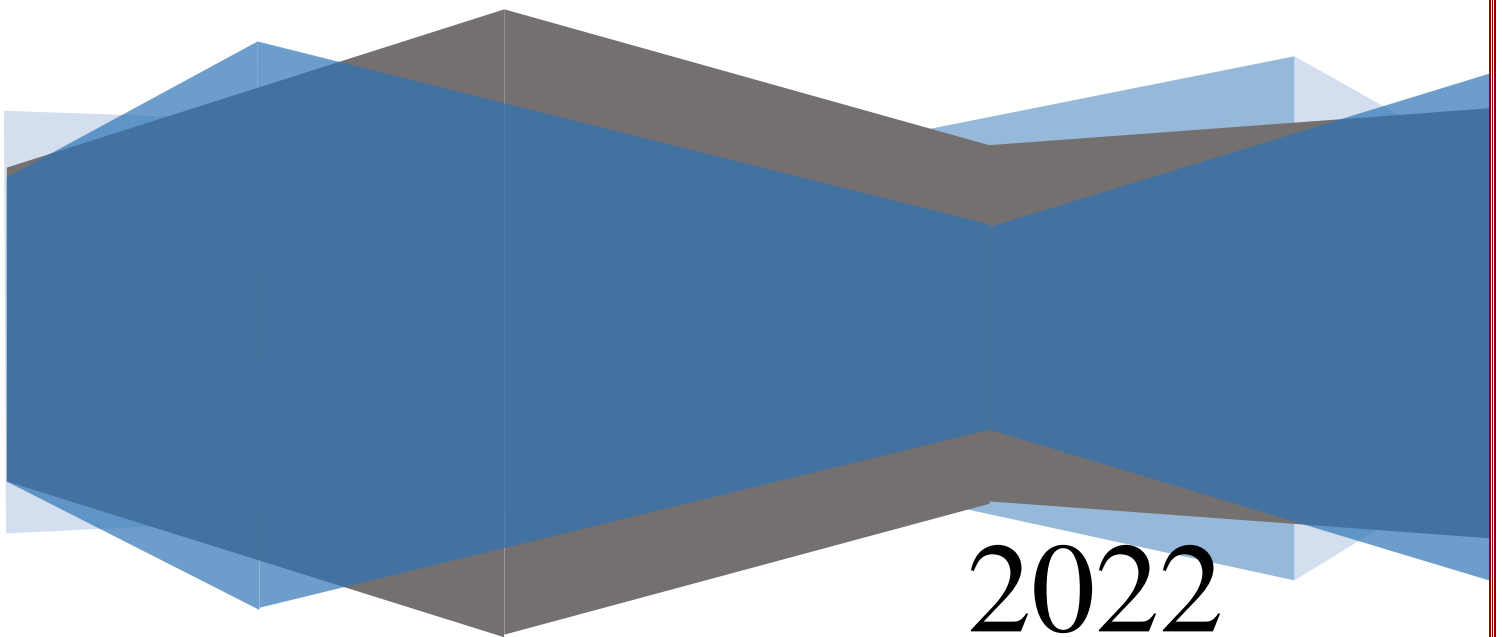


**TAURUS SERVICES LIMITED**

# ANNUAL REPORT



# Taurus Services Limited

## VISION STATEMENT

To ensure that risk asset management takes primacy in all the activities of this department to the extent that collections are maximized and costs are minimized.

## MISSION STATEMENT

To create value by ensuring that all files are managed and outstanding debts are collected in a timely and effective manner with due consideration of the rights of our customers and in fulfillment of the duty owed to all our stakeholders.

## TAURUS CULTURE

We are an organization that is **Result Oriented** with exceptional **Focus** and committed to high standards of **Professional** conduct while recognizing that **Knowledge** plays a critical role in our success.

### **STRATEGIC PLAN**

- (1) To ensure the liquidation of all outstanding accounts in the most timely and cost effective manner.
- (2) To ensure that the staff complement is maintained at a level consistent with needs of the department.
- (3) To maintain a supervisory structure to ensure that lesser experienced staff are provided with adequate guidance and support.
- (4) To ensure that staff remains highly focused and motivated to ensure effective performance.
- (5) To ensure that individual and group learning is encouraged as a means of ensuring personal and team development.
- (6) To provide support to the network as required.
- (7) To ensure that the needs of our customers/stakeholders are fully met on a continuous basis.

### **SERVICES PROVIDED**

As at September 30<sup>th</sup> 2022, the portfolio consisted of Seventy-two (72) accounts with a dollar value of \$155.6m. There were Two (2) Officers under the supervision of the M1 and M2 Managers, who were directly involved in the recovery process resulting in an average of Twenty-Six (26) accounts per Officer. The other members of staff comprise the Administrative Team who provides support to the Account Officers and performs other administrative functions such as typing, reconciliation, accounting and maintenance/update of our computer system. Collections have been projected at \$1,898.5k and Expenses have been projected at \$5,930.0k. Reduction of the portfolio is the main focus whereby debts that are deemed uncollectible after all recovery avenues have been exhausted shall be eliminated in accordance with the long term objective of winding up the Unit. It must be noted that in earlier years a significant amount of accounts was deferred for write off after maximum collections were achieved and efforts exhausted. At the time priority was given to accounts with greater possibility for recovery. However, during the year, a greater emphasis was placed on the 'A' Category accounts for write off and the process is continuing.

It is expected that there will always be several trailing issues after the major recovery function has been accomplished. There would be some customers who will still be paying via monthly arrangements, other accounts with litigation in progress, some pending releases/ discharges of mortgages, there may even be some sale in progress. We are as far as possible attempting to bring an early closure to these matters. The First Citizens Bank Note was repaid on 30<sup>th</sup> September 2022 as per amortization schedule. All the other liabilities have been liquidated. The portfolio has been significantly reduced, especially in the area of collection. However, the same level of commitment is required, as the aim is to wind up Taurus.

