

TENTH

REPORT
FROM

THE PUBLIC ACCOUNTS
(ENTERPRISES) COMMITTEE

EXAMINATION
OF

the Audited Financial Statements of the National Maintenance Training and Security Company Limited (MTS) for the Financial Year 2018 and follow up on the Implementation of the Recommendations contained in the Committee's Eleventh Report from the 11th Parliament.

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
Mrs. Renuka Sagramsingh-Sooklal	Member
Mr. Fitzgerald Hinds, MP	Member
Mrs. Laurel Lezama-Lee Sing	Member
Mr. Keith Scotland, MP	Member
Mr. Stephen Mc Clashie, MP	Member

Committee Staff

The current staff members serving the Committee are:

Ms. Keiba Jacob	Secretary
Ms. Hema Bhagaloo	Assistant Secretary
Mr. Darien Buckmire	Researcher
Ms. Rachel Nunes	Researcher
Ms. Anesha James	Administrative Assistant
Ms. Natoya O’Neil	Administrative Assistant

Publication

An electronic copy of this report can be found on the Parliament website: www.ttparliament.org

Contacts

All correspondence should be addressed to:

The Secretary
Public Accounts (Enterprises) Committee
Office of the Parliament
Parliamentary Complex
Cabildo Building
St Vincent Street, Port of Spain, Trinidad and Tobago
Tel: (868) 624-7275; Fax: (868) 625-4672
Email: paec@ttparliament.org

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Members of the Public Accounts (Enterprises) Committee



**Mr. Wade Mark
Chairman**



**Mr. Rushton Paray
Vice- Chairman**



**Mrs. Renuka Sagrarsingh-Sooklal
Member**



**Mr. Fitzgerald Hinds
Member**



**Mr. Keith Scotland
Member**



**Mrs. Laurel Lezama-Lee Sing
Member**



**Mr. Stephen Mc Clashie
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 examination of the Audited Financial Statements of the National Maintenance Training and Security Company Limited (MTS) for the Financial Year 2018 and follow up on the Implementation of the Recommendations contained in the Committee's Eleventh Report from the 11th Parliament** and produced this report. This report details the issues, endorsements, and recommendations made by the Committee to improve MTS's performance.

The Report focuses on the following issues:

- 1. High receivables**
- 2. Labour Relations and Outstanding Wage Negotiations**
- 3. Impact of the Covid Pandemic**
- 4. Uneven Playing Field in both the security industry and facilities maintenance industry.**
- 5. Private Security Industry Bill**
- 6. Project Management Services**
- 7. Recruitment Policy**
- 8. Private Sector Penetration**

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

- MTS should submit to Parliament by January 15, 2024, a status update on the internal operational and financial challenges that the company is facing due to its continued issues in relation to the collection of debts owed from government entities for services provided;**
- MTS should also include the recovery of the debts owed since 2000 in its aggressive debt collection drive to avoid these debts becoming statute-barred, irretrievable, and eventually written off the company's books. MTS should submit to Parliament, a status update on the collection of debts from its major debtor for each outstanding period going back to 2000 by January 15, 2024;**

- The MOF and MPU should indicate what further action the two ministries take after MTS transmits to them the company's receivables issues and the delinquent debtors that have placed the company in its cash flow situation. The MOF and MPU should provide evidence of these actions to the Parliament by January 15, 2024.
- The Personnel Department, Ministry of Public Utilities and Ministry of Finance should submit to Parliament by January 15, 2024 a report on the actions each entity is undertaking to ensure the untenable and demotivating situation of Administrative, Technical and Managerial employees being paid less than the employees junior to them is resolved.
- The Ministry of National Security should provide a status update on its response to MTS's consolidated position and concerns with being included in the Private Security Bill given the company stance that the constraints of the Draft Private Security Industries Bill should not be applicable to them.
- With the expansion of MTS's project management portfolio, comes the possibility of a diverse list of projects to undertake As such, MTS should begin the recruitment of specialist staff versed in the areas it usually has to engage consultants to avoid the constant procurement hassles and fees of needing external consultants. A status update on this initiative should be submitted to the Parliament by January 15, 2024; and
- MTS should provide a breakdown of the cash collected and amounts invoiced from its project management services from inception to date as well as the outstanding amounts owed from each debtor in relation to project management services. This report should be submitted to the Parliament by January 15, 2024;
- MTS should submit a status update on the strengthening of the company's Research and Development (R&D) capacity as well as the market examination of each of the new client initiatives it intends to implement to the Parliament by January 15, 2024.

In light of the Committee's findings, the following observations were noted:

- The Committee notes MTS' role as an essential service provider during the Covid-19 Pandemic period and its continued dedication to fulfill its employer obligations to those staff members who did not work at client facilities and MTS Offices during

the stay-at-home period as well as those employees unable to get supervision for their children.

