Business Levy;
- The cash flow challenges experienced by VMCOTT and the measures taken to address this situation;
- The measures in place to improve VMCOTT's operational performance;
- The status of the company's accumulated deficit;
- The amount of revenue earned annually since VMCOTT opened its services to the private and public sector;
- The status of the reconciliation of VMCOTT's documents to confirm the actual figures owed by the TTPS and PTSC ;
- The TTPS' response to amount of money owed to VMCOTT;
- The absence of documentation to prove VMCOTT's claims of monies owed by the TTPS;
- The amount of monies owed and paid by the Ministry of Health during fiscal 2020;
- The status of the policy of 40% down payment on services over \$8,000;
- The status of acquiring software to improve the record keeping, data collection and data reporting;
- The frequency of accounts receivable reconciliations;
- The guidelines in place to ensure the transparency over the recruitment, dismissal and promotion of company employees;
- The status of the completion of the draft Human Resource Policy;
- The reasons for the significant staff turnover over the period 2015 to 2020;

- The number of staff retrenched in 2018 and the number of contract employees retained to fill the gaps as a result of the retrenchments;
- The status of any Cabinet Note that mandates all state agencies to use VMCOTT as their preferred vehicle repair and maintenance service provider;
- The use of VMCOTT's fleet management services by the TTPS;
- The status of VMCOTT's certification of more than 'the three established garages' permitted to service TTPS vehicles;
- The issue of the TTPS vehicles being repaired by garages outside of Cabinet's instruction;
- The status of the unserviceable vehicles and the method used to dispose them on behalf of their clients;
- The reasoning for the derelict vehicles located at VMCOTT's San Fernando facility;
- The status of the VMCOTT facility at the Mayaro/Rio Claro Regional Corporation and at other Corporations;
- The reason for the non-submission of the 2015 to 2020 audited financial statements;
- The status of the 2017 to 2020 Administrative Reports; and
- The policy that grant's VMCOTT's Chairman the authority to be a signatory on the company's financial documents.

Please see the Verbatim Notes for the detailed oral submission by the witnesses.

6.6 The Chairman thanked the officials for attending the virtual meeting and they were excused.

SUSPENSION

7.1 At 12:44 p.m., the Chairman suspended the public meeting to resume in camera for a post-mortem discussion with Members only.

7.2 The Committee agreed that additional questions for written submission should be sent to VMCOTT, MoF and MoWT for further written submissions.

[Please see Appendix 1]

ADJOURNMENT

8.1 There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned to **Wednesday March 3, 2021 at 9:30 a.m.** At this meeting the Committee will conduct a follow up inquiry into the PA(E)C's Eighth Report during the Eleventh Parliament and an examination of the National Gas Company of Trinidad and Tobago Limited Audited Financial Statements for the years 2015 to 2018.

8.2 The adjournment was taken at 12:59 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

February 03, 2021

ADDITIONAL INFORMATION**Additional Questions arising from Meeting of the Public Accounts [Enterprises] Committee****Questions to VMCOTT**

1. How much money was deducted from the salaries of persons employed at VMCOTT that is still payable to the Green Fund Levy and the Business Levy?
2. Provide a list of suppliers VMCOTT owes money to as well as the amounts owed to them.
3. Provide the remuneration packages of VMCOTT's executive management.
4. What guidelines are in place to ensure transparency in the recruitment, dismissal and promotion of person's at VMCOTT?
5. What was the total cost of VMCOTT's retrenchment exercise between the years 2015 to 2020?
6. State the ways the Public Accounts [Enterprises] Committee can assist VMCOTT with improving its efficiency and correcting any issues?
7. Provide a copy of the document that grants VMCOTT's Chairman the authority to be a signatory on the company's accounting and financial documents.
8. Why is there a need for the VMCOTT's private auditors to be on site to conduct their audit work as opposed to VMCOTT submitting the relevant/requested data to the auditors?

**Additional Questions arising from VMCOTT's Submission to the
Public Accounts [Enterprises] Committee**

General Questions:***Based on Response to Question 1***

1. How much revenue does VMCOTT generate annually?
2. What percentage of the revenue is from the public sector and private sector respectively?
3. How many private firms has VMCOTT certified and approved to repair and maintain vehicles owned and operated by the TTPS?
 - a. What is the certification and approval process?
4. Can a private firm lose its certification? If yes, how?
5. How many private firms if any, have lost their certification to do repair and maintain vehicles owned and operated by the TTPS?
- 6.

Based on Response to Question 2

1. Provide specific percentages for each of the performance measurement matrices identified in the written submissions to the Committee.
2. What were the challenges with each of performance measurement matrices that were below the targets placed? How are these challenges being addressed?
3. In terms of dollar value, what is the approximate loss of each of the KPI that were below target?
4. For those that were on target or above target:
 - a. How were they achieved;
 - b. What lessons were learnt; and
 - c. Could the lessons learnt be applied to those below target?

Based on Response to Question 3

1. How long has each of the listed agencies been a client of VMCOTT?

Based on Response to Question 4

1. What is the status of the land tenure issue at the Beetham location?
 - a. How long has this issue existed?
2. Have any valuations conducted to confirm that the proposed annual fee of \$1.4M by eTeck was justifiable?
3. When was the suggestion given by the Deputy Permanent Secretary, Ministry of Works and Transport for both the Chairman of VMCOTT and e TeckK to meet and negotiate terms for the possible vesting of the lands to VMCOTT made?
4. What is the role of the Ministry in addressing this issue?

Based on Response to Question 6

1. Given that the Strategic plan was for the period 2017-2020, state how VMCOTT was able to respectively:
 - a. Improve the financial/economic performance;
 - b. Increase customer focus to stimulate customer oriented culture;
 - c. Improve Operational Process Management Systems, Internal Controls and Health, Safety and Environment (HSE); and
 - d. Increase organization readiness via learning and growth?

Based on Response to Question 7

1. What adjustments were made to VMCOTT's Strategic Plan 2017-2020 to accommodate COVID-19 Safety Regulations?

Based on Response to Question 9

1. State the amount of revenue on average that was lost because of the down-time due to equipment failure?
2. What specific equipment failure does VMCOTT experience?
3. How long is the equipment usually down for?
4. How often does equipment failure occur?

Status of Outstanding Financial Statements

Based on Response to Question 9

1. Why was VMCOTT instructed to only proceed with the audit for the fiscal year ending 2014?
2. Given that the Board of Directors viewed the audit fee to be extremely high, did VMCOTT tender for audit services prior to selecting its external auditors?
3. What is the timeframe for the completion of the 2016 – 2020 audits?
4. What measures will be taken to ensure that audited financial statements are completed within four (4) months of their financial year end as per the requirements set out in Section 3.2.5 of the State Enterprises Performance Monitoring Manual?

Strategic Plan

Based on Response to Question 7

1. What are VMCOTT's plans to currently take advantage of the following:
 - a. Full offer and improved Fleet Management Services (from procurement to disposal).
 - b. Total Care vehicle services with One-Stop-Shopping Convenience (tyres, air conditioning, mechanical, electrical, diagnostics, vehicle inspection, auto-collision repair, transmission, underwash, engine-wash, body-wash);
 - c. Trained and certified technicians;
 - d. State of the art equipment;
 - e. Safe and secure facilities (TTPS Presence in addition to Security Officers);
 - f. Strategically located facilities at San Fernando and Tobago; and
 - g. Strategic partnerships with equivalent and competing agencies/organizations in pursuit of goals/objectives.
2. How does VMCOTT presently circumvent the challenges posed by the following:
 - a. Low cash flow;
 - b. Unable to maintain competitive pricing of parts due to limited cash flow that hinders the timely payment of suppliers;
 - c. Unable to attract competitive pricing from local suppliers;
 - d. Inability to purchase parts in bulk so as to pass on cost savings to customers;
 - e. Insufficient follow up training provided to staff;
 - f. Inability to attract high calibre/professional employees due to restrictive/unattractive salaries;
 - g. Beetham location not easily accessible to public;
 - h. Little Marketing due to low cash flow;

- i. Other state-owned entities incur significant debt with little or no payment – or recourse from GORTT;
 - j. Inability to retrieve outstanding revenue in a timely basis or at all. (Mostly owed by State); and
 - k. Strong GORTT Mandate; No GORTT Support.
3. What are VMCOTT's plans to initiate the following:
- a. Retrieve outstanding revenue;
 - b. Offering of additional services through new business units (Transmission Repairs, Body/Collision Repairs, Automated Carwash, Billboards, Regional & Municipal Corporations, NP Service Centre, CNG Conversion, Procurement services, GPS Systems,);
 - c. Widening customer base – Offering services to various market sectors including Private Sector;
 - d. Improving marketing strategies/tactics;
 - e. Alignment with other state entities (Regional Corporations and Ministries in Trinidad and Tobago);
 - f. Ability to retain and attract high caliber employees with competitive salaries and incentives. (Satisfactory performance of VMCOTT can lead to approved salary increases by Permanent Secretary and Chief Personnel Officer);
 - g. Improve access to Beetham facility through Line Ministry –Ministry of Works and Transport; and
 - h. Partnering with Other State and Private Entities.
4. How does VMCOTT plan to reduce the impact of the following on the company's operational strategy:
- a. Low Cash Flow (hinders ability to procure parts needed to generate revenues);(1) unable to enjoy economies of scale particularly given our financial constraints; (2) difficult to procure parts on a timely basis (3) retail purchases resulting from cash flow challenges limits ability to competitively price parts.
 - b. Wide range of vehicles types/models within the public sector; unable to stock the required parts –too costly and space consuming Competitors attracting our customers.
 - c. High dependency on GORTT as customer base; TTPS –largest, main customer – outsourcing repairs to other garages.
 - d. Inability to retrieve outstanding revenues.
 - e. High payables account
 - f. Divestment of VMCOTT(adverse effect on staff)
 - g. Little or no payment from State Sector when GORTT subscription increases.
 - h. Inability to generate profit.
5. What were the impact of these threats on the Company?

Human Resources

Based on Response to Question 1

1. In the absence of an approved HR policy, what guideline is being used to guide the operations of the HR department?
2. What guidelines are in place to ensure that the opportunity ‘ability to retain and attract high caliber employees with competitive salaries and incentives’ are realized?
3. Could the lack of HR Policy, contribute to two of the weaknesses of the company “ inability to attract high calibre/professional employees due to restrictive/unattractive salaries and insufficient follow-up training provided to staff’.

Based on Response to Question 6

1. What factors led to VMCOTT experiencing such high turnover rates particularly in fiscal 2015 and 2018 respectively?
2. Has the turnover rate affected the company’s operations?
3. Which areas of the company have the highest turnover?
4. What is being done to remedy VMCOTT’s turnover issues?

Based on Response to Question 7

The information provided from a monthly point of view shows that San Fernando with 3 technical staff completes 100 tasks (services and inspects vehicles), Tobago with 4 technical staff completes 104 tasks but Beetham with 13 technical staff completes 220 tasks.,

1. Could an explanation be given as to why San Fernando and Tobago have on average completed more tasks with less personnel than the Beetham facility?
2. Based on the statistics provide, state the reasons for 13 technical/operational staff at the Beetham Branch.

Based on Response to Question 9

1. How many persons does VMCOTT train per year with an average budgeted sum of \$6,000?

Based on Response to Question 13

1. After employees’ training, how many new services were offered to clients each year?
2. What was the percentage increase in new customers after employees were trained in hybrid and CNG vehicles?
3. When did training employees to become insurance assessors/valuators?
4. When does VMCOTT anticipate that its employees gain certification to become insurance assessors/valuators?
5. How many new clients per month does VMCOTT estimate it will gain once its employees become insurance assessors/valuators?
6. What is the sum of additional revenue to gain from insurance assessors/valuators?
7. What would be the impact of these additional services on the company’s cash flow?

Based on Response to Question 14

1. What is the status of the disability policies and necessary infrastructure for differently abled persons being addressed as a priority?

Financial Position

Based on Response to Question 1

1. Given that VMCOTT main issue is its inability to turn receivables to cash thus affecting its cash flow and ability to pay suppliers, what is the role of the MOF-ID or MOWT with regard to this issue?
2. What are some of the solutions to address this issue?

Based on Response to Question 3

1. What caused the significant rises and falls in Rental Income, Inspections and Car Wash over the period 2015 to 2019?
2. What measures are being taken to increase the income from rental, inspections, carwash, procurement and billboards?