The Company is not expected to undertake or receive any new portfolio and the last significant transfer of accounts was effected in the year 2000. Therefore, as collection is achieved and accounts are closed or eliminated it is expected that collections will diminish over the remaining years. The majority of the varinstall mortgage loans/balloon accounts

have been eliminated. The more complicated and litigious matters are also surfacing which can delay the recovery process. Litigation is currently in progress for **five (5)** mortgage accounts and we are making all efforts to resolve these matters. With the leverage provided by the mortgage security such accounts represent our greatest opportunity and source for recovery. It must also be noted that most of the customers with balloon accounts are retirees and recovery will depend on whether they had made provisions for repayment over the years and their ability to access funding and or gratuity. We continue to follow up for the renewal of expired state leases on the ADB portfolio by writing the Agricultural Minister / Commissioner of State Lands seeking an audience.

We act as agents for Central Bank for a portfolio of accounts (CBTT Portfolio) which originated under the former Trinidad Co-operative Bank for which there is no commission involved. As at September 30<sup>th</sup>, 2022 the CBTT portfolio comprises Nine (9) accounts with a dollar value of \$13.0M. These accounts were assigned to Account Officers, who are reviewing the accounts. It is our intention to fulfill all obligations in the matter. However, our review reveals that the remaining accounts are unsecured and no further significant recovery is expected with the exception of one account. This account is secured by a mortgage over lands occupied by squatters who are protected under the Land Tenancy (Security of Tenure) Act of 1981. An offer has been on the table for some time, however no agreement has been reached thus far. In the circumstances, a significant portion of the portfolio has to be written off.

One of the Account Officers have been with the department for several years and their experience have contributed to a high level of consistency and productivity. We shall continue to focus on results and the efficiency of the collection process.

We shall also continue our team building reviews using our survey results as a guide. Consultation, communication and network participation shall continue while maintaining customer service excellence. Most importantly the training and development of staff shall be prioritized as we continue to prepare staff for integration into the network. As the portfolio shrinks we shall also review and reduce our staff complement exercising caution to ensure that we do not extend the life of the department in the process.

### **LEVELS OF AUTHORITY**

**The Senior Account Officer / Manager 1 is authorized to approve up to a limit of \$5,000.00 write-off in the following circumstances:**

- (1) The account is assigned to a junior officer whom they supervise.*
- (2) The principal does not exceed \$50,000.00.*
- (3) The decision may or may not involve a negotiated settlement.*
- (4) The value of security (if any) must not exceed the negotiated settlement amount.*
- (5) The approval must be subsequently countersigned by the M1 Manager.*

**This therefore means that the matter must be referred for prior approval of the M2 Manager when the account is assigned to the Senior Account Officer.**

For values between \$5,000.00 to \$20,000.00 the matter has to be signed by both the M1 Manager and M2 Manager.

For Write Off, any principal in excess of \$20,000.00 is for approval by Head Office or the Board as appropriate.

**With respect to Expenditure Control the following applies:-**

The authorized limit of the Supervisors is \$5,000.00

The authorized limit of the M1 Manager is \$10,000.00

The authorized limit of the M2 Manager is \$20,000.00

Anything in excess of \$20,000.00 is for approval by Head Office or the Board as appropriate

See Appendices I and II

**TAURUS SERVICES LIMITED**

**REVISION OF APPROVAL LIMITS FOR NEGOTIATED SETTLEMENTS/WRITE OFFS**

**Appendix I**

<i>Category</i>	<i>Approval Level</i>	<i>Principal Book Value (W/O)</i>	<i>Account Balance (Principal)</i>	<i>Security</i>
A	Board	\$150k<WO	All Accounts	Not Applicable
B1	Assistant General Manager	\$100k<WO<\$150k	All Accounts	Not Applicable
B2	Senior Manager – Special Assets	\$20k<WO<\$100k	Principal<\$750k	Not Applicable
C	M11/M1	\$5k<WO<\$20k	Principal<\$500k	Security coverage does not exceed 110% of principal outstanding.
D	M1/Senior Account Officer	WO<\$5k	Principal<\$50k	Security coverage does not exceed 100% of principal outstandings.

**Note:** In the event that the security coverage exceeds the value as outlined in the particular category, the matter will have to be referred upwards to the next category.

Effective Dates:

- (a) Approval limits for categories C & D signed off by the General Manager – Credit & Risk Management on November 14<sup>th</sup> 2003.
- (b) Approval limits for category A & B signed off by the Board at its meeting on November 27<sup>th</sup> 2003.
- (c) Approval Limits for category B2, was delegated to Senior Manager – Special Assets by AGM – Credit & Risk Management on November 27<sup>th</sup> 2006 and updated on May 13<sup>th</sup> 2010

**Taurus Services Limited**  
**Approval Limits Intra Department**  
**Revised January 2018**  
**Appendix II**

<i>No.</i>	<i>Activity</i>	<i>Respective Officer →</i>	<i>D.F</i>	<i>L.D.</i>	<i>LD</i>	<i>K.S</i>
1	Expenditure Settlements	Note 1	All up to \$20k	All up to \$10k	A/c related up to \$5k	Admin. Only up to \$5k
2	Contractor Services	Note 2	To Exp. Limit	To Exp. Limit	To Exp. Limit	To Exp. Limit
3	Advertisements for sale	x	All	DR	Nil	Nil
4	Reversals	x	All	DR	Nil	Nil
5	Debit to CA	x	All Signatory	Signatory	Signatory	Signatory
6	Account Adjustments	xx	All	DR	Nil	Nil
7	CIF Changes	xx	All	DR	Nil	Nil
8	Account Transfer	xx	All	DR	Nil	Nil
9	Overnight Use of Vehicle	xxx	All	Nil	Nil	Nil
10	Use of Vehicle > 3 hrs.	xxx	All	DR	Nil	Nil
11	Extension of Closing of Sale Agreement	xxxx	All	DR 3 mths.	DR 3 mths	Nil
12	Purchase Agreements	xxxx	All	DR	Nil	Nil
13	Authorization to Execute	xxxx Note 3	All	All	DR & DC's Team	Nil
14	Extension Date to NS	xxxx	All	DR 3 mths only	DR 1 mth only	Nil