- The Committee notes MTS's commitment to focus on the quality of the services the company provides over financial gain especially when it means securing and maintaining the State's critical assets and facilities, which cannot afford to be non-operational during periods of incessant crisis or need.
- The Committee notes the need for stringent regulations for private security service providers and hopes a resolution is found between the Ministry of National Security and MTS.
- The Committee notes MTS's role in recruiting and providing employment opportunities for persons from all levels of society. It was particularly noteworthy that MTS's established recruitment criteria lead to more successful female applicants especially including single mothers

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

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

Trinidad and Tobago monitors the performance of State Enterprises to ensure that these enterprises 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 Orders³ to have a quorum in order to exercise the powers granted to it by the House. 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 held on November 17, 2020.

Change in Membership

- By resolution of the House of Representatives at a sitting held on June 13, 2022, Mr. Stephen Mc Clashie, MP was appointed a Member of the Committee in lieu of Dr. Nyan Gadsby Dolly;
- Senator Amrita Deonarine's ceased being a Member of the Committee when her appointment as a Senator was revoked on September 11, 2023.
- By resolution of the Senate at a sitting held on October 24, 2023, Senator Hazel Thompson-Ahye was appointed a Member of the Committee in lieu of Senator Amrita Deonarine.

Determination of Date and Time of Regular meetings

The Committee is required by the Standing Orders⁴ 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 State Enterprise Performance Monitoring Manual – Ministry of Finance Website accessed on March 30, 2022
<https://www.finance.gov.tt/2017/05/19/state-enterprise-performance-monitoring-manual-2011/>

³ Standing Order 87(2) of the Senate and 97(2) of the House of Representatives

⁴ Standing Order 101(b) of the Senate and 111(b) of the House of Representatives

Methodology

Determination of the Committee's Work Programme Third Session

At the Committee's Twelfth meeting held on Wednesday February 01, 2023, the Committee identified the following entities for examination during the Third Session of the 12th Parliament:

- National Commission for Self Help Limited
- National Maintenance Training and Security Company Limited
- Community Environmental & Protection Enhancement Programme Company Limited;
- Estate Management & Business Development Company Ltd;
- Sports Company of Trinidad & Tobago Limited;
- National Infrastructure Development Company Limited;
- Tourism Trinidad Limited;
- Urban Development Corporation of Trinidad and Tobago Limited
- National Flour Mills Limited;
- National Export Facilitation Organisation of Trinidad and Tobago;
- Trinidad and Tobago National Petroleum Marketing Company Limited; and
- Vehicle Management Corporation of Trinidad and Tobago Limited.

The Inquiry Process

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

- I. The Committee conducted a review of the responses provided to the Eleventh Report of the PAEC on the Examination of the Audited Financial Statements of the National Maintenance Training and Security Company Limited (MTS) for the financial years 2008 to 2016. Based on the responses provided, the Committee wrote to the relevant entities to determine the status of the implementation of the recommendations.
- II. The Committee also conducted a review of MTS's Audited Financial Statements for the Financial Years ended September 30, 2018. Based on an analysis of the financial statements, issues were identified and questions for written response were generated.
- III. Questions for written response were forwarded to the Ministry of Public Utilities (MPU), Ministry of Education (MOE) and Ministry of Finance – Investment Division (MOF-ID) on July 22, 2022. The MPU's responses, were received on September 19, 2022, the MOE's responses, were received on August 10, 2022 and the MOF-ID's responses were received on November 11, 2022.
- IV. Preparation of an Issues Paper which identified and summarised matters of concern in the responses provided by the MTS. Based on the responses received and the issues identified, the Committee agreed to have a public hearing.
- V. A public hearing was held on February 1, 2023. Representatives from MTS, the MPU and MOF-ID were invited.
- VI. Questions for additional information were sent to the MTS after the public hearing on February 9, 2023. The MTS's responses were received on February 24, 2023.
- VII. Report the Committee's findings and recommendations to Parliament upon conclusion of the inquiry. The Report will be transmitted to the MPU as the Minister with

oversight of the MTS for written response within sixty (60) days in accordance with Standing Order 110(6) of the House of Representatives and 100(6) of the Senate.

VIII. Carry out follow-up to monitor progress in the implementation of recommendations.

Company Profile

Overview⁵

The National Maintenance Training and Security Company Limited is a fully owned state enterprise, which was registered in 1979. At this time, it was known as the Secondary Schools Maintenance Training and Security Company Limited (MTS), and enjoyed a relationship with an American company (which had a seven percent (7%) shareholding at the time) who provided management services through hired consultants. The then Government of Trinidad and Tobago had embarked on the construction of nine (9) secondary schools and a decision was taken to provide adequate maintenance and security services for these facilities. Out of this need, MTS commenced operations and the company's name was changed to the National Maintenance Training and Security Company Limited. It also had its Memorandum of Association amended to provide services to customers other than government or government agencies in line with the government's thrust for all state enterprises to be financially viable and self-sufficient.