Based on Response to Question 6

1. What is the status of VMCOTT sourcing and reconciling the unpaid invoices for the period 2004 to 2012?
2. Clarify the amount processed of the sum \$2,445,414.79 and the sum requested by VMCOTT \$3,312,172.45.
3. What is the status of step 4 of the agreed process that has not been carried out by the TTPS?
4. What is the total sum of funds received by the TTPS?
5. What is the total sum of funds received by the TPSC?

Based on Response to Question 10

1. Since VMCOTT's decision to offer its services to private enterprises as well as members of the public in 2016, how much additional money did this initiative generate each year?
2. In addition to vehicle repairs and maintenance, what other business models/initiatives has VMCOTT been considering to diversify its income stream to ensure a profitable and self-sufficient company?

Based on Response to Question 12

1. Which government agencies were restricted from accessing the company's services during the years 2014 to 2017?
2. What level of restrictions were applied to each?

Procurement Practices

Based on Response to Question 13

1. What is being done to rectify the company's loss of customers due to the organizations inability to procure parts in a timely manner?

Internal Audit

Based on Response to Question 4

2. Does having 1 less Audit Assistant affect the completion of planned audits or investigations?

Based on Response to Question 6

1. For the period 2018/2019:
 - a. State the internal audit recommendations that were accepted and rejected.
 - b. Why were those recommendations rejected?
 - c. What is the status of the recommendations that are yet to be implemented?

Appendix 14

2. There were several instances of non-adherences to Standing Operating Procedures throughout the Internal audit reports and investigations. In light of the repeated recommendations to ensure compliance with established standing operating procedures:
 - a. What is the cost to the company for non-adherence to Standing Operating Procedures especially for Stores and Inventory;
 - b. How have these non-adherences further impacted cash flow; and
 - c. What is being done to reinforce the need to adhere to the Standing Operating Procedures?

Questions to MoF -ID

1. Is the Ministry's oversight adequate in light of the performance of VMCOTT?
 - a. If not, what measures are required by the Ministry to strengthen its oversight role?
 - b. If yes, what were the reasons for the huge gaps in the execution of the company's Financial Management, Procurement, Accounting procedures as identified in VMCOTT's Internal Audit Reports?
9. The Ministry's response to question # 1, indicated that they are in receipt of monthly reports inclusive of PAYE, NIS, Pension, Severance, Interest Payment, Domestic, Foreign, Other

Goods and Service, Operational Costs, Statutory Responsibilities, Vat, Tax, Business Levy among others.

- a. What is the reason for the information on PAYE, NIS, Pension, Severance, Interest Payment, Domestic, Foreign, Other Goods and Service, Operational Costs, Statutory Responsibilities, Vat, Tax, Business Levy among others not presented to the Auditors for the preparation of the audited financial statement?

Questions to MOWT

1. Provide in details the steps the Ministry will take to resolve the issue of VMCOTT needing to use salary deductions to pay operating costs.
2. Provide the timeline for the Ministry to submit the VMCOTT's Annual Administrative Reports it has in its possession to the Parliament?
3. Is the Ministry's oversight adequate in light of the performance of VMCOTT?
 - a. If not, what measures are required by the Ministry to strengthen its oversight role?
 - b. If yes, what were the reasons for the huge gaps in the execution of the company's Financial Management, Procurement, Accounting procedures as identified in VMCOTT's Internal Audit Reports?

Appendix 2: Verbatim Notes

VERBATIM NOTES OF THE FOURTH VIRTUAL MEETING OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE HELD (IN PUBLIC) ON WEDNESDAY, FEBRUARY 03, 2021, AT 10.10 A.M.

PRESENT

Mr. Wade Mark	Chairman
Mr. Rushton Paray	Member
Dr. Nyan Gadsby-Dolly	Member
Mrs. Laurel Lezama-Lee Sing	Member
Ms. Amrita Deonarine	Member
Ms. Hema Bhagaloo	Secretary
Mr. Darien Buckmire	Graduate Research Assistant

ABSENT

Mrs. Renuka Sagramsingh-Sooklal	Member
Mr. Fitzgerald Hinds	Member
Mr. Keith Scotland	Member

MINISTRY OF FINANCE – INVESTMENTS DIVISION

Ms. Sharon Mohammed	Director, Social and Economic Transformation (Ag.)
Mr. Suresh Dan	Senior Business Analyst (Ag.)
Ms. Kimberlene Pascall	Business Analyst (Ag.)

MINISTRY OF WORKS AND TRANSPORT

Ms. Dhanmattee Ramdath	Deputy Permanent Secretary (Ag.)
Ms. Srisati Seeram	Senior Economist (Ag.)
Ms. Dianne Shim	Director of Finance and Accounts

VEHICLE MANAGEMENT CORPORATION OF TRINIDAD AND TOBAGO LIMITED (VMCOTT)

Lt. Col. Neil Bennett	Chairman
Mr. Roddy Batchasingh	Director
Ms. Melissa Boodoo-James	Director
Mr. Mark Lee Son	Director
Ms. Natasha Prince	Chief Executive Officer
Mr. Learie Cummings	Internal Auditor
Mr. Lyndon James	Finance Manager
Mr. Kendell Garcia	Operations Manager
Mr. Nigel Floyd	Corporate Secretary

Mr. Chairman: Good morning and welcome to the officials from the Ministry of Finance Investments Division, the Ministry of Works and Transport and the Vehicle Management Corporation of Trinidad and Tobago Limited (VMCOTT). My name is Sen. Wade Mark, Chairman of the Public

Accounts (Enterprises) Committee. The Committee on Public Accounts (Enterprises) has a mandate to consider and report to the House of Representatives on the following:

- (a) the audited accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by/or on behalf of the State;
- (b) the Auditor General's Report on any such accounts, balance sheets and other financial statements;
- (c) whether policy is carried out efficiently, effectively and economically and whether expenditure conforms to the authority which governs it.

The purpose of this meeting of the Public Accounts (Enterprises) Committee is to examine the audited accounts, balance sheets and other financial statements of the Vehicle Management Corporation of Trinidad and Tobago Limited (VMCOTT) for the financial years 2013 and 2014 respectively.

The Committee is desirous of hearing the challenges being faced by the key stakeholders at the Vehicle Management Corporation of Trinidad and Tobago Limited in an attempt to determine some of the possible solutions to these challenges. The role of the Committee is to help the Vehicle Management Corporation of Trinidad and Tobago Limited (VMCOTT) to be in a better position to improve its delivery of services in an efficient, effective and economic manner. This virtual meeting is being broadcast live on the Parliament's Channel 11 and Radio 105.5 FM, and the Parliament's YouTube Channel *ParView*. Participants are advised that their microphones should remain muted until recognized by the Chairman.

May I call upon the following representatives to introduce themselves? Firstly, the Ministry of Finance Investments Division representatives, can you introduce yourselves at this time?

[Introductions made]

Mr. Chairman: Okay. Can we now introduce officials from the Ministry of Works and Transport? Ministry of Works and Transport, please.

[Introductions made]

Mr. Chairman: Thank you. And may I invite the Vehicle Management Corporation of Trinidad and Tobago Limited (VMCOTT) to introduce their representatives here this morning?

[Introductions made]

Mr. Chairman: Thank you. May I at this time invite our colleagues at the level of the Public Accounts (Enterprises) Committee to introduce themselves? Can I now invite members to introduce themselves?

[Introductions made]

Mr. Chairman: Well, thank you so very much, members, and let me on behalf of our Committee warmly welcome all the officials from the Ministry of Works and Transport, from the Ministry of Finance Investments Division and, of course, the entity that we will be examining this morning, VMCOTT, and their representatives. May I welcome all of you? I would like to begin asking a few questions and then I will invite my other colleagues to join in this exercise.

I would like to direct this first question to both the Permanent Secretary in the Ministry of Works and Transport and the Permanent Secretary in the Ministry of Finance or their representatives here to clear the air on the following: Given that VMCOTT's main issue is its inability to turn receivables to cash thus affecting its cash flow and ability to pay suppliers, what is the role of the Ministry of Finance Investments Division or the Ministry of Works and Transport with regard to this issue seeing that most of its debtors are state agencies? Can I invite some clarification from these two entities at this time? Ministry of Works and Transport and then the Ministry of Finance.

Ms. Ramdath: Thank you, Chair. Regarding your first concern about the viability of VMCOTT, the financial viability of VMCOTT, I need to point out that the Ministry, the line Ministry, has been working along with VMCOTT as well as the debtors that are part of the public sector to repay the debts owed to VMCOTT. I can share with you that the PTSC, that is the Public Transport Service Corporation which is one of the debtors, has met together with the line Ministry and VMCOTT to alleviate at least some of the debt. In doing so, we have settled for \$6.4 million, and at this time the Ministry is working to assist PTSC in trying to get this \$6.4 million to be able to pay VMCOTT.

With regard to the TTPS, which is another debtor, the Trinidad and Tobago Police Service, the Commissioner of Police has appointed a committee to review all the records and the invoices, and claims that VMCOTT has made. So far we have been recovering the moneys from the TTPS. It is slow but we are getting it. I can tell you we have received at the beginning of this year \$194,000 so far, and I am sure we will be continuing to receive moneys to clear those debts.

In terms of your concerns about the financial viability, I must share with you that the Ministry of Works and Transport, along with the Ministry of Finance, we have been injecting finance to the VMCOTT on a yearly basis. In 2013, we had injected approximately \$12 million; 2014, our records show it is approximately \$14 million. To date, we have been injecting \$10 million per year into VMCOTT to assist them in their business and their operations, and to assist in meeting their operational costs. Thank you, Chair.

Mr. Chairman: Can you tell this Committee whether from your assessment as Permanent Secretary,

whether this company is viable?

Ms. Ramdath: I can share with you that—Chair, I think it is viable. It needs to be rebranded, reengineered, which the line Ministry and VMCOTT—and I am sure the Chair will elaborate on this issue. We have been working with Ministry of Finance along with VMCOTT to explore ventures in which VMCOTT can enter into to continue being viable. I can share with you, we are exploring a public/private partnership at this time.

Mr. Chairman: Okay. And what about—thank you so very much, Permanent Secretary. Can I get a response from the Ministry of Finance Investments Division?

Ms. Mohammed: Thank you, Chair. The role of the Investments Division is to assist by encouraging discussions between the entities, such as VMCOTT, and to help them resolve their issues by reconciliation. With regard to VMCOTT, we held several meetings with the line, and TTPS, and PTSC in order to resolve their issues. We also write to the entities we have, to the state agencies, encouraging them to pay their debts.

Mr. Chairman: Okay. Let me just ask another question. Despite VMCOTT's income being supplemented by an annual subvention of \$10 million as was indicated by the Permanent Secretary in the Ministry of Works and Transport a short while ago, this company still incurs operating losses each year to the point that as at fiscal 2020, VMCOTT had accumulated losses totalling some \$91 million. From the Ministry's analysis of VMCOTT's operations from inception to the current period, will discussions on VMCOTT's future need to be held; or based on its strategic initiatives outlined in their 2020/2025 strategic plan, can VMCOTT turn itself around by 2025, or at least break even without further government assistance? Can I get some clarification from the Ministry of Works and Transport and the Ministry of Finance Investments Division? Can I invite the Ministry of Works and Transport Permanent Secretary to speak?

Ms. Ramdath: As I had indicated before, yes, I agree with you. Like every organization right now in this economic climate that we operate within, as well as the factor of the COVID-19 pandemic that is affecting the economy globally, like all the organizations, VMCOTT is one of those organizations. So as I indicated before, we are exploring ventures in which VMCOTT can enter into to ensure that by 2025 they will be making a profit. I am very positive in saying this and making the statement. Further, in their strategic business plan for 2020—2025, VMCOTT has embarked on exploring new ventures and new initiatives, reengineering the business processes, restructuring in order to reduce the operational costs and improve on their financial viability.

So I agree with you, Chair. It may be looked—when you look at the financial statements, it

might be looking daunting. However, we have hope and we are positive that VMCOTT will be able to become viable by 2025 given all the factors put in place. Thank you, Chair.

Mr. Chairman: Madam Permanent Secretary, would you be kind enough to amplify and clarify whether this company since its founding in 2001, has this company made any profit or has it been a loss-making entity since its founding? Could you clear the air for us on this? Permanent Secretary in the Ministry of Works and Transport.