Con't .../2



**Taurus Services Limited**  
**Approval Limits Intra Department**  
**Revised January 2018**  
**Appendix II**

<i>No.</i>	<i>Activity</i>	<i>Respective Officer →</i>	<i>D.F</i>	<i>L.D</i>	<i>LD</i>	<i>K.S.</i>
15	Legal Action	∞	Up to \$500k	Up to \$100k	Up to \$50k	NIL
16	Release/ Replacement of Cash Security	∞	All	All	Nil	Nil
17	Application of Cash Security	∞	All	DR	DR	Nil
18	Urgent, Sick & Vacation	∇	All	DR	Nil	Nil
19	Travelling Allowances	∇	All	DR	Nil	Nil
20	Journals (General Ledger / Management Accounts	xx	All	All	Nil	Nil

- Note 1 : All cheque disbursements in excess of \$1,000.00 must be signed by two authorized signatories.
- Note 2 : All expenditures for Investigation Services, Means & Assets etc. must be pre-approved by use of the relevant form.
- Note 3 : All Inter departmental correspondence must be co-signed by a Manager unless specifically delegated otherwise.
- Note 4 : Generally the Authorizing Officer of an Invoice/Expenditure should not be a signatory of the relevant cheque.

## **PERFORMANCE ACCOMPLISHMENT**

### **1.0 INTRODUCTION**

We commenced the year with a portfolio of 393 accounts with a dollar value of \$207.4M and a staff complement of 17. Collections were projected at \$4,522.1k and operational expenses budgeted at \$8,126.6k.

While the priority continued to be on those accounts that were secured by real estate, having the greatest potential for collection, great emphasis was placed on 'A' category accounts with lesser emphasis on accounts with principal balances  $\leq$ \$100k. Our strategy has always been to invite proposals for settlement from customers to minimize cost on these accounts and in the event that negotiations fail, the recovery process is pursued through litigation, vacant possession and sale by mortgagee.

Our major collections are derived from property sales. The properties that we have in our 'for sale' listing comprise mainly of vacant lands and abandoned estates. However, there has been less demand for these properties at the price indicated in the valuations. This resulted in properties being re-advertised several times without a sale being obtained.

During the year there was 1 sale by mortgagee advertisement. It was observed generally that there are fewer enquiries for advertised properties and despite our use of Real Estate Agents, there was little notable success. One of the difficulties in increasing property sales has been the continued failure of the Commissioner of State Lands to treat with renewal of expired leases for leasehold agricultural plots in particular.

We have had some success with negotiated settlements on secured and unsecured accounts. This has been in cases where there is added leverage in terms of redeeming of mortgages and cancellation of judgments. In some cases debtors were located through the credit enquiry process from the FC Group when trying to obtain financing and we were able to capitalize on these opportunities to settle these debts.

A significant segment of the portfolio comprises accounts where collections were pursued in the earlier years and all efforts for recovery have been exhausted. These accounts were thereafter deferred for write-off. This category of accounts is now prioritized for review and eventual elimination as we focus on reducing the portfolio.

Concurrently with the pursuit of our targets was the training and development of the staff (Permanent & Contract) with the view of eventual redeployment into the FC Group. We have ensured that all staff attended training programmes within the annual training calendar of the FC Group. We also encourage cross training within the Unit to allow staff to enhance their development and skills. Staff members also pursue their academic goals and continuously apply for positions within the FC Group. It is expected that as the residual portfolio continues to decrease, some staff will seek alternative positions within the FC group. This is not considered unexpected and Management has implemented mitigation strategies to deal with such occurrences.

During the year our staff was reduced by seven persons. One Account Officer's contract was not renewed and ended on 2022/07/27. Another ended on 2022/09/30. One permanent Account Officer applied to FC and was successful as at 2022/08/19. Our Filing Clerk on contract ended 2022/09/30. Our Car Park Attendant on contract ended 2022/08/03. We also had two permanent staff retire; our Office Assistant on 2022/09/02 and our Administrative Officer on 2022/09/19.

Against this background we provide the following review which gives an analysis of our achievements, the challenges encountered and an overall summary of the key areas as we took another step in the process of completing our objectives.

## **2.0 PERFORMANCE MONITORS**

The Company has a well-established system to monitor performance for its core functions. At the commencement of the financial year budgetary targets in five (5) areas were established which were closely monitored on a monthly basis. Under the recovery process these areas are the five (5) Key Results Areas (KRAs) which include: Collections, Negotiated Settlement/Write Offs (NS/WO), dollar value \$ and number #, Reviews, and Closed Files. The Administrative side measures Cost Management and review of the Score Card. Our monthly and quarterly reporting structure captures the necessary statistics and pertinent information that assess performance and determine remedial measures on an ongoing basis.

## 2.1 Collections

The statistics revealed that we collected \$1.87M compared to a budget of \$4.5M which represents a 41.4% achievement. Although significant collections are tracked /monitored on a monthly basis, several projections were delayed despite constant follow-up and have been carried forward to the 2022-2023 financial year. The reasons for non-collection, is mainly due to delays in legal issues, eg. Letters of Administration, Probate of Wills and customers failing to meet their commitments.

Review of each Officer's account portfolio (with a view of bringing the account to a close) was our main focus in 2021/2022 and Officers continued to prioritize it as the main focus. All avenues were explored for pursuing recovery and in the event that there was no collection the focus was shifted to write off/abandonment of the debt to bring about closure of the accounts. For the review period, one officer collected \$15.4k as his accounts were affected by Probate and Letters of Administration. The other four officers collected on average between \$75.0k and \$285.0k. There was one property sale for the year netting a value of \$500.0k.