The organization is structured by an appointed Board of Directors, managed by a Chief Executive Officer and Divisional Managers who are responsible for areas such as maintenance, engineering, security, agribusiness, marketing, private sector development, training and human resources and finance. The company has over 5,400 employees and operates in over 200 separate locations ranging from Cedros to Charlotteville. The company's offices are regionalized and spread throughout Trinidad and Tobago, to enable prompt response to customers' needs.

Today, MTS is proud that we have customers who include private sector organizations, major government ministries and quasi-state organizations.

Board of Directors

- Ms Jacqueline Lazarus - Chairman
- Ms. Rose Ramoutar - Board Member
- Ms. Rosanna Mc Kenna - Board Member

⁵ MTS's Company Overview web accessed on June 1, 2023
<https://www.mtsco.com/index.php/company-overview>

Executive Team⁶

- Chief Executive Officer - Mr. Lennox Rattansingh
- Chief Financial Officer - Mr. Richard Ferguson
- Divisional Manager - Facilities Maintenance: Mr. Satesh Maharaj
- Divisional Manager (Acting) - Marketing: Mr. Sherwin Gosine
- Divisional Manager - Security Services: Mr. St. Clair O'Neil
- Divisional Manager - Human Resources: Ms. Alana Hosein-Hackshaw

Line Ministry - Ministry of Public Utilities

Minister of Public Utilities - Hon. Marvin Gonzales, MP

Permanent Secretary - Ms. Nicolette Duke

Deputy Permanent Secretary - Mrs. Cherryl-Ann Solomon

⁶ MTS's Leadership Team web accessed on June 1, 2023
<https://www.mtsco.com/index.php/leadership-team>

Issues and Recommendations

In the Committee's examination of MTS, the following issues were identified and the corresponding recommendations and observations made:

1. High receivables

MTS' total outstanding receivables at the time of the public hearing was \$640M. MTS' largest debtors for its security and janitorial services at the time were the:

- Ministry of Education (MOE) - \$367M (Security and Janitorial);
- Judiciary - \$92M (Security and Janitorial) and;
- Trinidad and Tobago Police Service (TTPS) - \$32M (Janitorial).

Of the \$640M owed to the company, 34% of the receivables were more than four (4) years old and were at risk of being irretrievable and statute barred. According to MTS' records, some of these amounts have been outstanding since 2000. The top debtors for these older debts were indicated to be the:

- MOE;
- Judiciary;
- TTPS;
- Tobago House of Assembly (THA); and
- Trinidad & Tobago Housing Development Corporation (HDC).

To prevent debts more than four (4) years old from becoming irretrievable and statute barred, MTS stated that the following measures were executed to recover debts owed:

- Replacing the company's debt collection manager and hiring a new debt collector to cover more areas;
- Providing clients with statements of all the outstanding arrears owed;
- Writing letters to clients explaining the issues MTS faces regarding monies owed by the respective organizations;
- Escalating collection issues to Senior Officials in the different ministries;
- Implementing a changed approach through a written contract with the HDC for a payment plan with HDC to pay a certain amount each month (this however, was still not successful and HDC has not kept to their contractual obligations).

Despite its best efforts to collect amounts rightfully owed, MTS still experienced numerous debt recovery challenges including the following:

- Invoices were returned for minor and immaterial issues such as the \$.01 differences;
- Debt collectors are refused entry to buildings to liaise with key personnel;
- Some ministries stated they were not operating at full capacity due to COVID;
- Ministries claimed they did not receive any releases to pay MTS; and
- Funds received by Ministries to pay MTS were used elsewhere.

Despite all its financial cash flow challenges, MTS always maintained its ability to pay salaries on time and prioritised salary payments over all other financial responsibilities. This meant that during the period when cash flow was especially difficult, payments for employee deductions for their personal loans and financial institutions were delayed.

In its written submission to the Committee, the Ministry of Finance (MOF) indicated that it had written the Permanent Secretary, Ministry of Public Utilities (MPU) on July 24, 2018 on the MTS outstanding receivables and advised that meetings should be held with the major debtors of MTS, including:

- MOE;
- Ministry of National Security;
- Judiciary; and
- TTPS.

Additionally, the MOF wrote the majority of MTS debtors in February 2019 on their indebtedness to MTS as of January 31, 2019. The letters/memos provided the outstanding balances to MTS at the said date requesting the various Ministries and other Entities to confirm the balance and inform the MOF of further action that would be taken. In 2020, given the state of MTS' receivables rising due to little or no payments coming from its delinquent clients, the MOF assisted MTS financially with the approval of a Loan in the sum of \$300M to assist with covering the company's overdraft payments, outstanding NIS contributions and a few months of salaries.