Ms. Ramdath: I am hearing you, Chair. And while in my previous statements I keep saying, yes, I agree with you, Chair, that we have recognized that VMCOTT has been either breaking even from their inception or operating at a loss, however, you have to look at the factors that contribute to that loss. The fact—there are a lot of entities that are owing funds, moneys, to VMCOTT. VMCOTT has been providing service and they have not been paid on a timely manner, and therefore, you would see in their financial statements that there has been a loss and that is why the line Ministry is working together with Ministry of Finance to ensure these entities who are the debtors within the public sector pay to VMCOTT. And once VMCOTT can recover the debt owed to them, Chair and members, I am telling you they will come out of that loss.

Mr. Chairman: Okay. Thank you, Madam Permanent Secretary. May I invite the Chairman or the CEO of VMCOTT at this time to let us know whether statutory deductions are being remitted to the relevant agencies at this time? Can I invite the CEO of VMCOTT to respond or the Chairman?

Ms. Prince: Good morning Chairman, good morning members. And just to answer your question, Chair, no it is not up to date as we speak because of our cash flow issues; that has dampered our inability to make those payments on time. However, we have made some strides in terms of the amount owing and the years that we are owing these amounts. We are able to at least make payments up to 2018, and we are still constantly battling with our cash flow to pay for the other outstanding years as well.

Mr. Chairman: So as we speak, Madam CEO, can you tell this Committee how much NIS, in a detailed way or give us in summary and then you will put it in writing subsequently, how much statutory deductions that have already been made from the workers, employees, management salaries, how much are outstanding to the National Insurance Board and other agencies as it relates to NIS—National Health Surcharge—the question of PAYE, Green Fund Levy as well as business levy? Can you give us an appreciation from your perspective how much moneys are owed to these agencies or entities as it relates to statutory deductions?

Ms. Prince: Yes. Chairman, presently we know we are owing \$1.9 million to NIS. My Finance

Manager is getting the other figures as we speak to give you an overall total, however, we will submit the full value with all the funds—okay, hold on. So NIS, \$1.246 million, that is a difference of \$468,000 to date, to bring it up to par; and PAYE, we are owing approximately \$1.1 billion, a difference of \$446,000, to bring it up to current; and health surcharge we are owing \$45,350 with a difference of \$18,770, to bring it up to current.

Mr. Chairman: And could you tell us, Madam CEO, in terms of business levy and the Green Fund?

Ms. Prince: We do not have that information right now, but we will submit it in writing to you.

Mr. Chairman: Now, Madam CEO, you know this is a serious matter?

Ms. Prince: Yes.

Mr. Chairman: You have employees who would be retiring as you know, because we are all getting older and if you have an employee—and I am not saying that that is the case, but I am saying hypothetically if somebody reaches the statutory retirement age and they have to leave VMCOTT and their moneys have been deducted—because your salary payslips would reveal moneys going to the income tax, Board of Inland Revenue Office, moneys are going to the agency responsible for collecting health surcharge—I do not know which agency right now as I speak—and the agency responsible for receiving their NIS, which is the NIB. When that person or those persons retire, what would be their situation in terms of accessing their monthly pensions, as example? Because right now, as you said, \$1.24 million owed to the NIB, 1.1 or thereabouts to the Board of Inland Revenue, and in terms of health surcharge \$45,350. What is to take place with these workers when they approach these entities? Have you all given that any consideration?

Ms. Prince: Yes we have, Mr. Chair. Well, we have about two employees so far that have retired and we did not have any problem. We do not have any problems thus far. They are receiving their contributions. However, we know that this is serious and long-term it will affect their payments, and therefore, we are working on whatever cash that we have on hand to try and clear it up. I think we can do it even faster but because of our current cash flow issue, I think that is hampering us from making these payments monthly.

Mr. Chairman: Can you tell us some of the cash flow challenges and how is this issue being addressed?

Ms. Prince: Yes. We have a lot of suppliers that we are owing a huge amount of money to, for goods and services that they have provided to us. What we are doing to avoid any litigation—because we have rebranded the company and our brand is everything right now, we do not want to spoil the image of putting it out there in the public domain as a failing organization. So what we have done is enter

into payment plan agreements with most of these suppliers where we pay them on a monthly basis. So far we have paid off eight of them thus far just by making small monthly payments, and the others, it is ongoing.

Mr. Chairman: Can you supply us with the names of those suppliers that you currently owe moneys to?

Ms. Prince: Yes, we have a long list and definitely we can supply it to you in writing.

Mr. Chairman: Okay. And then before I introduce my other colleagues—because I have a number of other questions I would like to put to VMCOTT, is this not a breach of the law to deduct moneys from workers' salaries and/or wages and not have those moneys sent to the relevant agencies by law? Is there a breach of the law involved here? Do you know?

10.40 a.m.

Ms. Prince: No, I am not aware.

Mr. Chairman: Okay. I will revert to that issue in a short while. But let us deal with another quick issue. We did request from you the remuneration packages of all your executive management personnel along with their résumés. You were very kind and I want to sincerely thank you for supplying the Committee with the résumés, but what we did not have the opportunity of examining or receiving would have been the actual remuneration packages that the various executive management personnel currently receive or enjoy, including your good self. Would you be kind enough to tell this Committee now what are the remuneration packages enjoyed by the following personnel within the executive management team, starting with the Chief Executive Officer, including the Internal Auditor, the Finance Manager, Chief Operations Officer and Operations Manager? Can you tell this Committee what—for instance, you will have to put it in writing all—their entire terms and conditions. So we want to know, for instance, their salaries and whatever allowances that these people or these officeholders, I should say, enjoy. So like, for instance, your good self, as Chief Executive Officer, would you want to tell me what is your monthly salary? Can you submit those things? I think you have to unmute.

Ms. Prince: Yes, my apologies. It just came up muted. Well, for my good self, is it possible, Mr. Chair, that I can submit all the remuneration packages in writing to you, Sir? Because yes, I will know mine but at the top of my head, I think it is only fair that I submit the whole entire executive team to you in writing.

Mr. Chairman: Yes, but it is the reason why I am asking you directly and the reason why I am asking you directly—and I understand what you are saying but this is the second time we will now be asking

your good self to supply this Committee with the packages of those officeholders. So you are getting a second opportunity to meet that request. So I hope that you will comply as we have requested.

Ms. Prince: Yes, Sir. I will comply.

Mr. Chairman: So, if we could get this information no later than in the next 48 hours.

Ms. Prince: No problem, Sir. We will comply.

Mr. Chairman: May I now invite my other colleagues to join me in this enquiry by asking their questions and may I invite Rushton Paray to be followed by—well, first of all, I know, before I ask Rushton, Laurel Lezama-Lee Sing has to leave a bit early so if she has any questions, she can do so now, as well as Madam Gadsby-Dolly, if you have any questions that you would like to ask, you can follow after Laurel Lezama and then I will then go on to Rushton, Amrita and then Mr. Keith Scotland. So may I invite Laurel Lezama-Lee Sing if she is still here?

Mrs. Lezama-Lee Sing: I am here, Chairman. Thank you very kindly. Thank you so far for your line of questioning, Chairman. I felt that there are a number of outstanding documents that we need to receive so that we could further analyse the workings of this company and I wish to stand down on any questions at this point in time, please. Thank you.

Mr. Chairman: Thank you. May I invite Dr. Gadsby-Dolly if she has any questions? Hon. Member?

Dr. Gadsby-Dolly: Good morning, everyone. Are you hearing me?

Mr. Chairman: Yes, I am hearing you now. Thank you.

Dr. Gadsby-Dolly: Wonderful. And morning to all members of the panel and the Committee's officials from the Ministry of Works and from VMCOTT. At this time, I would like to find out, with respect to the payments that are owed to the NIS and so on, how long has this situation persisted? Maybe the CEO can take that one.

Mr. Chairman: Yes, the CEO, Ms. Natasha Prince, you can take that question? Could you unmute your mike, CEO of VMCOTT?

Ms. Prince: Yes, between 2010—[*Inaudible*]

Mr. Chairman: Yes?

Dr. Gadsby-Dolly: I do not know. I am not hearing her very well. She is in and out.

Mr. Chairman: Yes, Ms. Natasha Prince, could you unmute your mike and speak a little clearer so that the members can hear?

Ms. Prince: It is unmuted. Are you all hearing me?

Mr. Chairman: Yes, it is a little better now. Yes.

Ms. Prince: Better? Okay, great. The challenges started from the period 2010 to 2013. It is only in

the year of 2018, we started to try and bring it up to current and so far, it has been current from that period to 2018. Outstanding is 2019 onward.

Dr. Gadsby-Dolly: Could you indicate—were you in the position at that time?

Ms. Prince: No, I was not. I was just a normal staff, a supervisor back then.

Dr. Gadsby-Dolly: Okay. Well, maybe you would be able to tell me what would have been the genesis of the issues between 2010 and 2013 that would have resulted in these payments not being made?

Ms. Prince: Yeah. Well, the same cash flow issues we were experiencing back then, we had challenges paying our suppliers because of the—of course, our main client which was the TTPS back then, they were not making payments on a regular basis. So that was kind of making our operations a bit crippled in terms of paying our creditors and, of course, paying the statutory deductions on time. So the challenges, it started way back then.

Dr. Gadsby-Dolly: And if I may ask—maybe the DPS of the Ministry of Works can tell me—what were the efforts made at that time to be able to get the funds that are necessary from the TTPS so that this situation would not have arisen and what is happening now that is different that is allowing those payments to be made?

Ms. Ramdath: Member, please, forgive me a minute. You know when you are operating virtually, sometimes you hear, sometimes you do not hear. Can you just repeat your question?

Dr. Gadsby-Dolly: Certainly. I was asking during that time, what were the efforts made so that the payments that were needed to be able to make those statutory deductions—what were the efforts being made? I am hearing the TTPS as the main issue. What were the efforts being made at that time and what has changed systemically to allow for those payments to be made now so that the deductions can be caught up on?

Ms. Ramdath: Yes. Thank you, member. Thank you for your patience. As I indicated in my responses to Chair earlier, in terms of what we have been doing, we have been injecting funds to the entity so that they can meet their operational costs, as well as to date, they have attempted to restructure and in terms of reducing their operational costs so that they can meet their statutory obligation at this time.

Dr. Gadsby-Dolly: I am sorry. What I am asking is really in terms of debt collection. What was indicated by the CEO was that the issues were getting the payments from those who owed VMCOTT and I am asking, what systems were put in place to be able to get the payments that were owed at that time and what are you doing now that is different that would allow VMCOTT to recover the moneys that are owed? That is what I am asking.

Ms. Ramdath: Thank you, member. And unfortunately, I cannot speak for then because when I came

into the Ministry of Works and Transport, and I was introduced to VMCOTT in 2015, I discovered that many of the public sector entities that receive services from VMCOTT, they were owing and nothing was being done at that time. However, from since 2015, I can assure you, we have been working together with the Ministry of Finance as well as VMCOTT and the public sector entities to try to recover the payments that are owed to VMCOTT. I hope that assists you, member.

Dr. Gadsby-Dolly: I understand what you are saying and my concern is that this is going to just be rolling over and rolling over and, of course, even though the CEO has indicated that there is no issue with the two employees at this time who are getting benefits, one would not want to know that systemically, there is not something in place to allow the company to recover the payments in a timely manner so that this situation does not persist. So that is really what I am asking.

I mean, I am hearing what you are saying, DPS, I have heard what you said, CEO, and if there is nothing else to add, I would just want to indicate that no company can operate in the way that this is happening now and, of course, it will redound to the detriment of the employees and especially in this time. It is a difficult time that the world is going through so I am very concerned about understanding that there is something put in place so that the company systemically does not get itself back into this type of situation. I applaud the efforts to climb out of it but one would expect that along with getting out of the hole, there would be things put in place to ensure that you do not get back into that situation and that, of course, does not say that I do not understand the efforts of the Ministry of Works to ensure that the company at least is running afloat with their operational cost. Chair, that is it for me at this time.

Mr. Chairman: All right. Thank you very much. Before I ask Mr. Rushton Paray to make his intervention, may I again—just following up on what the member just asked, that is our colleague, hon. Gadsby-Dolly. May I ask Ms. Natasha Prince, the CEO of VMCOTT, can you share with this Committee the following, the moneys that were supposed to be going to NIB and going to the Comptroller of Accounts or going to the Board of Inland Revenue, based on statutory deductions, what was that money being used for since it was deducted from the workers' salaries or the employees' salaries but the moneys were not going to the relevant entities? Can you share with this Committee where was the money going?