**Table 2.1.1**

Portfolio	Budget (TTS'000)	Actual (TTS'000)	Variance (TTS'000)	Attainment %	Actual 2020-2021 (TTS'000)	Increase/ (Decrease) over Prior Year (TTS'000)	Increase/ Decrease (%)Over Prior Year
FCB	3,244.4	1,495.4	(1,749.0)	46%	1,422.9	72.5	5%
ADB	1,277.7	375.5	(902.2)	29%	234.9	140.6	60%
Consolidated	4,522.1	1,870.9	(2,651.2)	41%	1,657.8	213.1	13%

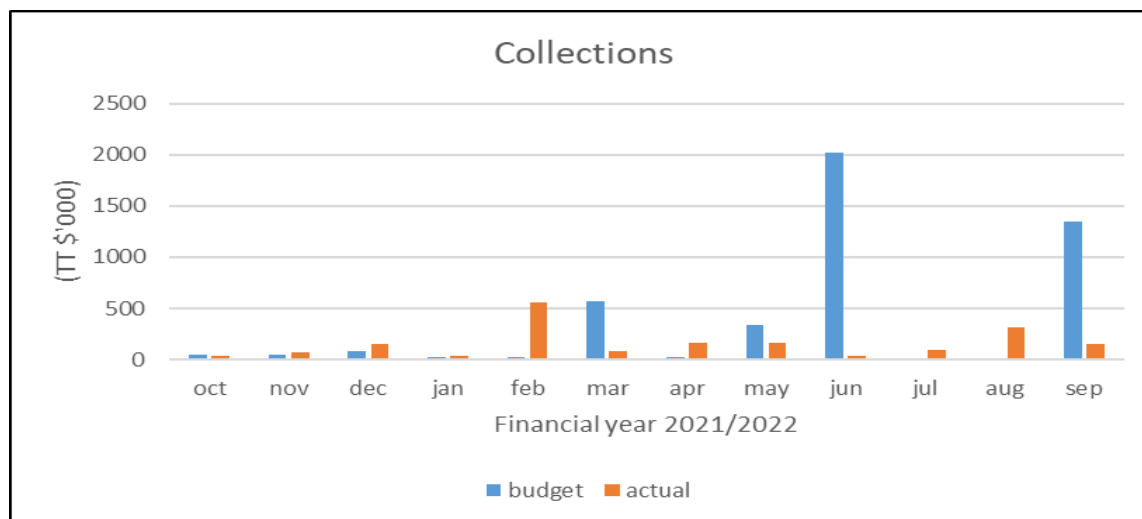
**Table 2.1.1** provides a breakdown of Collections on the FCB and ADB portfolios. It revealed that we fell short of our budget on the First Citizens portfolio by \$1,749.0 (54%) and on the ADB portfolio by \$902.2k (71%) and overall by \$2,651.2k (59%). The total collections was higher than the previous year by \$213.1k (13%).

**Table 2.1.2**

<i>Designation</i>	<b>2020/2021</b>		<b>2021/2022</b>	
	<i>Value (TTS'000)</i>	<i>%</i>	<i>Value (TTS'000)</i>	<i>%</i>
Old Workers' Bank	695	42	150	8
Old Consolidated Banks	120	7	681	36.5
2000 Transfers	599	36	637	34
Other	10	1	28	1.5
ADB	235	14	375	20
<b>Total</b>	<b>1,658</b>	<b>100</b>	<b>1871</b>	<b>100</b>

**Table 2.1.2** represents a comparison of Collections with the previous year in a more detailed breakdown of the portfolio. It revealed that in the Old Consolidated Banks collections represented 36.5% of the total, the ADB 20%, the Old WB 8%, the 2000 Transfers 34% and Other 1.5%. As the portfolio reduces, the Old Consolidated Banks, Old Worker's Bank and the 2000 Transfers portfolios are expected to be the main contributors to collection.

**Chart 2.1.3**



**Table 2.1.4**

Month	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Total
Budget	46.3	42.9	80.4	26.4	26.4	566.4	22.1	337.5	2017.6	15.6	15.4	1351.3	4522.1
Actual	36.4	70.0	157.6	33.0	561.2	85.3	163.9	161.5	34.6	90.6	319.2	157.5	1870.9
Budget Attainment %	<b>78.6</b>	<b>163.2</b>	<b>196.0</b>	<b>125.0</b>	<b>2,125.8</b>	<b>15.1</b>	<b>741.6</b>	<b>47.9</b>	<b>1.7</b>	<b>580.7</b>	<b>2072.7</b>	<b>11.7</b>	<b>41.4</b>

**Chart 2.1.3 and Table 2.1.4** reveals that we fell short of the Collection targets in five (5) out of the twelve (12) months (Oct, March, May, June and September). All other months exceeded budget. The highest collection (\$561.2k) was in February 2022, while the lowest (\$33.0k) was in January 2022.

Forecasting collections, given the variances can be very unpredictable since unforeseen complications can easily delay closure of significant transactions while opportunities for unbudgeted collections can arise. Use of the major outstanding collections monitor remains a critical tool for improvement in this area.

## **2.2 Negotiated Settlements/Write Offs**

We achieved 82% of the projected target in this KRA in terms of number of accounts but 107% of the target in terms of dollar value. Generally, the remaining portfolio contains a higher percentage of accounts with larger balances for which the recovery process is usually protracted as settlements are negotiated or legal action and property sales are pursued. Accounts with significant balances also necessitate greater in-depth analysis and the determination factors leading to elimination and write-off are more stringent and exhaustive. This is a critical function because after all recovery efforts have been exhausted and an account is deemed to be uncollectible, the file is processed for write-off/abandonment.