Since then, the company had been able to resume collections in a more consistent manner. MTS also began constantly updating the MPU and MOF on its receivables issue by highlighting its' major debtors so that allocations/ releases could be made to them for onward payment to MTS. Additionally, MTS constantly followed up with its debtors on payment timelines by writing to them monthly on the outstanding sums owed. Furthermore, MTS has pursued a more aggressive debt

collection drive which has resulted in increase collections being made in 2022 than previous years as illustrated in the below table.

Table 1: Cash Collected and Amount Invoiced for the Years 2017 to 2022

Year	Cash Collected (\$)	Invoiced (\$)	(Shortfall) /Surplus (\$)
2017	390,191,713.00	492,264,307.00	(102,072,594.00)
2018	510,394,603.00	500,370,156.00	10,024,447.00
2019	424,000,181.38	500,550,105.00	(76,549,923.62)
2020	385,834,520.74	502,411,898.00	(116,577,377.26)
2021	498,166,446.87	599,602,143.00	(101,435,696.13)
2022	620,386,605.00	601,878,985.00	18,507,620.00
Total	2,828,974,069.99	3,197,077,594.00	(368,103,524.01)

Recommendations:

- **MTS should submit to Parliament by January 15, 2024, a status update on the internal operational and financial challenges that the company is facing due to its continued issues in relation to the collection of debts owed from government entities for services provided;**
- **MTS should also include the recovery of the debts owed since 2000 in its aggressive debt collection drive to avoid these debts becoming statute barred, irretrievable and eventually written off the company’s books. MTS should submit to Parliament, a status update on the collection of debts from its major debtor for each outstanding period going back to 2000 by January 15, 2024; and**
- **The MOF and MPU should indicate what further action the two ministries have taken respectively after MTS transmits to them the company’s receivables issues and the delinquent debtors that have placed the company in its cash flow situation. The MOF and MPU should provide evidence of these actions to the Parliament by January 15, 2024**

2. Labour Relations and Outstanding Wage Negotiations

Section 3.1.12 of the State Enterprises Performance Monitoring Manual indicates that it is the Policy of the Government of the Republic of Trinidad and Tobago that:

“the monitoring of wage and salary negotiations, the establishment and/or revision of pay and other terms and conditions of employment of employees of State Enterprises, including managerial staff and persons employed on contract should fall under the purview of Ministerial Committee for monitoring remuneration arrangements, a sub-committee of Cabinet.”

MTS as a state enterprise cannot negotiate and settle wage negotiations without the guidelines of the Chief Personnel Officer (CPO) through its Line Ministry, the MPU. MTS indicated that presently, the CPO had the following wage negotiation periods:

- Administrative, Technical and Managerial (ATM) for the period 2010 to 2013;
- Estate Police Association (EPA) for the period 2013 to 2016; and
- Transport and Industrial Workers Union (TIWU) for the period 2014 to 2017.

It has, therefore, been six (6) years since the last settlement of unionized staff employed at MTS. Since the ATM last received increases in 2010, there have been four (4) three (3) years of Agreements with settled wage increases and remitted back pay to employees under the TIWU and EPA. This has resulted in unionized staff being paid monthly basic wages that were in excess of or marginally similar to ATM positions. This meant that supervisors ended up earning less than the employees under them. This anomaly occurred when, in accordance with the guidelines the CPO provided in 2015 for the settlement of both EPA and TIWU at ten percent (10%), the CPO indicated that the guidelines for the ATM would follow thereafter. MTS, as required, settled wage negotiations with the following:

1. the EPA at a rate of 10% for the period 2010 to 2013 in 2015;
2. settled wage negotiations with TIWU at the same rate of 10% for the period 2011 to 2014 in 2017; and
3. following the settlement of TIWU in 2017, MTS recommended a salary settlement for the ATM Group- which is not unionized - at the same rate of 10% for the period 2010 to 2013.

However, to date, the CPO has not provided guidelines for the ATM. In the absence of required approval, there were instances of employees in TIWU's Bargaining Unit 3 receiving higher salaries than staff in the ATM who hold higher positions. This has been demotivating for the ATM employees at the company because MTS is not authorized to resolve this issue on its own without the guidelines from the CPO with the assistance of its Line Ministry. In this regard, the Company has been constantly writing to its Line Ministry, CPO (through emails and phone calls given that the

protocol is to go through the Line Ministry) and even raising the issue with the MOF from time to time in the hopes of having this difficult situation rectified.

Recommendation:

- **The Personnel Department, MPU and MOF should submit to Parliament by January 15, 2024 a report on the actions each entity is undertaking to ensure the untenable and demotivating situation of Administrative, Technical and Managerial employees being paid less than the employee's junior to them is resolved.**

3. Impact of the Covid-19 Pandemic

Being an essential service provider, MTS continued its operations uninterrupted throughout the pandemic. Like all other essential services, protecting the company's employees had been of paramount importance during the height of the pandemic. This led to increased expenses to purchase the necessary Personal Protective Equipment (PPE) and additional cleaning supplies, which continues to date.