Ms. Prince: Yes. Thank you, Chair. The moneys were used to fund the operations to keep us afloat and keep the doors of the operations open. It was also used to pay off suppliers who wanted to take litigations against the company to enter into payment plans to pay them off, to try and of course absorb that debt and pay them off and just keep the business going.

Mr. Chairman: And, Ms. Prince, can you tell this Committee whether these matters were drawn to the attention of your line Ministry as well as the Minister of Finance?

Ms. Prince: Yes, it was drawn to the attention of our line Ministry and they are working with us, especially with the public entities to try and recover those debts as we speak.

Mr. Chairman: All right. May I then ask both the Permanent Secretary in the Ministry of Works and Transport as well as the Ministry of Finance Investments Division to really comment briefly on this matter that you have just responded to? Can I ask, first of all, the Ministry of Finance and then later, we will get a response from the Permanent Secretary? Ministry of Finance?

Ms. Mohammed: Yes, Chairman. The Ministry of Finance, we will continue to work with VMCOTT and its line Ministry to ensure that the company will meet its statutory payments, and also along with the Budget Division who is responsible for the releases of funds.

Mr. Chairman: Madam Director, this is an emergency.

Ms. Mohammed: Yes.

Mr. Chairman: This is an emergency. People are retiring. They have paid their NIS, they have paid their health surcharge, they have paid their income tax, PAYE. What is the Ministry of Finance doing to make sure that this entity really honours their commitment to the NIB as well as to the Board of Inland Revenue? This is an emergency. As Ms. Natasha Prince said, the last payment was in 2018; 2019 has passed, 2020 has passed. Can the Ministry intervene as a matter of urgency in this emergency to allocate a specific sum of moneys to this organization called VMCOTT to meet those obligations? That is the question I would like to ask.

Ms. Mohammed: Well, through the line Ministry, VMCOTT has to make representation to the line Ministry and the line Ministry will make the necessary recommendations to the Ministry of Finance on the urgency of this matter, and the Budget Division will review it and make some provision in the upcoming mid-year review.

Mr. Chairman: Can I ask Ms. Ramdath, the Deputy Permanent Secretary to comment on this matter? Ms. Ramdath, can you unmute?

Ms. Ramdath: Thank you, Chair, and thank you for being patient with me. [*Laughter*]

Mr. Chairman: No problem. [*Laughter*]

Ms. Ramdath: Yes, I can assure you, as I indicated, Chair and members—and I understand your concern and, like you, the line Ministry is also concerned because that is a grave indictment against the company for not making their statutory obligations. I can tell you we have mediated many discussions among entities, as I indicated before in my discussion this morning with entities that are

owing moneys and funds to VMCOTT. We have been mediating on a continuous basis and hence, VMCOTT is able to get some funders from the debts owed to them. That is one.

Secondly, we recognize the obligations of the company to make their statutory payments and I could assure you that we will work closely with them to make representations to the Ministry of Finance for additional funding to ensure that the company meets their obligation. Thank you, Chair.

Mr. Chairman: Madam Deputy Permanent Secretary, I would like to ask that a report be submitted to this Committee within the next two weeks to outline what steps have been taken to rectify this anomaly and I would like your good self to use your good office to work very closely with the Ministry of Finance and VMCOTT to ensure that an allocation is made within that period when that report is being submitted to have all outstanding moneys owed to the NIB, the entity that is responsible for receiving health surcharge, as well as the Board of Inland Revenue, not to mention the Green Fund and the business levy, that attempts being made to get those payments addressed within the next two weeks and to ensure that henceforth, there will not be a repeat of this scandal. This is unacceptable. This is inexcusable and this is indefensible and I call on your good self to move with post-haste in having this matter immediately rectified and submit a report in writing to the Secretary of this Committee because we will be monitoring this so we will want to get a report from you on our recommendation as to how this matter could be addressed in the interest of the company, in the interest of all employees and in the interest of those entities that rely on those submissions of funds for goods and services that the Ministry of Finance has to deliver to the people of the Republic of Trinidad and Tobago. So I ask you to really execute this matter and to report in writing within two weeks.

I now turn over to Rushton Paray who has been bearing with me as I prosecute these matters. So, Mr. Paray, you can now intervene.

Mr. Paray: Thank you very much, Chairman. I must say that you have been doing quite a fantastic job so far. I have no issue giving way for your work so far. I want to again welcome all our guests and thank you very much for the submissions that you would have made. I have a few comments and a couple questions that are going to be directed to the Deputy PS at the Ministry of Works and Ms. Mohammed from the Ministry of Finance.

Now, one of the functions of this Committee really is at some point in time to make the necessary recommendations at the level of the Parliament to fix problems that we see in any of these state agencies. Now, to both Ms. Ramdath and Ms. Mohammed, in reading all the documents, I understand that the Ministry of Works has oversight because of the fact that VMCOTT sits within

your line Ministry, just like PTSC and Highways Divisions and so on, and from the Ministry of Finance side, your oversight is in looking at the operations of VMCOTT based on the State operations manual to make sure that all the necessary fiduciary responsibility, regulations and obligations are being managed.

Now, having listened to what VMCOTT has said so far for the morning, very quickly, would either or both of you tell this Committee whether you are happy with the performance of VMCOTT so far, in terms of the issues that we are seeing are stretched for almost over a decade? And I know some of you would have been new, you would have inherited issues, but I have seen no change in any of the performance-related statistics of VMCOTT over that time. Is the Ministry of Finance and the Ministry of Works and Transport happy with the performance of VMCOTT and perhaps an explanation of your response? Very short, briefly and quickly.

Mr. Chairman: Yes, Ministry of Finance and to be followed by the Ministry of Works and Transport. Ministry of Finance, is the Director there? Yes, can you respond to—

Ms. Mohammed: Yes, Chairman.

Mr. Chairman: Yes. Thank you.

Ms. Mohammed: Well, the Ministry of Finance has noted all the challenges that VMCOTT has been undergoing over the decade and a number of proposals were put forward for the restructuring of the organization and as the Deputy PS in Works said, they were also looking at a strategic partnership. So the Ministry is still looking at other ways to improve the performance of VMCOTT. The company themselves has come forward with a plan to expand their mandate and were going into the private sector, seeking business in that way, to improve their performance, and the Ministry, along with its line Ministry, is looking at the company's proposals to see how it will enhance their performance going forward. Thank you.

Mr. Chairman: Yes. May I invite the Deputy Permanent Secretary in the Ministry of Works and Transport to respond to Mr. Rushton Paray's question?

Ms. Ramdath: Thank you, Chair and member Paray. As I have been saying all morning, we do recognize the challenges that VMCOTT faces as the line Ministry and you asked the question, what the line Ministry has been doing so far? We have been working as a mediator to recover debts owed to VMCOTT. We have been mediating discussions with the Ministry of Finance, with Cabinet as well as with other entities. We have also explored other strategies and we have worked with VMCOTT to reengineer their business processes so that they could become viable and come out of this status that they are in right now.

The challenge, no one foresee what was going to happen and we now face COVID-19 pandemic. So while we are working to become viable with VMCOTT as the line Ministry, we have another challenge that is facing us. Notwithstanding that, VMCOTT has reengineered their services to include the private sector as well the public sector to reengineer their—rebranding actually. And as I think, Chair and member, you would have gotten a copy of the strategic business plan for 2020 to 2025 that clearly indicates where VMCOTT wishes to go and we will work alongside VMCOTT to ensure that they become viable.

Further, we also operate on policy directive so I cannot say what will be the future policy on VMCOTT. I can safely tell you what we have done thus far in exploring different strategies to ensure VMCOTT becomes viable. Thank you.

Mr. Paray: Thank you for the responses and in my respectful view, both responses tell me that neither of you are happy with the performance of VMCOTT and I will leave that question there.

In perusing both documents, the strongest words that I have pulled out of your responses in terms of your oversight—both Ministries—and these words are “remind” and “encourage”. So in your documents, any to and fro with the board and the management based on your submission, the strongest words that both Ministries, who have oversight, can provide is to “remind” and “encourage”. So in my view, “remind” and “encourage”, I do not know if that is sufficient in terms of your oversight. So my question now is “remind” and “encourage”, in terms of your interaction with the board and then management, is that sufficient to give you, the Ministries, who have oversight over VMCOTT, enough teeth to lead and direct VMCOTT to a better future?

Mr. Chairman: Yes, Permanent Secretary and then the Ministry of Finance Director.

Ms. Ramdath: Thank you. Thank you, member. So you said what came out of our submission is “remind” and I hoped that I could have changed your mind in what I have been saying. So we have not just been reminding, we have been working along with VMCOTT to implement strategies to become viable. So I beg to disagree with you, member Paray, [*Laughter*] that we are not just reminding and yes, agreed, Chair and member, we do recognize that VMCOTT does have many challenges.

11.10 a.m.

And hence the reason we have been exploring along with the Government the strategic partnership of the public private partnership to enhance the company’s viability. I hope member Paray that I am responding to you, if not, you can permit me to submit to you in writing, if you think I am not responding to you in terms of your question.

Mr. Chairman: Yes, I am—go ahead.

Mr. Paray: I am happy with the response. I can only question what you have submitted in the document. I will not overstep my role here as a member of this Committee by assuming things within your Ministry. And I just want to draw the Ministry of Finance’s response to question 10, and question 10 said:

What is the role of the Permanent Secretary in ensuring that financial statements and data—and so on—is submitted?

And in the response, the response said that “the role is to remind”. And in a response to a question nine, again, the Ministry of Finance, in one your response, the response went like this, “Investments continue to remind and encourage”.

So, as I am saying based on my reading I felt that “remind and encourage” was a little too weak in terms of putting your hand in VMCOTT which is so way off the beat, and I felt that something a little more stronger has to happen.

So again, reading the submissions, is it correct for me to say that the board of directors and the management of VMCOTT is solely responsible for the situation that they are in? Because if I were to refer back to “remind and encourage”, and I am assuming that you are reminding and encouraging over the last 10 years, where VMCOTT finds itself with—and while I accept for the last year we have had to deal with the issues of COVID-19, I cannot accept that for the years previous to that we would have had a similar situation, it has only become worse because of COVID-19. But, are you saying that outside of “encourage and remind”, the situation at VMCOTT lies solely in the actions and the activities of the board of directors and the management of VMCOTT?

Mr. Chairman: Anyone can answer, Permanent Secretary or the Director.

Ms. Ramdath: Okay, member, those were very strong statements that you made, and I do recognize your concerns and I thank you. I always tell you, I always say to all these committees I am grateful to be in front of these committees because sometimes we operate and we execute our business operations, and it is good to have an external entity to review what we have been doing.

So, in my view I would not say that the viability or the operations solely lies on the board of VMCOTT as well as their staff. The line Ministry also has a role in monitoring how they execute their business and how they execute policy directives from the Government of Trinidad and Tobago. So, I would not say that the sole responsibility is on the board of directors. While yes, the operations are the sole responsibility of the board of directors, the line Ministry serves as a monitoring entity to monitor the business processes and the policy implementation of the entity. I hope I am answering you, member.

Mr. Chairman: All right, Rushton, may I ask you to just hold your next rounds so I can now invite Amrita who has been very, very patiently awaiting us to invite her to come on stream to really deal with some other areas that she would like to clarify? So, I now want to invite Amrita Deonarine to pose your questions at this time to the officials.

Ms. Deonarine: Thank you, Mr. Chairman. Before I move into the financial issues and the audited financial statements, I just have one follow-up question to the Permanent Secretary. You keep saying that—the Permanent Secretary of Ministry of Works and Transport—you keep saying that you are strongly—you feel strong about the company eventually becoming a viable institution in terms of at least breaking even or even covering a profit at some point in the time based on the 2020—2025 strategic plan. So, my question to you then is, given that the company has been making a loss since 2013 and the accumulated losses range from 63.8 million in 2013 and it goes straight up to 91 million in 2020, and it has been increasing consistently, there have been no gaps over those years where the accumulated losses has decreased. So, with an accumulated loss of 91 million, in this 2020—2025 strategic plan, on an annual basis how much do you expect to reduce these accumulated losses on annual basis, based on this plan that you are confident will turn around the position of VMCOTT?

Ms. Ramdath: Sorry, I have to keep remembering to unmute. Member, if you permit me, is it okay that I have the Chair of VMCOTT respond to this?

Ms. Deonarine: Sure.