**Table 2.2.1**

		Year	
		2020-2021	2021-2022
A	No. of Applications Processed	229	137
B	Increase (Decrease) over prior year	77	(92)
C	Percentage Change	51	(40)
D	Actual Write off Processed on System	84	307
E	Principal Value \$M	1,845	140,220
F	No. of Accounts on System	384	72
G	Rate of Determination (D/F) %	22	426
H	Budget	252	168

**Table 2.2.1** illustrates our actions in this KRA. Less applications for write-offs were processed this year (137) compared to the previous year (229), a 40% decrease. However the actual write off processed on the RMS reflected 365% of the previous period. There was a significant increase in processed write-offs, as well as a significantly higher dollar value (\$140.2M), compared to the previous year (\$1.8M) representing 7,600% of the previous year's figure. This was as a result of 220 'A' Category write-offs with a dollar value of \$137.9M being approved by the Board. A new Board was appointed in December 2021.

Two Officers achieved over  $\geq 100\%$  of the target in this KRA, Officers' achievement ranged from 50% - 103%. Special focus was placed in this area for this financial year and will continue.

### **2.3 Reviews**

This KRA is the first step in the recovery process and it is at this stage that the possibility of recovery is assessed and an action plan is determined and implemented. This eventually leads to recovery or write-off. Supervisors have a direct responsibility of ensuring that files are reviewed in a timely manner and that accounts are not left unattended limiting the possibility of accounts becoming statute barred. This financial year Management changed the format of the review process to one that once a file was started, there had to be an outcome, either a collection possibility or a write off. This new method proved to be more effective hence the budgeted target for this area decreased. However, this amended process yielded a 82% achievement and larger accounts were tackled. Effective portfolio management is monitored and measured by this KRA.

**Table 2.3.1**

	<b>2020-2021</b>	<b>2021-2022</b>
No. of Reviews Budgeted	252	168
No. of Reviews Completed	247	137
Increase (Decrease) over Prior Year	(57)	(110)
Percentage: Increase/Decrease	(19)	(45)

**Table 2.3.1** reveals that 137 reviews were conducted out of a budgeted target of 168 which is an attainment of 82%. Two Officer achieved the target (>100%) in this KRA. Percentage completion by Officers ranged from 50% - 103%.

#### **2.4 Closed Files**

This KRA measures the number of files officially closed during the period and provides for a proper filing and archiving system. Officers are required to terminate all transactions with customers before close-out so that there is no need for file retrieval and if there is a need for retrieval it is limited. Closed files is the last stage in the process and originate from either paid off accounts, negotiated settlement or write-off.

**Table 2.4.1**

	<b>2020-2021</b>	<b>2021-2022</b>
No. of Closed Files Budgeted	168	120
No. of Files Actually Closed	98	165
Increase (Decrease) over Prior Year	(42)	67
Percentage: Increase/Decrease	(30)	68

**In Table 2.4.1** the statistics revealed that 120 Closed Files were budgeted however 165 files were closed during this period representing 138% achievement. Closed Files are directly linked with Negotiated Settlement/Write-Off as the final stage in the process, therefore if there is a delay in the approval of the NS/WO it impacts directly on Closed Files (the appointment of a new board facilitated this process). Three Officers achieved >100% of the target in this KRA, Officers' achievements ranged between 54% - 221%.



Our monthly monitor of the closed file statistics reveal that the retrieval rate for closed files located in-house or at the Archive Department is under control and within acceptable limits suggesting that Officers are paying more attention to completion of all processing activities before close-out. For the period, we received 33 files due to matters dating back to 2005 and 4 files were returned. We continue to monitor files in the holding area for impending return.

## 2.5 Consolidated Performance

The following statistics in **Table 2.5.1** reveal that we have achieved 41% of the main Collection target, 82% of Negotiated Settlement/Write-Offs, 82% of Reviews, 138% of Closed Files and 107% of dollar value of Negotiated Settlement/Write-Offs. It also gives a comparison with the previous year's performance. The following Charts 2.5.1.1 and 2.5.1.2 also show the comparisons.