The company was also inundated with increased scope of work from clients requesting increased cleaning of high-touch areas. Additionally, manpower shortages continued with employees having to go into quarantine from time to time. During the stay-at-home orders, there were noteworthy staff shortages resulting from some employees experiencing childcare issues due to the closure of daycare facilities and physical schools. COVID also impacted MTS' training capacity, especially in the security division which necessarily includes physical training. MTS has since resumed training, but the company has been effectively going through a period of catch-up, especially with those security officers recruited during the pandemic and who would not have benefited from the full training experience as a result of the previously discussed pandemic restrictions.

The impact of COVID-19 on MTS was costly. Over two thousand (2,000) employees - mainly in the Facilities Maintenance Division - stayed at home for approximately three (3) months while receiving their full wages during the Government's stay-at-home order. MTS also paid for a number of COVID-19 mitigation initiatives such as:

1. the purchase of facemasks for all employees;
2. installation of sinks and dispensers; and
3. remodeling office spaces to ensure social distancing among staff. On the revenue side of the equation, several MTS non-essential clients requested a reduction in service and price with some asking for credits to offset supplies not provided, while others terminated MTS' service

altogether. It was difficult to generate an exact figure on MTS's spending during the pandemic to date. However, it has cost the company tens of millions of dollars as delineated in the Tables below.

Table 2: Monies spent by MTS to mitigate the spread of COVID-19

#	Item	Cost
1	Cloth face masks	131,444.00
2	Construction of cubicles in HR	43,500.00
3	Cable drops in HR	27,000.00
4	Electrostatics spraying of MTS Plaza	47,422.80
5	Sinks and fittings	2,824.00
6	Hand sanitizers and dispensers	8,859.00
7	Towel dispensers	2,280.00
8	Hand sanitizer solution	9,750.00
9	Desk barriers in Finance	5,953.00
10	Miscellaneous materials	3,800.00
	Total	282,832.80

With respect to wages, MTS spent approximately \$27 million during the stay-at-home period for non-productive work. These wages applied to those employees who were required to stay at home and did not work at client facilities and at MTS Offices during the lockdown period from March to June 2020.

Table 3: Wages paid to employees who did not work at client facilities and MTS Offices during the Stay-at-Home period.

Division	Approximate total wages paid during the period of Stay at Home for- employees who did not work at Client Facilities (Million)	Approximate number of employees who Stayed at Home but received full wages
Agribusiness	1.0	74
Engineering	0.25	10

Executive	0.06	4
Finance	0.97	65
HR	0.81	53
Marketing	0.12	7
Facilities Maintenance	23.78	2,000
Total	27	2,213

There were also a number of employees in the Facilities Maintenance and Security Division who stayed at home because they were unable to obtain supervision for their children as day care centers remained closed. Additionally, a number of employees were required by the Ministry of Health to be quarantined. These employees cost the company approximately \$0.295 million in wages paid whilst under quarantine.

Table 4: Employees who stayed away from work due to their inability to get supervision for their children.

Division	Number of employees who stayed home with their children	Value
Facilities Maintenance	33	\$65,596.24
Security	132	\$230,042.08
Total	156	\$295,638.33

Observation:

- The Committee notes MTS' role as an essential service provider during the Covid-19 Pandemic period and its continued dedication to fulfilling its employer obligations to those staff members who did not work at client facilities and MTS Offices during the stay-at-home period, as well as those employees unable to get supervision for their children.
4. Uneven Playing Field in both the Security Industry and Facilities Maintenance Industry.

MTS earns its income solely through the contracts for the provision of its services. Given that MTS is not the sole security and facility maintenance provider to the public sector, MTS must tender with private sector companies for contracts in the public sector. With MTS being a wholly-owned State Enterprise constrained by a statutory obligation to follow the rules and regulations instituted by the State, MTS must ensure full compliance with its obligations such as National Insurance, Income Tax, Compliance Certificate, and Public Liability/Workmen's Compensation.

However, MTS stated that its competitors were not held to this same level of scrutiny. MTS indicated that another instance of this occurs when maintenance and security companies in the private sector do not pay overtime in accordance with the Minimum Wages Act and other allowances, as MTS is required to. With MTS also being unionized, the company is required to periodically report its finances and governance structures to its employees' unions, which private sector companies are not required to do.

With there being constant new entrants to both the security and maintenance services industry due to low barriers to entry and low entry costs, MTS indicated that the two industries were flooded with unregulated service providers. With the intensity of the two industries' competitiveness increasing, MTS stated that the unevenness of that playing field was becoming more pronounced. MTS further added that the company had noted the increased number of instances where state agencies were starting to impose stringent conditions of work on MTS' staff. This was becoming even more of a concern for MTS, as the very same state agencies would hire companies that do not conform to their high standards when it was financially expedient for them to do so.