Mr. Chairman: Sure. Mr. Chairman, Lt. Col. Bennett.

Mr. Bennett: Mr. Chairman, I am here. You have my undivided attention. And in response to the question let me first of all indicate a little history of VMCOTT. Your Government established VMCOTT in 2000, they became active in 2001, and in that period from 2001 to approximately 2010 it was getting a subvention of \$30 million, and made no profit. Subsequent to that the subvention was reduced to 14 million, and then 12 million, and in 2016 it was reduced to 10 million annually, and making no profit.

The board of directors, myself, and the new management team inherited a lot of mismanagement the by the predecessors who were responsible for the function of VMCOTT. But I must say that VMCOTT's establishment was for a very practical reason. It was a vision of the then government of the day to establish a mechanical services agency to treat with all of the vehicles that were falling under the Government's domain or responsibility. So, if I may say, you have various Ministries and you have other public sector agencies that are granted moneys for the purchase and for the maintenance and repairs of vehicles annually in their budget allocation. These people with the

exception of the police service and PTSC, all of them chose to do their repairs and maintenance elsewhere, siphoning the allocations to other uncertified mechanical services agencies throughout Trinidad and Tobago.

So at one point in time you would have had vehicles on the side of the road under a mango tree somewhere being repaired. And I must admit that the genesis of VMCOTT was a brilliant idea. Debt collection, it is not a responsibility of VMCOTT, it relies on the Ministry of Finance and the respective Ministries and our line Ministry to assist. And within the last four years we have been getting great assistance from them. Now, the member indicated the accumulated losses of 91 million, bear in mind that is over 20 years, and bear in mind that the subventions then were \$30 million annually for the first 10 years of that. Now, there had to be some rationale behind establishing VMCOTT.

It is incumbent on the very Ministries to respect Cabinet's decision, and therein lies the problem. No one is pushing the button to insist that the Ministry of Health, the Ministry of National Security with all of its various divisions would send their vehicles to VMCOTT for maintenance. So what has happened within the last five years is that we have a new management team with the appropriate qualification for the posts. We have embarked on new business models. In 2018, we rebranded our organization, and we therefore have three subsets of VMCOTT. We have the Auto Sure, and the Auto Stop, and these are mainly designed to treat with the general public as well as those public officials, and Ministries, and other vehicles or entities that would come to VMCOTT.

One of the things we have had is a significant problem with debt collection and reconciliation, and the largest organization that owes us money right now is the Trinidad and Tobago Police Service, which from time to time seems to be above the law. So that, the \$14 million they are owing us at present, nobody is able to make a decision to say, go into the TTPS's allocation which is in excess of 900 million and take out 20 million, or 14 million and pay VMCOTT. If that was something that was done VMCOTT would be solvent, viable, and not depend on the Republic of Trinidad and Tobago's Government funding of subvention to survive.

Ms. Deonarine: Thank you so much. So then, therefore, I go back to my question again. Your strategic plan which is stretched across the next four years because 2020 has gone already, is any part of that plan geared towards trying to reduce the accumulated losses? Because I understand the position in terms of the outstanding debt and so on. But going forward, as part of this plan on an annual basis what is your target to reduce this accumulated loss? Give me a value. You must have a value.

Mr. Bennett: We have set a goal of five per cent annually towards reducing that.

Ms. Deonarine: Okay, so with a goal of 5 per cent annually, you still in 2025 would not be in a

position where you could consider yourself as breaking even at least, that is what I was trying to understand. Because initially when the Permanent Secretary spoke she indicated that by 2025 the company would become a viable company, and that is where I was seeking my clarification.

Now, in terms of recovering the outstanding debt, now I understand that the Permanent Secretary together with your good self and the team has been engaging in a lot of mediation, a lot of communication tactics and so on, outside of that what else have you all been doing help reduce or help these Ministry or state agencies to meet the obligations?

Mr. Bennett: I am not the person who should be answering that question because the commitment of the state agencies to reduce their commitments to VMCOTT is dependent on the Ministries themselves and in application to the Ministry of Finance in allocating funding to take care of that.

However, VMCOTT on the other hand has embarked on new business programmes. We have embarked on aggressive marketing, we have reduced our staff, we have progressively moved from—our performance levels have increased internally, we have new processes and SOPs that we have been using to increase our performance, and we have been using these to help ourselves with attaining larger clientele.

Ms. Deonarine: Okay, so thank you. And I know you would have alluded to that in your submission because you said that you started to offer services to private enterprises as well as members of the public right? So could you tell me how much additional money this initiative generated on an annual basis?

Mr. Bennett: I cannot tell you that offhand. But I can give you an approximate figure which I am getting from my finance manager.

Mr. James: Within the last year—

Mr. Bennett: Within the last year approximately \$600,000.

Ms. Deonarine: Six hundred thousand dollars?

Mr. Bennett: Yes, Ma'am.

Ms. Deonarine: On annual basis?

Mr. Bennett: I said within the last year.

Ms. Deonarine: Within the last year. Okay—

Mr. Bennett: We could always do the research and get back to you—and that is new business—and we could get back to you with that in writing.

Ms. Deonarine: Okay, so part of the whole new business strategy is to offer services to private enterprises and also members of the public, and I also heard the Permanent Secretary alluded to the

fact that consideration is being given to some sort of strategic partnership to expand the mandate to improve performance. Is there anything else that VMCOTT is resorting to?

Mr. Bennett: Aggressive marketing.

Ms. Deonarine: Aggressive marketing. Okay. I want to move on to— Now, you did say a lot of discussion went around to discussing the improvements in business processes of VMCOTT, and based on my perusal of the submission it seems to me that there seems to be a clear distinction between the invoices that VMCOTT has and the invoices that PTSC has, and the TTPS has. Do you have any comments with respect to that?

Mr. Bennett: Reconciliation exercises have been conducted extensively. As the PS mentioned earlier the Trinidad and Tobago Police Service under the Commissioner of Police established a committee that worked in collaboration with the VMCOTT executive management team and did a significant reconciliation exercise which—*[Interruption]* that is one of things that we have done. Notwithstanding that, there were instances under past management where these things were not sorted out, but we have improved our technology and we have gone into using new software programmes to give us better and more quality in our finance department with regard to invoicing and keeping proper records.

Ms. Deonarine: Okay, all right, thank you for that. But let me be a little more direct right, in your submission you said that according to your records the TTPS owes you all \$15.6 million, and the PTSC owes \$11.85 million. However, PTSC has indicated that their records show that they owe you all \$6.4 million and TTPS so far agreed to \$2.445 million. Do you have physical invoices/documents to prove that you all actually are owed \$15.6 million? Because clearly your records are reflecting, your accounts are reflecting that that is the amount that you all are being owed by the TTPS and 11.85 by PTSC. Could you comment on that?

Mr. Bennett: I can say that we do have records to that effect and our audited accounts will also reflect that.

Ms. Deonarine: Okay, so then what is being done about this confusion between the TTPS and you all? Because clearly there is a lot of money and if you have records and TTPS saying that they only have proof that they owe you all so much, what is being done? All the mediation that is taking place, is this being addressed? How is this being addressed? What is the plan to recover this additional almost \$7 million? Because I did not get that from your submission. I do not know if there is a plan because what I saw in the submission is that step four of this committee has concluded, the part that says, “The TTPS will make payment of each batch of invoices verified as legitimately outstanding within a

fortnight of its verification.” I see that step has not taken place and to some extent the submission indicates that the committee is somewhat dismantled and no longer doing its work. So, could somebody clarify for me what is taking place? What is being done to solve this situation?

Mr. Bennett: If I may say, the Ministry of Works and Transport has been ably assisting us in our attempts to recover moneys owed to us. At the Ministerial level that is something outside of our purview and we have been getting support from our line Ministry.

Ms. Deonarine: Okay, so support in what way? Is it legal support? Is it—what type of support because it does not seem to me that—could you tell me if the Ministry of Works and Transport could go and tell the TTPS pay VMCOTT this money now? Is that the situation? Could that happen? I do not think that is legal right now. Is that legal?

Mr. Bennett: Well, you just answered it. But I have to rely on my line Ministry for their support because I cannot go and tell the Commissioner to pay me now. You answered the question and it is definitely outside of our purview, and I can assure you that we work closely with our line Ministry that has oversight to make that happen. Of course, the PS may want to expand on that.

Ms. Ramdath: Thank you. Thank you Chair, if you permit me, member as I indicated in my earlier responses we have met with Ministry of Finance, with TTPS, as well as PTSC, in working out strategies on how to repay this debt to VMCOTT, and so far that meeting had taken place in 2019, and since 2019 we have been mediating with these entities to repay.

And as I indicated before, the TTPS has made attempts to make payments. It is coming slow but surely, they are making payments.

Mr. Chairman: May I just before Amrita Deonarine continues, may I just indicate that from the evidence before our Committee, I am talking about the statement made by the Chairman of this corporation, VMCOTT, he described the TTPS as a law unto itself. I do not know what the Chairman means by that. What I can tell you is that we have a letter dated the 14th of January, 2021, this is 30 days ago—just 20 days ago rather, in which the Ministry through no—in which the TTPS is making it abundantly clear, it is signed by the Commissioner of Police—Amrita Deonarine and Lt. Col. Bennett—this is the 14th of January and I want to just read for the record so it will be made pellucidly clear that the confusion that rages on lies clearly from what I am seeing here, unless otherwise advised, it lies with the recordkeeping of VMCOTT. Hear what we are being told by the Trinidad and Tobago Police Service headed by the Commissioner of Police and I quote:

The main issue is that the TTPS to pay any outstanding invoices—this is the Commissioner of Police speaking—dating as far back as 2001. VMCOTT needs to provide proper supporting

documentation. This includes the TTPS job sheets and the VMCOTT worksheet for each outstanding invoice. This has been the position of the TTPS from the first reconciliation and is still the main issue that needs to be resolved.

And I will just close this quotation by reading his last sentence:

The TTPS cannot make payments for outstanding invoices without substantiated documentation.

Madam Permanent Secretary, I think before I turn the meeting back to Ms. Deonarine, you will need to clear the air on this matter because the TTPS has made it very clear that this matter falls squarely into the lap of the Ministry of Works and Transport, and more importantly, into the lap of VMCOTT. There is an absence of proper record keeping that is what is causing the confusion in terms of meeting financial obligations to the TTPS.

So Madam PS of the Ministry of Works and Transport, may I ask you to intervene at this time and to ask you if you are in receipt of correspondence from the Trinidad and Tobago Police Service, where they are claiming they are not prepared to pay any moneys to the VMCOTT unless you have invoices to substantiate those documents. Can you clarify for us?

Ms. Ramdath: Chair, while you were talking I was checking on my desk and our files, we have not—this Ministry—have not received any correspondence from Commissioner of Police indicating as such what you have stated there. I must tell you that the Commissioner of Police has appointed a committee to work with VMCOTT to review the VMCOTT's records, and hence the reason they were able to make a payment. And as promised by them to follow up with other payments. So in terms of your statement what you have just read, I am not aware of that.

Mr. Chairman: Yeah, well you may not be aware of it because it was addressed to the Parliament, but what I am making very clear to you on behalf of this Committee that it is very clear from what we have before us—that this Committee, the PA(E)C—the Commissioner of Police who was asked to respond to this matter that is before us has made it pellucidly clear that the TTPS is not prepared and cannot make payments for outstanding invoices without substantiated documentation.

So what I am saying is that the police service is saying is that VMCOTT is asking them to make payments dating back to 2001, but they have no substantive documentation to back up those things, and they cannot make these payments. Even though VMCOTT is producing invoices, the police service is saying, where is the document? You are telling me to pay but I cannot pay because I have no documentation. So all I am saying, PS, is that there appears to be a conundrum developing here where demands are being made by VMCOTT of the police to pay and the police is saying listen,

we are prepared to pay but we want to see documentation and we are not seeing documentation. And that is where there appears to be some challenges.

So we will rest our case temporarily on this matter and I will ask Ms. Deonarine to continue with her line of questioning. Ms. Deonarine.

11.40 a.m.

Ms. Deonarine: Thank you, Mr. Chairman. So I will pause on this issue for the time being and I would just move on to—in your response you also indicated—now, I know a lot of focus is being placed on PTSC and TTPS but also you indicated that there are some funds that are being owed by the Ministry of Health and a figure was not provided. Could you—perhaps I missed an appendix, but could you provide us with the amounts that are being owed from the Ministry of Health?