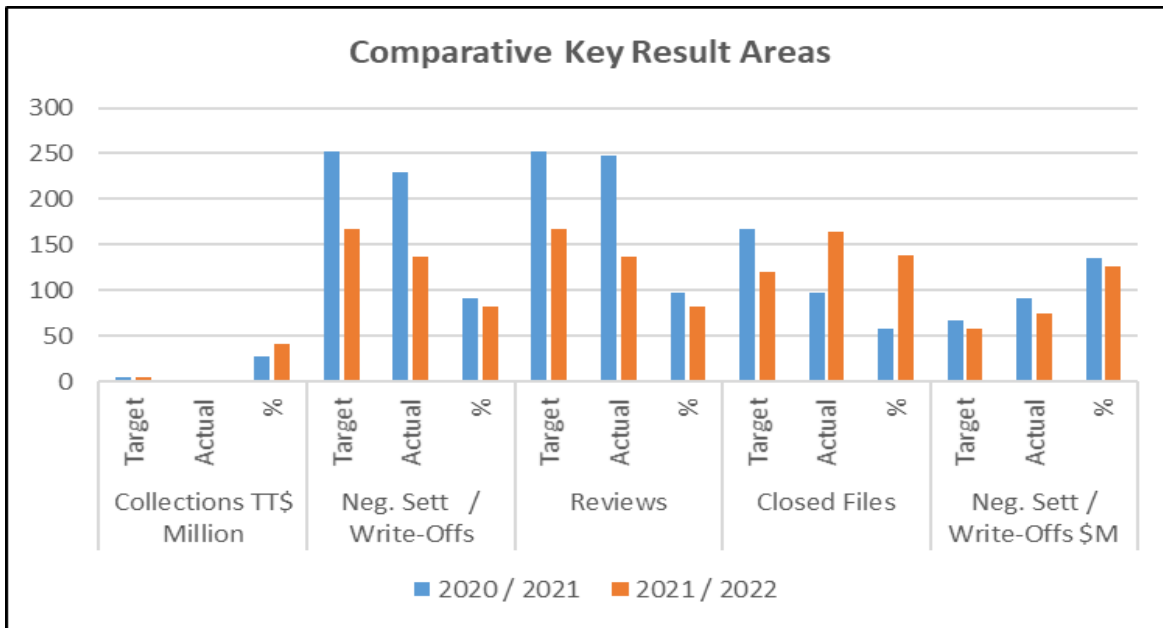
**Table 2.5.1**

	Collections TT\$ Million			Neg. Sett / Write-Offs			Reviews			Closed Files			Neg. Sett / Write-Offs \$M		
	Target	Actual	%	Target	Actual	%	Target	Actual	%	Target	Actual	%	Target	Actual	%
2020 / 2021	5.9	1.7	28	252	229	91	252	247	98	168	98	58	67.2	91.1	136
2021 / 2022	4.5	1.9	41	168	137	82	168	137	82	120	165	138	59.0	75.0	127

**Chart 2.5.1.1**



**Chart 2.5.1.2**



**Table 2.5.2**

<i>Key Result Area</i>	<i>2020-2021</i>	<i>2021 - 2022</i>	<i>Percentage Increase (Decrease)</i>
Collection \$M	1.7	1.9	11.7
No. NS/WO	229	137	(40.1)
NS/WO-\$0,000M	91.1	75	(17.9)
No. of Reviews	247	137	(44.5)
No. of Closed Files	98	165	68.3

**Table 2.5.2** analyses the performance of the 5 KRAs in comparison to the previous year giving the % increase / decrease.

Collections reflected an 11.7% increase over the previous year, however, a decline is anticipated as the portfolio shrinks and collectible accounts also shrinks. Negotiated Settlements/Write-Offs accounts reflected a decrease of 40.1% compared to previous year while Negotiated Settlements/Write-Offs dollar value reflected a 17.9% decrease. Reviews reflected a decrease of 44.5% and Closed Files reflected an increase of 68.3%.

## **2.6 Cost Management**

In **Account Related expenses**, our budget was underutilized to the extent of **\$301.6k**. This was mainly due to considerably lower expenditure in some areas and no expenditure in the following four areas, mainly land and building taxes, mortgage properties maintenance, utilities and watchman fees.

Advertisement of Mortgage properties (\$9.3k), Valuation Fees (\$8.0k) and Property Insurance (\$1.9k) are all related to the mortgagee sale process and Attorney's fees (\$106.7k), Bailiff/Investigator Fees (\$7.8k) and Other Account Related expenses (\$13.8k) are related to legal

action and processing for write off. Our account related expenditure reflected a decrease of \$39.4k (18.3%) over the previous year.

A review of our **Operating Expenses** revealed that our budget was under-utilized to the extent of \$411.9k. The main areas of underutilization were:- Electricity (\$51.5k), Janitorial Service (\$76.3k), Motor Vehicle Expenses (\$56.7k), Auditing Fees (\$90.0k), General Service (\$25.1k) and Guard Services (\$21.6k). We did not purchase any asset during the period and other office related expenses were kept to a minimum.

The major adverse variance was Directors' Fees (\$20.7k) this was due to the installation of a five-member Board during the period however, the budget was done for four members.

Overall, our total expenditure reflects an increase of \$233.6k over the previous year which is equivalent to an increase of 3.3%. This increase can be attributed to the payment of Directors' Fees and as we did not pay any fees in the period 2020/2021 due to the lack of a Board.

**Table 2.6.1**

	<b>Annual Budget 2021/2022</b>	<b>Y-T-D Actual 2021/2022</b>	<b>Y-T-D Variance 2021/2022</b>
<b>EXPENSES</b>			
<b>Account Related</b>			
Advertising Mtg. Properties	30,000.00	9,352.00	20,648.00
Attorneys fees - Advocate	24,000.00	34,442.50	-10,442.50
Attorneys fees - Instructing	180,000.00	72,258.75	107,741.25
Bailiff, Searches, Investigator fees	40,800.00	7,854.00	32,946.00
Land & Bldg. Taxes	20,400.00	0.00	20,400.00
Mortgaged Properties - M'tce	12,000.00	0.00	12,000.00
Mortgaged Properties Insurance	5,000.00	1,908.00	3,092.00
Other Account Related Expenses	30,000.00	13,848.18	16,151.82
Storage fees	48,000.00	18,957.46	29,042.54
Surveying fees	15,000.00	9,000.00	6,000.00
Utilities	6,000.00	0.00	6,000.00
Valuation fees	24,000.00	8,000.00	16,000.00
Watchman Fees	42,000.00	0.00	42,000.00
<b>Sub-total</b>	<b>477,200.00</b>	<b>175,620.89</b>	<b>301,579.11</b>
<b>Operating Expenses</b>			
Electricity	156,000.00	104,454.66	51,545.34
General Service	48,000.00	22,868.72	25,131.28
Taurus Property Insurance	8,698.00	6,282.41	2,415.59
Guard Services	144,000.00	122,388.08	21,611.92
Janitorial Services	240,000.00	163,740.27	76,259.73
Meals & Refreshments	26,400.00	11,225.82	15,174.18
Medical expenses	5,040.00	3,039.05	2,000.95
Miscellaneous Staff Expenses	12,000.00	10,225.00	1,775.00