Observation:

- **The Committee notes MTS's commitment to focus on the quality of the services the company provides over financial gain, especially when it means securing and maintaining the State's critical assets and facilities, which cannot afford to be non-operational during periods of sustained crisis or acute need.**

5. Private Security Industry Bill

The Draft Private Security Industries Bill proposes to provide some level of regulation for the security industry. This was of concern to MTS, as the last changes to the Bill sought to include MTS as a private security provider. This is notwithstanding the fact that MTS is not a private company, but rather a wholly-owned state company providing, among other services, security services to the state sector. While acknowledging that the industry requires regulation, MTS was adamant that the

company stood alone in its recruitment standards, training, and supervision of security officers. Under the original drafts of this proposed legislation, MTS remained under the Supplemental Police Act, which was the position the company wanted to maintain.

MTS agreed with the legislation's purpose of regulating the 'wild west' of unregulated private sector companies that operate without the government oversight that MTS was already subjected to. MTS was so insistent that the Draft Private Security Industries Bill was non-applicable to the company that MTS made several submissions on this matter to the various stakeholders. To this effect, MTS indicated that a team of its representatives met with the Minister of National Security and his team together with representatives of the Chief Parliamentary Council on September 27, 2022, to object to MTS' inclusion in the legislation. By letter dated October 13, 2022 to the Minister of National Security, MTS consolidated its position. At the time of the public hearing, MTS was still awaiting a response from the Ministry to the said letter. In response to the Committee's request for additional information, MTS summarised its position by stating that:

“By lumping a State Enterprise with the purely for-profit private sector actually constraints Cabinet from:

- a. Using MTS as a regulating and balancing factor by its market share.
- b. Deploying the resources at the discretion of Cabinet in an unforeseen scenario where portions of the Legislation may constrain MTS from responding with alacrity to a national crisis as we have done many times in the past.

In short, our position is that MTS is an agent of Government that operates for the benefit of citizens and is answerable to the Ministry of Public Utilities, the Ministry of Finance, Parliament, and its sub-committees and of course Cabinet. The question that MTS asks is 'does this Bill increase or decrease the government's flexibility to use MTS in furtherance of GORTT objectives' which are primarily to secure the nation's schools and government buildings. Our collective answer is that it does not. It weakens and dilutes MTS to that of “Mom-and-Pop” security company and not one that by its mere existence sets the standards to which all other Security Companies should aspire.”

Observation:

- **The Committee notes the need for stringent regulations for private security service providers and hopes a resolution is found between the Ministry of National Security and MTS.**

Recommendation:

- **The Ministry of National Security should provide a status update to the Parliament by January 15, 2024 on its response to MTS's consolidated position and concerns with being included in the Private Security Bill given the company stance that the constraints of the Draft Private Security Industries Bill should not be applicable to them.**

6. Project Management Services

Since MTS's last appearance before the PAEC, the company has made significant strides towards improving its financial viability to generate the required cash flow to fulfil its ongoing operational cost particularly in its Project Management Services. In 2018, MTS was given the mandate for the School Repair Programme by the MOE and since then have been successfully completing these works in a timely manner and within budget. This Programme has since expanded to cover all emergency works, earthquake and tropical storm damage, completion of schools and new construction works for the MOE. MTS' outstanding delivery of its services resulted in the company being entrusted with the completion of twenty-four (24) Priority Schools by the MOF in 2019. The first Phase included thirteen (13) schools, eleven (11) of which have been handed over and are open. The company recently received the approval and funding to proceed with the Phase 2, which includes seven (7) schools. Apart from school repair and construction, MTS considerably expanded its client listing over the past two (2) years. Since the increase of the company's Project Management Portfolio, MTS has recruited Engineers, Engineering Assistants and Project Assistants. Additionally, when needed, the company utilizes external Consultants for Architectural, Structural Engineering, Mechanical, Electrical and Plumbing (MEP), Engineering and Quantity Surveying Services. For its newer clients, MTS has made it mandatory that the company receives confirmation of the availability of required funding prior to entering into a contract with the client and awarding contracts to contractors. This ensures that invoices are paid in a timely manner and that the projects are able to proceed seamlessly. Currently, the clients and projects to which MTS provides Project Management services include:

➤ Ministry of Education:

- School Repair Programmes - CSEC/CAPE/SEA.
- School Repair Programmes - Vacation Repair - July/ August, Easter, December.
- School Repair Programmes - Emergency Works.
- School Repair Programmes - Critical Repair Programme.