Ms. Ramdath: I would refer your question to Natasha. Natasha, can you respond?

Mr. Chairman: Yes, I think that would be appropriate.

Ms. Prince: Yes member, we would submit it to you in writing, we would pull all the data and submit it to you in writing.

Ms. Deonarine: Okay, so in addition with that would you, at the top of your head be able to tell us how has Ministry of Health's payments developed since the COVID-19 pandemic, has it been increasing and also, could you give us in writing the amounts that have been paid so far, the amount of the—?

Ms. Prince: Yes we will, but just at the top of my head I know they were owing a debt of approximately \$1.2 million. They did make some payment and it was reduced to about \$700,000 approximately. We still have not received any outstanding payments towards that outstanding debt of approximately \$700,000.

Ms. Deonarine: Right, okay, so I am not too sure who would be in the best position to answer this, but it may very well be you, Ms. Prince, at VMCOTT. So in your response you indicated several measures that you all have undertaken to try and recover this money, right, these outstanding payments. But could you tell me—and some of it, with respect to following up—let me see, right. So, one of the things that you all implemented is that you have a policy now where, any jobs conducted, that you must, a 40 per cent deposit must be made. Is that across the board?

Ms. Prince: It depends on the value once any job exceeds \$8,000 in repairs, of course, you have to make a down payment to start the repairs.

Ms. Deonarine: Okay.

Ms. Prince: Yes, anything exceeding \$8,000.

Ms. Deonarine: Right, and how have state enterprises been complying with this?

Ms. Prince: We have been complying thus far.

Ms. Deonarine: Okay.

Ms. Prince: Especially with those jobs that cost a lot.

Ms. Deonarine: Okay, so tell me something, have you all integrated any sort of cloud based software to keep track of the invoicing and the payments and so on, so for example, like QuickBooks?

Ms. Prince: Yes, we have made some changes because we realized we had some issues with the fleet management software and the accountant software; they were a bit outdated. We have been working with other financial institutions to get the best software and we have acquired it thus far. So we right now, we are using QuickBooks in our finance department and we have a new fleet management software called Fuse5, which gives us more data, customer data to enable us to produce accurate invoicing in a timely manner.

Ms. Deonarine: So, tell me something, so then, now that you have the cloud based software where you have everything in real time, how frequently are you all conducting reconciliation exercises to help reduce the accounts receivable, or to monitor the accounts receivable turnover?

Ms. Prince: That is being done monthly. Those reconciliations are being done monthly. Yes.

Ms. Deonarine: Okay, all right. Mr. Chair, I would pause here for now.

Mr. Chairman: All right, may I—okay, thank you very much, Ms. Deonarine. Let me continue with Natasha Prince. Your staff turnover seems to be very swift and rapid. In 2015, you had a 20 per cent staff turnover rate; 2016, 13 per cent; 2017, 9 per cent; 2018, 30 per cent; and 2019, 7 per cent. Now, based on VMCOTT's written submission, VMCOTT has an approved human resource policy which was implemented in 2004. However, a revised version is currently being—or is currently in draft form. Now, could you advise this Committee what guidelines are in place to ensure transparency in the recruitment, dismissal and promotion of persons respectively?

Ms. Prince: Okay, so in the recruitment process, of course we more focused on the technical staff to support our core function. So we have different levels, which is Tech I, Tech II and Tech III and we have the qualifications for those three levels of technical expertise. Also, in the recruitment process of the support staff, we—wherever there is a need, then we put forward the application for recruitment and we follow the human resource guidelines that are valid from inception of the company and we go ahead and recruit those positions.

Now, we have not been recruiting any significant amount of staff for the past two years, reason being because of our financial constraint and because of the loss of, of course, our main client which

is TTPS, there is not a need for these technical staff because we are already going through this financial constraint. It is a bit difficult to keep those staff on our payroll considering that we are not getting the revenue in a timely manner. Hence the reason we have to, of course, downsize and constantly keep revisiting that human resource policy wherever. So if the business picks up and we start to get an influx of work from many different Ministries and so on, definitely, we will revise our human resource recruitment policy, and of course, employ people if/when required. Chair, I am not hearing you.

Mr. Chairman: No, sorry about that. Are you hearing me now?

Ms. Prince: I am hearing you now, Sir.

Mr. Chairman: Yeah. When do you expect to complete this draft phase of your HR policy? Because the last time you had a proper HR policy and it was implemented, was in 2004. Since then, you have a revised version which is in draft form. When is this draft supposed to be completed?

Ms. Prince: Well, it is supposed to be completed we say in the next six months, and because the dynamics of the business are changing, we realize that there is more information required on the human resource aspect to input into this draft before we present it to the Board of Directors for approval and implementation.

Mr. Chairman: You have a small staff of about, is it just about 70 or 80?

Ms. Prince: About 80.

Mr. Chairman: So why would it take you all these decades? Now, I know you are new, as you said, to the position that you currently occupy, although you have been with VMCOTT, is it from 2010?

Ms. Prince: From 2004, so April this year will be 17 years.

Mr. Chairman: Now, why would it take VMCOTT, is it—I am seeing 17 years to operate along the HR lines on a draft policy basis? So, you are recruiting on a draft policy platform, you are dismissing on a draft policy platform and you are also promoting on that said platform. Explain why it has taken 17 years and we are yet to have a proper well-defined policy in the HR zone?

Ms. Prince: Well, Chair, this is a draft policy that was done with the past management, past CEOs and it remained in draft stage. What I am doing in my capacity because my resources are a bit limited right now, but we are working on it, we are now adding—reviewing that draft and adding to it before we present it to the Board of Directors for approval.

Mr. Chairman: Yes, but Madam CEO, you are talking about 17 years. This is 17 years and you are now telling this Committee it will take you another six months to complete your draft into a final document. All right, in the meantime, can you submit to us guidelines, the guidelines that you have in writing that will deal with recruitment, dismissal and promotion? **Ms. Prince:** Definitely, we will

submit that in writing.

Mr. Chairman: You will submit it in writing?

Ms. Prince: Yes, I will.

Mr. Chairman: Right. And then how soon do you anticipate, you said in six months' time we will have a complete—?

Ms. Prince: Six months, completed and approved.

Mr. Chairman: Yes, thank you. Now, between 2015 and 2019, your staff turnover ranged from as low as 7 per cent in 2019, to a high of 30 per cent in 2018. Now, I would like you to clarify the following: one, what was the reason for the significant turnover over the period identified, and why was it as high as 30 per cent in 2018?

Ms. Prince: What we did was, we were restructuring the organization. Of course, we want to fulfil our mandate and what is in our strategic plan for 2020 to 2025, so we needed to do some restructuring. Also, because of, I mentioned before, because of our low cash flow back then, we had no other choice but of course to retrench because we did not have the funding to pay our salaries in time. So when we did the restructuring and we started to fulfil the part of our mandate when we were not getting any state vehicles to fix, we started to fulfil the other part of our mandate in terms of seeking the private sector, getting them involved, putting out new products and services. What we decided to do then, is contract workers because we needed workers then and we decided to contract workers to fulfil that time of need.

Mr. Chairman: Now, you said that you had to retrench?

Ms. Prince: Yes, we had to retrench.

Mr. Chairman: How many workers, how many employees I should say, were retrenched in that particular period?

Ms. Prince: Twenty.

Mr. Chairman: And how many workers were brought in on contract during that period.

Ms. Prince: That was in 2019, about 10. About 10 employees.

Mr. Chairman: So you brought in 10 during that period.

Ms. Prince: Yes, “mm-hmm”.

Mr. Chairman: Was this a decision, that is to retrench, directed from the Ministry of Works and Transport or was it purely an internal decision?

Ms. Prince: No, it was not an internal decision, the Ministry is aware of our cash constraints. And also it was a recommendation made by the JSC as well. When we approached the JSC, that was in

2017, that, when they looked into the operating costs of VMCOTT, with the human resource aspect of it, that that recommendation was made that we reduce staff. And what we have been doing onward is that we have doubled up on our functions. So we have like one person doing two functions. For example, our HSE, before, we had two HSE officers, now we have one and she fulfills all the health and safety aspects pertaining to all three locations. So it is more economical and feasible, especially with the present financial situation that we are in right now.

Mr. Chairman: You said a JSC, what is it—which joint—?

Ms. Prince: Joint Select Committee. Yes, well, VMCOTT, we went to the Joint Select Committee into the operations of VMCOTT, that was in 2017. I was the Operations Manager then and that was one of the recommendations made by the JSC because we have it in writing as well, that we definitely look into the human resource to reduce staff and of course of the operating part.

Mr. Chairman: What was the cost? What was the cost?

Ms. Prince: I do not have it on hand right now but I can submit that to you in writing. I cannot remember it at the top of my head, but I can submit it to you in writing.

Mr. Chairman: Could you tell us also, maybe from the top of your head or in writing how many persons actually left the company between 2015 to 2020, or—and 2020, I should say?

Ms. Prince: At the—I could only account for the 20 and we had about two that retired. I have to get that data and submit it to you in writing, Chair.

Mr. Chairman: All right, cool. You could also indicate and put it in writing those workers who would have left—

Ms. Prince: Yeah.

Mr. Chairman:—between the period 2015 and 2020, were they immediately replaced when—?

Ms. Prince: No, no, no, they were not replaced. We just double up on the functions as I gave an example of the HSE person. We had 2 HSE officers to carry the functions for three locations, we are now down to one, right? We had about three or four members of staff in our HR department, we cut that down to two persons. Yes, so we just tailored the human resource to work with the actual operations that we have on hand until things improve.

Mr. Chairman: Would you share with this Committee whether the persons who are in place at this time in the organization, their skill set and qualification really equate with the kind of requirements needed by the company to really bring about the transformation and the new drive and direction that is so desperately required by this organization? Are you satisfied with, as the CEO, with the match? Or is there, would you say there is a mismatch between the personnel, their skill set and qualification

and what is needed by the organization to make the transformation rebranding necessary?

Ms. Prince: Well, coming out of the restructuring exercise, as I mentioned earlier on, we found the correct mix and match of employees to fit the job descriptions. Training is ongoing at our organization, because we have to maintain our core function and we have to remain competitive in this automotive industry. Training is ongoing, so we have specialists, which is the workshops supervisor, we have Tech IIIs that constantly train the Tech IIs and the Tech Is. So, I will say that I am happy with the caliber of employees that we have with the required skill sets to do the job on hand.

Mr. Chairman: Now, are you aware that some of the people who might have been dismissed or retrenched, when you look at the qualifications they had, with the qualifications of personnel that replaced them either via contract or those who were in the company, their skill sets were of a lesser level than the qualified persons who actually were removed from the organization? Are you aware of this?

Ms. Prince: I cannot say that the—because I am more focused on the core function which is the technical team. The technical team is the team that makes the money for the organization so the focus is there. And I must say, if it is in the support staff, when we did the restructure, then that skill set is not required because we have doubled up on functions as I indicated earlier. But because of our—we focus on the core functions, we must say that the qualifications required, they are all qualified in that area and training is ongoing for each and every one. So I do not see an issue there in terms of the people that were sent, that their qualifications were higher. The caliber of people we have, they have the same qualifications and more as well.

Mr. Chairman: So as CEO you would tell this Committee that you are absolutely satisfied with the level of skilled personnel that you currently have within that organization called VMCOTT in order to carry out its mandate of transformation, rebranding, etcetera; you are quite happy with the skill sets that you now have at your disposal to make that journey forward towards transformation and as you said, rebranding, you are happy?

12.00 noon

Ms. Prince: Yes, I am happy, I am comfortable thus far, but as we explore other markets, which we are doing, I know that definitely we will have to pursue going back out there and finding the right skillset to add to the organization for us to fulfil our mandate.

Mr. Chairman: Now, in 2016, VMCOTT made a decision to offer its services to private enterprises, as well as members of the public. That is correct?

Ms. Prince: Correct.

Mr. Chairman: How much additional money did this initiative generate each year, based on this decision, 2016, 2017, 2018, 2019, 2020?

Ms. Prince: So, Chair, let me just give you a quick brief history. Although that mandate was there, we were not actually practising the mandate. We started from 2017. When I was placed in this position with the new board, I expressed that we needed to fulfil the mandate, and in order to do so we needed to go out to the private sector. So we started with rebranding the company. Yes, we changed the logo and everything, we put a car over it. There is a gear wheel to indicate, to show that is our brand, to put our brand out there.