**Table 2.6.1 (cont'd)**

Motor Vehicle Expenses	200,400.00	143,701.68	56,698.32
Newspapers and Periodicals	2,880.00	2,621.00	259.00
Other Operating Expenses	36,000.00	20,741.71	15,258.29
Pest Control Services	7,200.00	4,775.64	2,424.36
Central Processing Services	565,992.00	565,992.00	0.00
<b>Purchases: Plant/Equipment</b>	12,000.00	1,669.33	10,330.67
Training Local	6,000.00	0.00	6,000.00
Professional & Legal Fees	18,000.00	18,435.50	(435.50)
Repairs & Maintenance	24,000.00	17,877.00	6,123.00
Stationery	18,000.00	8,295.68	9,704.32
Telephone Charges	60,000.00	42,371.91	17,628.09
Toiletries	0.00	0.00	0.00
Rent	690,000.00	690,000.00	0.00
Directors Fees	180,000.00	200,722.50	(20,722.50)
Auditing Fees	120,000.00	30,000.00	90,000.00
Reward & Recognition	8,400.00	2,950.00	5,450.00
<b>Business Levy/ Taxes</b>	24,000.00	8,101.64	15,898.36
<b>Depreciation</b>	11,400.00	10,019.04	1,380.96
<b>Accrual for Bonus/Profit Sharing</b>	480,000.00	480,000.00	0.00
<b>Sub-total</b>	<b>3,104,410.00</b>	<b>2,692,498.64</b>	<b>411,911.36</b>
<i>Staff &amp; Salary Expenses</i>	4,341,000.00	4,187,108.23	153,891.77
<i>Vat Due</i>	204,000.00	184,556.62	19,443.38
<b>GRAND TOTAL</b>	<b>8,126,610.00</b>	<b>7,239,784.38</b>	<b>886,825.62</b>

## 2.7 Scorecard Review

The Department's achievement of its Business Plan for 2021/2022 is reflected in the results of the following scorecard:

**Table 2.7.1**

Description	Balanced Scorecard Evaluation		
	Target	Actual	Attainment (%)
<b>Customer Service</b>			
No. of Customer Complaints	0	0	100
Correspondence Turnaround	2 weeks	2 weeks	100
Head Office Customer Survey Rating (ICSS)	85	98	115
Credit Enquiries:	12,000	15,062	125.5
<b>Internal Business Processes</b>			
No. of Supervisors Meetings:	12	12	100
No. of General Staff Meetings	12	12	100
No. of Officers Reviews of KRAs	2	3	150
No. of File Reviews (KRA)	168	137	82
No. of Negotiated Settlement/Write-Offs (KRA)	168	137	82
No. of Closed Files (KRA)	120	165	138
External Audit Completion	4 months	Not completed	0
Internal Audit Rating	N/A	Satisfactory	100
<b>Learning and Growth</b>			
No. of Process/Systems Improvement	1	1	100
Strategic Alignment Survey Rating	70%	86%	123
Training of Officers	60%	100%	166
<b>Financial</b>			
Collections \$K	\$4,522	\$1,871	41
Costs \$K	\$8,126	\$7,239	89% utilized
Other Collections \$K (CBTT)	\$6,000	\$6,500	108

## **2.8 *Subsidiary Portfolio Management***

The former Trinidad Co-operative Bank Ltd sold and transferred some of its classified loans to the Central Bank of T&T (CBTT Agency Accounts) in March 1986 and May 1988 and continued to administer the portfolio for debt recovery.

After the merger of the 3 local banks in 1993 this portfolio (CBTT Agency Accounts) was passed over to Taurus Services Ltd. We act as agents for CBTT in the recovery of these debts but there are no commissions involved. Whatever is collected is remitted to the CBTT less expenses.

A reporting line was established with CBTT for final sign off authority and up to 2019 there were regular submissions of NS/WO proposals for their approval. However, over the years collections on these accounts have diminished and most of the remaining accounts are to be processed for write off with the exception of a few accounts with properties held as security. Efforts are ongoing to resolve these matters, however the mortgages have extinguished and squatters occupy these lands.

As at 2022/09/30 this portfolio comprised of 9 accounts with a dollar value of \$12.9M.

**Table 2.8.1**

<i>CBTT</i>	<i>2020-2021 (\$'000)</i>	<i>2021-2022 (\$'000)</i>	<i>Percentage Increase</i>
<i>Collections</i>	5.5	6.5	118%

During this period we recommenced processing of NS/WO and 3 proposals were submitted to CBTT for their approval.



### **3.0 INTERNAL PROCESSES**

Our internal systems and processes are constantly reviewed to cater for new developments, learning and improved workflow for smooth business continuity. Based on feedback from Officers, Supervisors and the wider FC Group we have continued to amend, update and introduce new guidelines and reports in order to effectively manage and guide the recovery process.

Team meetings and feedback have been encouraged so that our systems, procedures and guidelines can be influenced by the users.

**The following are some of the major developments during the period.**

#### **3.1 *Recoveries Management System (RMS) Review***

The RMS is the original software used by Taurus from 1994, with the relevant support provided from the First Citizens ICT Department. The last database project which was inaugurated in 2011 was successful in capturing all RMS Accounts to date. Monthly updates continue so as to accurately reflect the status and true position of these accounts.

Although the RMS system is still unable to identify paid off or settled accounts from written off accounts, a successfully implemented manual process was established to differentiate between the two. This gives a significant advantage in the department's ability to extract requested reports: e.g Paid Off / Written-Off Accounts.

It should be noted that write off does not mean debt forgiveness and if the opportunity presents itself in the future, collection will be pursued.

The approach to facilitate credit enquiries by clearly identifying written off accounts becomes useful and provides for effective business continuity. The system is now a standalone and access will only be available in-house.

### **3.2 *Review of Processes***

All our account related and recovery expenses including legal fees are paid directly by our office. Some of our operating and office related expenses are also paid directly by our office while some are processed by Finance Department. At the end of each quarter we reimburse the Finance Department accordingly.

We have an established “Authorization Structure” which has been reviewed periodically and amended as required. We also have an established procedure for Petty Cash maintenance and maintain a Petty Cash limit of \$1,500.00.

### **3.3 *External Audit***

PWC is in the early stages of the draft Financial Statements for year ended September 30<sup>th</sup>, 2020. We are liaising with them to have them completed in the shortest time frame.