- Ministry of Finance:
 - Priority Schools Phase I (13 schools) and II (7 schools).
- Ministry of Youth Development and National Service:
 - Eighteen (18) Youth Facilities - refurbishment and restoration work.
- Ministry of Digital Transformation:
 - Twenty-seven (27) retrofitting works at various access/community centres.
- Ministry of Public Administration:
 - Construction and Retrofitting works at ten (10) various Administrative Buildings.
- Ministry of Public Utilities:
 - Construction and Retrofitting works at the Dopplar Radar Tower at Brasso Venado.
- Office of the Prime Minister - Communications:
 - Relocation of the Office of the Prime Minister Communications Department from TIC building to POS.
- Trinidad and Tobago Postal Corporation (TTPost):
 - Restoration and refurbishment of 14 Post Office Facilities including Heritage/ Legacy Buildings.
- Ministry of Sport and Community Development:
 - Construction of the Morvant Community Centre.
- National Library and Information System Authority (NALIS):
 - Construction of the Mayaro Public Library.
- Trinidad and Tobago Defence Force:
 - Refurbishment of the wastewater treatment plant at the Tetron Barracks.

Recommendations:

- **With the expansion of MTS's project management portfolio, comes the possibility of a diverse list of projects to undertake. As such, MTS should begin the recruitment of specialist staff trained in the areas in which it usually has to engage consultants, to avoid the constant procurement hassles and fees of needing external consultants. A status update on this initiative should be submitted to the Parliament by January 15, 2024; and**

- **MTS should provide a breakdown of the cash collected and amounts invoiced from its project management services from inception to date as well as the outstanding amounts owed from each debtor in relation to project management services. This report should be submitted to the Parliament by January 15, 2024.**

7. Recruitment Policy

MTS's recruitment policy for security and janitorial services entails recruiting nationals or residents of Trinidad and Tobago of the highest caliber to fill all available positions in the organization.

1. The recruitment criteria will be based on applicants' qualifications, skills, knowledge, competencies and experience as defined by the approved job description. MTS guarantees that the recruitment and selection process for jobs will be fair, consistent, and transparent.
2. MTS added that all candidates must be able to provide a form of national identification, two references and a certificate of character.
3. MTS indicated that the company assigns employees to client locations within close proximity to the employee's residence to reduce commute times and travelling costs for its employees.

MTS' recruitment in security and janitorial maintenance have resulted in increased employment for persons residing in depressed areas who would ordinarily find themselves outside of the candidate pool for many avenues of employment. MTS explained that more females fit the established recruitment criteria in security than males and were more successful in the selection process. There had been a manpower shortage in security and given that there were more female applicants meeting the criteria, MTS recruited the females that met the criteria to fill its deficit. Presently there are two thousand four hundred and eleven (2,411) female officers and one thousand two hundred and forty-eight (1,248) male employees in security services showing a ratio of just under two (2) female officers for every male officer. Despite these numbers, it was added that there was no different training given

to female security officers as all MTS security officers undergo the same training in accordance with the established standards for the CVQ Industrial Security Operations Level 1 as approved by the National Training Agency.

Observation:

- **The Committee notes MTS’s role in recruiting and providing employment opportunities for persons from all levels of society in alignment with Vision 2030 Theme 1 - Putting People First: Nurturing Our Greatest Asset. It was particularly noteworthy that MTS’s established recruitment criteria lead to more successful female applicants, especially including single mothers.**

8. Private Sector Penetration

As a state enterprise, MTS has historically relied on the State for its clientele. However, given the challenge this has posed regarding the timely receipt of payments for services rendered by State agencies, under MTS’s 2022 to 2026 Strategic Plan, the company sought to penetrate the private sector market. MTS’s current Strategic Plan outlined a number of new services to expand the company’s clientele. MTS indicated that the strategy for the new services and clients’ initiative would begin with a strengthening of the company’s Research and Development (R&D) capacity. It was further stated that the company would undertake a careful examination of the market demand and then develop a business case for each new recommended initiative. Upon completion of this research and analysis, a determination would then be made as to which initiatives would be moved forward with and an implementation plan would then be created for each such initiative. Examples of the new services that would be examined are:

- Event Security;
- Individual, Estate and Corporate Threat Assessments;
- Close Protection Security;
- Elite Facilities Maintenance Services;
- Landscaping services for Offices; and
- Post Construction Clean-up.

Recommendation:

MTS should submit a status update on the strengthening of the company's Research and Development (R&D) capacity as well as the market examination of each of the new client initiatives it intends to implement to the Parliament by January 15, 2024.

Conclusion

In light of the above, the Committee notes that MTS is committed to the continued provision of adequate maintenance and security services for all public facilities under its portfolio. In keeping with the Government's thrust for all state enterprises to be financially viable and self-sufficient, the Committee noted MTS's project management services, initiatives to penetrate the private sector as well as examination of the market for new services to provide.

The Committee also noted the current challenges in relation to debt retrieval and its stance on being included in the Draft Private Security Industries Bill. Despite its ongoing challenges, MTS acted as an exemplar through its increasing recruitment for women and its commitment to its employees during the Covid-19 Pandemic

The Committee is optimistic that the company will continue to strategically position itself as the preferred security and janitorial services provider throughout the public sector via effective leadership and good governance as a means of ensuring a clean safe, secure and sustainable environment at the facilities the company serves.