So we launched three brands on to this VMCOTT umbrella: the corporate VMCOTT which remains, that is for the state entities. We launched our service brand, which is tailored to the private or customers, which is VMCOTT Auto Stop, and then we have VMCOTT Auto Sure, which contains the CNG conversion, fossil fuel, hybrid and of course electrification. So we launched those brands and, of course, we used that to target the private market.

So we started in 2018 and, of course, it was a bit challenging, getting rid of the stigma of VMCOTT where the public is concerned, because the public still was not aware of what VMCOTT does, and that mandate to go out to the public. So it was a work in process to get the brand out there.

So what we started to do is launch products and services. We formed a membership club and put out different products to put the brand out there to attract private customers. Then we were hit. By the time we launched that, that was mid-2018. In 2019, we made approximately \$200,000, that is private customers alone, and then 2020 is when—no, we made \$600,000, between \$200,000 and \$600,000. In 2020, which is COVID, we expected it to be a very slow time, a downturn in the economy, we made \$600,000. So that is a clear indication that the service brand is working for us. But I just want to share that I just ask that you and your members just lobby for VMCOTT. The private sector is not enough. We need a mix, we need a balance, and if we get the state entities to come to VMCOTT to utilize our services, our fleet management services, and we have that balance of both private and public, next time we come to this Committee it will be a testimony of success, and that is what we are working towards.

Mr. Chairman: Madam CEO, can you tell this Committee whether there is a Cabinet mandate which would encourage, I would say, or maybe impose an obligation on all state entities using, of course, vehicles, other means of transport, whether it is a Ministry, a statutory agency or authority, or another government-supported or/and controlled entity—is there a Cabinet Note that you can refer this Committee to, that mandates these Ministries to really conduct repairs at VMCOTT, seeing VMCOTT

is a state entity? Is there any such? Because your Chairman, who apparently is in the same room with you, indicated earlier that this is a matter of grave concern, that these entities ought to be coming to VMCOTT, but they are not coming. So I just wanted to know if there is a mandate.

Ms. Prince: No, there is not a mandate, Chair. There is not a mandate for all the public bodies to utilize VMCOTT's services. However, we are hoping that that can change. You can lobby on our behalf to make it possible.

Mr. Chairman: Is there any effort by the—where is Mr. Bennet, Lt. Col. Bennett? Lieutenant, may I ask you directly? What efforts is the board making to encourage the Cabinet to promote such a policy, so that we can get the state sector, and the various agencies falling under the state sector, to get their vehicles repaired by VMCOTT? Is there any attempt by your board to encourage the Cabinet to go in that direction?

Lt. Col. Bennett: Chair, if I may be permitted, I just want to read for you that Cabinet, by Minute 527 of 2012, reaffirmed its decision, taking in Minute No. 481 of 2009, as it related to VMCOTT's mandate, whereby:

VMCOTT is a central controlling agency, providing fleet management service to the Trinidad and Tobago Police Service and the public sector as a whole. That any private firm that is contracted to repair and maintain vehicles owned and operated by the Trinidad and Tobago Police Service, must first be certified and approved by VMCOTT.

Further to that, there were other Cabinet Notes which directed that VMCOTT be referred to, the Vehicle Management Corporation of Trinidad and Tobago Limited, as a fleet service provider. That is something that has been out there. It has been put out there, and we have been making efforts through our line Ministry, through our Minister—and I must say in this instance the very words of encouragement coming from our line Minister and his many efforts at Cabinet, have given us the momentum to continue to plough ahead in making this company a new, well-respected and a viable business.

Mr. Chairman: So there is no Cabinet mandate where the Cabinet says all state entities within the public sector shall have their vehicles repaired at VMCOTT? Is there such a mandate compelling or mandating, or is it just something that is flexible in the context of what you have just read?

Lt. Col. Bennett: Well, VMCOTT has the mandate, but I am not sure that state entities have been given that mandate or are observing the Cabinet's directive.

Mr. Chairman: What efforts are being made by your board to ensure that if that, what you have just said is accurate, to ensure that these companies, these state agencies rather, observe that mandate?

What is being done by your board?

Lt. Col. Bennett: The board has directed the management of VMCOTT to write and inform every single line Ministry of VMCOTT's mandate, and inviting them to take the opportunity to maximize the services that we offer. Outside of that, we have been working. The board and myself have been working closely with the Minister of Works and Transport at this time, Sen. The Hon. Rohan Sinanan, with regard to getting his support in making inroads into the Cabinet's decision with regard to VMCOTT. He himself, on numerous occasions, has stood up in Parliament and indicated that VMCOTT can be viable if it gets the support from other line Ministries. So we work together to make that happen. Outside of that, we are constrained by what we can do to influence Cabinet.

Mr. Chairman: May I ask, as you are there in that position where you are now, can you advise this Committee whether all TTPS vehicles are repaired by VMCOTT, or whether VMCOTT, according to what you have just read, has certified garages that you have approved for the TTPS to use because of your constraints and challenges in meeting your mandate in repairing those vehicles for the Trinidad and Tobago Police Service? Can you clarify for us?

Lt. Col. Bennett: On direction of Cabinet, VMCOTT was able to certify three garages external to VMCOTT to assist VMCOTT in the preventative maintenance of the Trinidad and Tobago Police Service vehicles. This was a directive that came to VMCOTT in 2009 via a Cabinet Note that was done. It is not clear whether the TTPS has been using those three certified garages. I am unable to state clearly but I am sure if VMCOTT approaches those certified garages today, we might be told otherwise.

However, I am unable to say whether other garages have been certified. But I know for a fact that VMCOTT was directed by Cabinet. We drew up the criterion for the purpose of certification and it was conducted. Those garages paid a sum of approximately \$5,000 for each one of those recorded certification processes, and that was conducted in 2009, or approximately 2010.

Mr. Chairman: Now, as you are saying, Mr. Chairman, no garages can repair vehicles belonging to the Trinidad and Tobago Police Service without the certification and approval of VMCOTT? That is what you have just read from the records—on the records, is that correct?

Lt. Col. Bennett: That is correct, and I would like to have that noted in the records, that that is a Cabinet directive.

Mr. Chairman: Now, what I want to ask you, have you certified and approved other garages for vehicles of the Trinidad and Tobago Police Service to be repaired at, outside of the three that you said you were directed by the Cabinet in a Note of 2009 to so do?

Lt. Col. Bennett: To the best of my knowledge, no, Sir.

Mr. Chairman: But can you share with this Committee whether VMCOTT is aware that outside of your certification and approval the TTPS has been conducting repairs to their vehicles outside of the Cabinet mandate?

Lt. Col. Bennett: To the best of my knowledge, as a citizen of Trinidad and Tobago, yes, because I have observed police vehicles—marked police vehicles, at various garages throughout Trinidad and Tobago, inclusive of Toyota and other places, but I am not sure they are certified. In the instance of new vehicles, once there is a warranty period, the TTPS will enjoy the service under the warranty. Outside of the warranty, then they may be subjected to go to any garage that is not certified as directed by Cabinet.

Mr. Chairman: Can you tell us, Chairman—can you share with us what percentage of vehicles from the TTPS would come to VMCOTT for repairs?

Lt. Col. Bennett: At this time there are no vehicles coming to VMCOTT for repairs from the TTPS. The only branch of the TTPS that enjoys the services of VMCOTT is the Transit Police Unit responsible for managing the Bus Route and other traffic instances.

Mr. Chairman: So has this matter been drawn to the attention of your line Ministry so that Cabinet would be aware of this development and, therefore, either reissue a new Cabinet Note mandating that that TTPS direct all their vehicles for repairs to VMCOTT, or whether, for instance, the matter as far as you are concerned is in the graveyard, buried and properly dead; no more vehicles from the TTPS coming to VMCOTT?

Lt. Col. Bennett: Chair, respectfully, if I may. I received a document addressed to the Chairman of the Board of Directors and copied to the CEO from the Commissioner of Police, indicating that he was directed by the Minister of National Security and the Minister of Finance to send all of TTPS vehicles to VMCOTT.

In my response to the Commissioner of Police, I indicated to him that there were no systems set up in place. We had no information from the Commissioner of Police as to the category of vehicle and the status of the functioning of those vehicles for us to prepare to receive these vehicles. I wrote the Commissioner indicating that both members of the operations team of VMCOTT and the TTPS must sit and work out what is the status of vehicles, what is the form of payment, how are we going to ascertain and validate billing, invoicing and payment. I have gotten no response from the Commissioner of Police. That letter was copied to my line Minister. It was copied to the hon. Minister of Finance and it was copied to the hon. Minister of National Security.

To date, some three months later, I have received no response from the Commissioner of Police, in this regard. So I am unable to say who is servicing those police vehicles, but I have a document in my possession that says that those vehicles, all police vehicles are to be sent to VMCOTT to be serviced or repaired.

Mr. Chairman: But do you believe, Mr. Chairman, that because of your constraints, both in terms of manpower, skill sets, because you have limited skill sets, and because of the challenges with your suppliers supplying materials to your organization to repair vehicles, do you think that these might have featured prominently in the decision taken by the Trinidad and Tobago Police Service not to provide you, that is VMCOTT, with any vehicles for repairs?

Lt. Col. Bennett: If that was a consideration, Chair, hence the reason why we were supposed to sit together and we determine whether the vehicles that are working on the road right now are to be sent to VMCOTT for immediate service. Simple things like oil change, replace brakes and these sorts of things would have been priority. We would have used that in our green line system. Those for major repairs, we would have had them sent from Tobago at the Tobago location. From the southern division of the police service to the south branch on Union Road, and those on the East-West Corridor to VMCOTT. But no meeting took place because no one responded and no one attended the meeting. We have to sit and plan these things before they can be executed.

Additionally, as you rightly pointed out, in order for us to be able to provide the repairs with services and parts for those vehicles, we have to get a list of the vehicles. One of the things about fleet management is that you have a limited amount of vehicles, so it reduces the amount of spare parts you have to buy. But the police service has Toyota RAV4s, Toyota Prados, they have Toyota Hilux, they have Nissan X-Trails, they have 626, they have quite a range of vehicles, and it is not the best instance for a Ministry or government organization to have such a wide range of vehicles that extend their inability to have them serviced in a timely fashion, with a readily available stock of parts and spares. So those are the things that we should sit down and solidify before we go forward. But VMCOTT is ready, prepared and capable of recruiting and selecting the best outside of there who are on the market to aid and assist in the repairs and maintenance and fleet management of any organization in the twin-island State of Trinidad and Tobago.

Mr. Chairman: I have two final questions before we begin to wind down or bring this meeting to a close, and they are one: What would you like to recommend to this Committee to assist, to help, restore this company? I notice that you have a company in your list of clients called Simpsons Funeral Home. Is that true?

Lt. Col. Bennett: That is correct.

Mr. Chairman: Well, I am trying to see to what extent you can submit to this Committee recommendations, either in writing or you can give us a summary now, as to how this Committee can help your organization become more efficient, more effective and more economical, so that you can carry out your mandate properly. Because if you do not, like that customer you have called Simpson's Funeral Home, your company may end up in the graveyard. [*Laughter*] So I want to ask you if you can supply us with recommendations so we can try to save you from a permanent burial.

Lt. Col. Bennett: Chair, and I greatly appreciate that you have given me the opportunity to make some recommendations. One of the things I would like to recommend, off the top of my head, is that the Public Accounts (Enterprises) Committee in its submissions to Parliament, indicate to Parliament that the survivability and the existence of VMCOTT is not just for the employees and workers of VMCOTT, but to redound to the benefit of the State, because the State puts out close to approximately \$900 million annually in maintenance and repair services allocated in the budget for the respective Ministries and other state entities.

You see a lot of vehicles in graveyards all over Trinidad and Tobago, whether it is a Ministry, a state enterprise, anything like that. Those vehicles can be reconditioned and repaired. If I may share with you, the TTPS two years ago, we had some beautiful press presentations, the Commissioner and I shaking hands for a handover of X-Trails which we refurbished. VMCOTT refurbished 62 X-Trails. An initial contract was signed between the TTPS and VMCOTT. We received \$400,000. We provided them with 62, which was way more expensive than \$400,000, and to date we have not been paid for those X-Trails, but they are on the street, and they are aiding and assisting the TTPS in crime-fighting and crime reduction in Trinidad and Tobago.