## **4.0 LEARNING AND GROWTH**

We have continued to expose staff to all the training programmes scheduled by the FC Group in order to enhance their development and prepare them for integration into the network.

### **4.1 *Training***

The statistics in **Table 4.1.1** show that all members of staff attended at least one (1) training programme at the Learning Centre/virtual compared to our stated objective of ensuring at least a 60% attendance. ***One (1) staff member was on extended sick leave during the year and attended limited training.***

One (1) staff attended 20 programmes, 5 staff attended >15 programmes, 8 staff attended >10 programmes, 2 staff attended >5 programmes and 1 staff attended >3 programmes. We are committed to provide both Permanent and Contract staff with all available training opportunities on an ongoing basis as we continue to prepare for possible integration into the network.

**Table 4.1.1**

<b>No. Programmes Attended</b>	<b>No. of Attendees</b>	<b>No. of Attendees/Staff Total %</b>	<b>Cumulative</b>
20	1	6	6
>=15	5	29	35
>=10	8	47	82
>=5	2	12	94
>=1	1	6	100
<b><i>Total</i></b>	<b><i>17</i></b>	<b><i>100</i></b>	

## **5.0 CUSTOMER SERVICE**

Maintaining customer service excellence is also one of our priorities and in the recovery process it is expected that our interaction with debtors must be professional, timely and courteous with unquestionable integrity. Historical records from the former institutions are not always available or accurate and care must be taken in such circumstances. Along with debtors our customer group includes the service providers, staff, the network of the Bank and other Head Office Units. Developing and maintaining positive relationships with customers both internal and external are critical to our success and the following report provides some details of how we have performed in this area.

### **5.1 *Internal Customer Service Survey (ICSS)***

The results of the Internal Customer Service Survey for 2022 among the Units of the First Citizens Group reveal that Taurus attained a rating of 98% compared to a benchmark score of 85%. This represents a 115% attainment. The comments made by the Raters were very encouraging and centered around timely responses, knowledgeable and very efficient.

### **5.2 *Credit Enquiries***

Within the FC Group one of the credit checks that must be performed for all credit facilities, release of securities and hiring of new staff is a Taurus credit enquiry to determine whether the person/entity is indebted to Taurus. The total number of enquiries received for the period were 15,062 with an average of 1,255 per month. We budgeted an average of 1,000 per month (12,000 for the year) however this was exceeded by 25.5%. It should be noted that for any loan campaign the number of enquiries usually double or triple. Our track record for responses to these enquiries is very timely and if persons have been located on our database, we take the opportunity to make contact and arrange a settlement of the debt.

### **5.3 *Customer Complaints***

Management is directly responsible for the receipt, monitoring and resolution of all complaints in a prompt manner and we continue to highlight all customer related issues at our staff meetings. We remain vigilant and proactive in this area and had no customer complaints during the period. We continue to focus on quality customer service as one of our priorities and provide the necessary training to all staff.

#### **5.4 *Bonx (formerly Magic Cards)***

This is an initiative of the First Citizens Group in which we also participate. It is used by Management to congratulate and motivate staff who have gone beyond the call of duty and job function exceeding expectations in performance and created a “Wow” moment. A total of 23 Bonx was awarded to twelve (12) staff members for their outstanding roles in customer service provided to both internal and external customers.

#### **5.5 *Reward and Recognition***

This is our internal programme which recognizes excellence in the areas of Productivity, Customer Service, Leadership and Co-operation on a monthly basis and Achievement of Targets on a quarterly basis. The programme is used as a motivating factor in our drive to maximize collection and encourage higher standards of performance and achievement. A monthly “Collections” and “Other KRAs” winner is also recognized. Staff are allowed to nominate their colleagues providing their reasons in the areas of Productivity, Leadership, Customer Service and Co-operation. In the area of Achievement of Targets, the statistics in the Key Result Areas of Collection, Negotiated Settlement/Write Offs, Reviews and Closed Files are used to decide the winners. The following are the statistics of awards for the period.

**Table 5.5.1**

<i>Category of Awardees</i>	<i>Achievement of Targets</i>	<i>Collections</i>	<i>Other 4 KRA's</i>	<i>Productivity</i>	<i>Leadership</i>	<i>Customer Service</i>
No. of Winners	9	6	6	1	0	2
No. of Multiple Winners	2	2	1	0	0	0

#### **5.6 *Fundraising/Christmas Wish Week/Charity***

During the review period the Unit did not embark on its usual fundraising drive(s) due to the Covid-19 Pandemic and the rotation of its staff complement. Instead, funds were raised through monthly contributions by staff.

In the month of July, we assisted the children of four (4) families in the form of stationery and textbooks for the start of the school term. Staff also donated stationery and books in this effort. Total donation amounted to \$4,500.00.

Our Christmas Wish Week initiative which included the donation of toys, clothing and groceries by staff, assisted four (4) families including building materials to repair a roof. Total donation amounted to \$6,500.00.

## **6.0 CONCLUSION**

In our core area of responsibility we achieved 41% of our budgeted collections and maintained expenditure well within projections. On a comparative basis, to the last financial year, collections increased by 113% and expenditure increased by 3.3%. The portfolio was reduced by 307 accounts.

In the area of compliance, the unit continued its reporting to the various areas of the State. The appointment of a Board in December 2021 ensured that all the proposals in backlog requiring approvals were completed.

Despite any challenges, the team remained committed to the task and focused on the Key Results Areas and provided excellent customer service. As expected staff continue to seek opportunities within the First Citizens Group and we anticipate that other staff members may seek positions in the First Citizens Group as the Unit continues to reduce its portfolio of Accounts and the timeline to full completion of the portfolio.

Management extends thanks and appreciation to all staff for their support and dedication, Ministry of Finance and Head Office Units for their support during the past year.