Mr. Chairman: All right. Mr. Chairman, could you put in writing for this Committee's consideration, as we prepare our report in the future, what are some of your recommendations that you would like the Parliament to consider in making your company more viable and more successful in its future endeavours. I ask you to put in writing and submit to the Secretary of our Committee for the Committee's consideration.

Lt. Col. Bennett: Yes, Chair.

Mr. Chairman: I now ask Amrita Deonarine to continue. So you will put it in writing for us, Sir. Thank you.

Ms. Deonarine: Thank you, Mr. Chair. To VMCOTT, I have one question as we are on discussing the operational side of things. What usually happens when you have vehicles that are unserviceable,

or are you all in any way responsible for the disposal of any state vehicles?

Lt. Col. Bennett: We are mandated by Cabinet to do fleet management services which start with procurement to disposal. To date, no state enterprise or any Ministry has asked us to dispose of any vehicles on their behalf. They still use the old system of declaring the vehicle not roadworthy or no longer serviceable, or no longer cost effective to be on the road, and they do their own listing and submit it for disposal. But we have the capability to do procurement to disposal, and we have done procurement in many instances. A recent procurement is a project that we are working on with the Ministry of Works and Transport, with regard to putting two vehicles on the road for the Licensing Authority. So we are really capable of doing all that kind of stuff, it is just that because we are not required to, it is something that we have to mothball and leave it on the shelf for now.

Mr. Chairman: All right, I think—go on.

Ms. Deonarine: My last question, Mr. Chair, if you allow me. I just asked this question as a concerned citizen because when you pass by VMCOTT in the San Fernando branch you see a lot, a lot of abandoned vehicles with vines growing up on them, grass and a whole set of bush taking over them. What happens to those vehicles? Are they unserviceable and therefore left there for parts to be reused, or are they for disposal?

Lt. Col. Bennett: Those vehicles belong to the Trinidad and Tobago Police Service. What has happened is that the facility in the San Fernando area we have allotted space for the TTPS mechanical branch services personnel to occupy some of our offices. So we have shared space with them. What they have been doing, they have been taking vehicles and parking them there. Those vehicles we have no responsibility and no accountability for them. That is purely under the purview of the Trinidad and Tobago Police Service. They are left there to rot, deteriorate and for vines and trees to grow out of them.

Ms. Deonarine: Thank you, Chair.

Mr. Chairman: Thank you. I recognize Mr. Rushton Paray.

Mr. Paray: Thank you very much, Chair. Chairman, in 2016, I was invited to the Mayaro/Rio Claro Regional Corporation where a VMCOTT garage was launched at the corporation facility. During that opening ceremony, the intention was that police vehicles, vehicles from the Ministry of Health, the local government vehicles, all state agencies within the constituency, the idea was that their vehicles, rather than have to come to San Fernando or even Port of Spain, that those vehicles would have come to Rio Claro at that bay, which at that time I saw was fully equipped, to get services.

Now, what has happened to that facility? And two, thinking about the rationale behind it in

terms of where you have state vehicles in rural communities like Rio Claro and Mayaro, that idea to put these facilities into the 14 municipal corporations blends the idea that you can decentralize VMCOTT into some of these existing garages to help increase your revenue potential. And, perhaps, in terms of the police having challenges getting vehicles to San Fernando or Port of Spain, and not believing or being satisfied that they may get back their vehicles in time, they may be more inclined to come to a closer location in terms of Mayaro, Rio Claro and Biche, coming right to Rio Claro, then that could be a good thing to look at going forward. Can you comment on that, Mr. Chairman?

12.30 p.m.

Lt. Col. Bennett: Yes, definitely, Sir. With regard to that, when we went into the Mayaro/Manzanilla Regional Corporation we assisted them in setting up their facility, in providing equipment, and we also assigned a member of our staff to work closely with them in purchasing and procuring parts and spares for their vehicle maintenance.

The concept behind it is as you outlined, however, it never materialized and our MOU with them expired after two years. It is something that we have been pursuing diligently with the Sangre Grande Regional Corporation, with the Port of Spain Corporation, Diego Martin Regional Corporation with a view to aiding and assisting them in fleet management services, not just for them but for municipal police and those people who have to do disaster relief management because they have a lot of equipment in those corporations and we are trying to assist them with that.

But from time to time the constraint is finances because one of the things that we use for revenue earning is a management fee when we do that because we set them up with all the new systems and we make their life as easy as possible.

Mr. Paray: So what has happened to all that investment that was made at the regional corporation in Mayaro in terms of the fact that the MOU has expired after two years. What happened to that equipment? Did it return to San Fernando or Port of Spain? Or is it still sitting there idling?

Lt. Col. Bennett: It is theirs, it was purchased on their behalf, they financed it.

Mr. Paray: Oh, okay.

Lt. Col. Bennett: So now that we have given them the administrative ability and the technical training, they are now a stand-alone unit. So they are able to do those things by themselves.

Mr. Paray: Okay, Mr. Chairman. Thank you.

Mr. Chairman: All right. Thank you. Well, Mr. Chairman and Madam CEO and other officials, I have two final questions before we bring down the curtains. Can the Chairman or the CEO explain to this Committee, why we do not have in this Parliament and before this Committee the financial

audited statements for VMCOTT for 2015, 2016, 2017, 2018, 2019 and 2020? And also, what has happened to your administrative reports that you are mandated under law—I am almost going to say that VMCOTT is becoming a lawless company but I would not say that but you have no administrative reports since 2015, 2016. So like your audited financial statements, none in terms of administrative reports for 2016, '17, '18, '19 and '20.

So, Madam CEO, as the accounting officer could you explain to this Committee briefly what is happening with these outstanding accounts? And when will the Parliament be in receipt of them? Or when will you submit those to Corporation Sole? Madam CEO.

Ms. Prince: Chairman, the only outstanding reports that we have, the administrative reports, is for 2020. All the others were submitted.

Mr. Chairman: You have submitted—

Ms. Prince: From 2019—all the other administrative reports for the other years, 2015, 2016, 2017, they were submitted.

Mr. Chairman: To whom?

Ms. Prince: It was sent to the Ministry of Finance and copies were sent to the Ministry of Works and Transport.

Mr. Chairman: And in terms of your financial audited accounts for 2015 to 2020?

Ms. Prince: Right. Well, we already concluded 2015, we are just waiting on a management letter, right?

Lt. Col. Bennett: Yeah.

Ms. Prince: We are just waiting on a management letter from the auditing firms. We had 2016, field work is finished and, of course, we just are waiting on the availability of the AGM right now to conclude 2016—2015/2016 moving forward. We had a bit of challenges with the auditing firms in terms of they getting the resources to come to complete the other years of audit but we are working with them to bring it up to par and bring it up to current, we are working with them. 2016 will be finished by July 2021, and 2017 at least by October 2021.

Mr. Chairman: Oh, and what about '18—

Ms. Prince: And that is—'18, well—

Mr. Chairman:—'19 and '20.

Ms. Prince: We will be able to, as soon as we conclude those two periods because, of course, we are heavily depending on the auditing firm. They already expressed to us that they have some challenges with their resources coming to VMCOTT, internal challenges, so we are working with them. So after

we conclude those two periods, definitely I will be able to give you a deadline for the other outstanding years of audit.

Mr. Chairman: Well, you know you are in violation of the law as a company and you are in violation of the state enterprise manual as well. So I really want to appeal to you and the chairman of the board Lt. Col. Bennett to really take your functions and your mandate seriously and get those reports to the relevant entities so that they can be forwarded to this Committee. Can you put in writing what you have just told us about the administrative reports—

Ms. Prince: Yes.

Mr. Chairman:—that they have been sent to the Ministry of Finance. And can I ask the Ministry of Finance director, Director of finance, can I ask the Director of Finance to tell us when those reports that have been submitted by the entity VMCOTT will be submitted to the Parliament?—because Ms. Natasha Prince has made it very clear that they are in your possession, only '20 is outstanding—

Ms. Prince: Two '19, '20 outstanding.

Mr. Chairman:—in terms of the financial audited accounts. Tell us what is the Finance Ministry doing to ensure that this thing is speeded up? Director of Finance.

Ms. Mohammed: Chairman. Chairman, I wish to say that we do not have the administrative reports in sight. What happened is, the administrative reports normally go to the line Ministry and the line Ministry is the one who sends it to the Parliament.

Mr. Chairman: Okay. Well, then let us ask the—

Ms. Mohammed: We, that is the Investments Division—

Mr. Chairman: Yes.

Ms. Mohammed:—we receive the audited financial statements and after the annual meeting we submit those accounts to the Parliament.

Mr. Chairman: Okay. Well, may I ask Ms. Ramdath the Permanent Secretary to give us an update of those reports? And where are we with both? Madam.

Ms. Ramdath: Yes. I am seeing where we do have the 2016 and 2017. I would have to check my records for the 2018 and 2019. We have not received the 2020 administrative report.

Mr. Chairman: Yeah. And when can you give us the assurance that those things would be forwarded to the Parliament, seeing that it is in your possession?

Ms. Ramdath: As soon as possible, Chair.

Mr. Chairman: How long have you had those?

Ms. Ramdath: I will have to check my records to see how long but that—

Mr. Chairman: That means to say you have it for a very long time because if you had that recently you would have told us, so you have to check your records. But can you check your records and get back to us and also give us an undertaking that you all will speed up those outstanding financial audited accounts that this company has been lagging behind in submitting, that is 2015, 2016, 2017, 2018, 2019 and 2020. Can we get in writing from your good selves when are those reports going to be submitted to the Parliament through the relevant Ministry so that we can look forward to doing the people's work?

Ms. Ramdath: Definitely, Chair.

Mr. Chairman: So we do not have to be concentrating on only—we are in 2021 and we are now examining 2013 and 2014 audited financial statements. Whilst Natasha Prince would have been there in whatever capacity, she only became Acting CEO in 2018, so she would not be able to answer all those questions, so we need to get those reports in at a—you know, so we can deal with things in real time. So, Madam Permanent Secretary, can you give us something in writing?

Ms. Ramdath: Definitely. Thank you, Chair.

Mr. Chairman: Yeah. And, Mr. Bennett, the chairman. I want to direct this final question to you. And the question is, are you a full-time executive chairman?

Lt. Col. Bennett: Chair, at this time there are no executive chairmen to my knowledge and I am not one.

Mr. Chairman: You are not a full-time executive chairman.

Lt. Col. Bennett: No, I am not. I am a chairman who attends board meetings once a month. I am at VMCOTT's compound on a regular basis because before we had a finance manager, I was the co-signature with regard to all cheques and payments and bank transactions. After three months of hiring the services of an appropriately qualified finance manager, I have relinquished that responsibility except for cheques over the value of \$30,000, and as such I am here when required.

Mr. Chairman: Mr. Bennett, chairman—

Lt. Col. Bennett: Chair.

Mr. Chairman:—can you tell us whether you were given a letter from the Minister of Finance authorizing you to sign these cheques?

Lt. Col. Bennett: Sir, that is the policy of the board and the policy of the company for authorization by the CEO, the finance manager and the chairman of the board for signing.

Mr. Chairman: Can you submit that to this Committee in terms of writing, that policy?

Lt. Col. Bennett: Yes, I will have the CEO do the necessary submission.

Mr. Chairman: Yes, thank you. Well, may I at this point in time, Mr. Chairman, thank you, your team from VMCOTT. I have a host of questions but time does not permit prosecution of those questions so we are going to be sending those questions in writing to the CEO so that she can submit written responses to our queries and questions.

I want to thank you and the team for coming today to share with us and I want to really urge you to submit to us in short order all your recommendations that you would like us to consider to strengthen this very important organization which was formed and founded in 2001 to carry out the mandate that you have outlined earlier. So we look forward to your submission re your recommendation. And also the CEO, she has a number of things to put in writing, so we are looking forward to receiving those as well.

So on behalf of the Public Accounts (Enterprises) Committee we would like to thank you officials from VMCOTT, also all officials from the Ministry of Finance Investments Division, as well as the officials from the Ministry of Works and Transport. This Committee reserves the right to recall VMCOTT at any time. So all we can tell you is stand by in the event that we need you to come a second round, the Committee will decide that. But other than that, we want to you thank you very, very sincerely for being with us this morning, for sharing with us what—the information that you shared of being very frank and open with this Committee as it relates to your challenges, and we look forward to your recommendations for us to assist you in strengthening your organization as you go forward. So thank you. At this time we will now suspend and we will resume our meeting in camera. Thank you all very much. Good evening, good afternoon.

12.44 a.m.: *Meeting adjourned.*