The Committee therefore awaits the responses of the Minister of Sport and Community Development to the recommendations proposed above, in accordance with Standing Orders 100(6) and 110(6) of the Senate and the House of Representatives respectively which states inter alia that –

“The Minister responsible for the Ministry or Body under review shall, not later than sixty (60) days after a report from a Standing Committee relating to the Ministry or Body, has been laid upon the Table, present a paper to the House responding to any recommendations or comments contained in the report which are addressed to it...”

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

Sgd.
Mr. Wade Mark
Chairman

Sgd.
Mrs. Renuka Sagrarsingh-Sooklal
Member

Sgd.
Mr. Rushton Paray, MP
Vice-Chairman

Sgd.
Mr. Fitzgerald Hinds, MP
Member

Sgd.
Mrs. Laurel Lezama-Lee Sing
Member

Sgd.
Mr. Keith Scotland, MP
Member

Sgd.
Mr. Stephen Mc Clashie, MP
Member

**THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE –
THIRD SESSION, TWELFTH PARLIAMENT
MINUTES OF THE TWELFTH MEETING HELD VIRTUALLY ON
WEDNESDAY, FEBRUARY 01, 2023 AT 9:43 A.M.**

Present were:

Mr. Wade Mark	-	Chairman
Mr. Rushton Paray	-	Vice-Chairman
Ms. Amrita Deonarine	-	Member
Mrs. Laurel Lezama-Lee Sing	-	Member
Mr. Keith Scotland	-	Member
Ms. Hema Bhagaloo	-	Assistant Secretary
Mr. Darien Buckmire	-	Researcher

Excused were:

Mr. Fitzgerald Hinds	-	Member
Mr. Stephen Mc Clashie	-	Member
Mrs. Renuka Sagrarsingh-Sooklal	-	Member

CALL TO ORDER

- 1.1 At 9:43 a.m., the Chairman called the meeting to order and welcomed those present. Mr Fitzgerald Hinds, Mr. Stephen Mc Clashie and Mrs. Renuka Sagrarsingh-Sooklal were excused from the Meeting.

THE EXAMINATION OF THE MINUTES OF THE ELEVENTH MEETING

- 2.1 The Committee examined the Minutes of the Eleventh (11th) Meeting held on Wednesday November 2, 2022.
- 2.2 There being no omissions or corrections, the Minutes were confirmed on a motion moved by Mr. Rushton Paray and seconded by Mr. Keith Scotland.

MATTERS ARISING FROM THE MINUTES OF THE ELEVENTH MEETING

- 3.1 With reference to item 5.1, page 2: the Chairman informed Members that comments on the Draft Work Programme was received by Ms. Deonarine and uploaded to the Rotunda for the Committee’s consideration. A discussion ensued. Amendments were made to the draft work programme.

The Committee agreed to the Work Programme for the Third Session, Twelfth Parliament in this order:

- Community Environmental & Protection Enhancement Programme Company Limited;
- Estate Management & Business Development Company Limited;
- Sports Company of Trinidad & Tobago Limited;
- National Infrastructure Development Company Limited;
- Tourism Trinidad Limited;
- Urban Development Corporation of Trinidad and Tobago Limited;
- National Flour Mills Limited;
- National Export Facilitation Organisation of Trinidad and Tobago;
- Trinidad and Tobago National Petroleum Marketing Company Limited; and
- Vehicle Management Corporation of Trinidad and Tobago Limited.

3.2 With reference to item 6.3, page 2: the Chairman informed Members that no further comments were received from Members to the Committees' Draft Seventh and Eighth Reports and sought Members feedback on the finalisation of the Reports. A discussion ensued. The Committee agreed that the Seventh and Eighth Reports will be presented at the next sitting of the House of Representatives and Senate.

3.3 With reference to item 11.2, page 4: the Chairman informed Members that questions for additional information were sent to the National Commission for Self - Help Limited on November 9, 2022 with a deadline for response by November 24, 2022. The responses were received by the Secretariat and uploaded to the Rotunda (e-repository) for Members consideration.

PRE-HEARING DISCUSSION RE: NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED (MTS)

4.1 The Chairman reminded Members that the purpose of the virtual public hearing was to examine the Audited Accounts, Balance Sheet and other Financial Statements of the National Maintenance Training and Security Company Limited (MTS) for the financial years 2008 to 2018 and follow-up on the implementation of the recommendations in the Committee's Eleventh Report from the 11th Parliament.

4.2 Members discussed their areas 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 10:07 a.m. to reconvene in public.

AN EXAMINATION INTO THE AUDITED FINANCIAL STATEMENTS OF THE NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED

(MTS) FOR THE FINANCIAL YEAR 2018 AND FOLLOW-UP ON THE IMPLEMENTATION OF THE RECOMMENDATIONS CONTAINED IN THE COMMITTEE'S ELEVENTH REPORT FROM THE 11TH PARLIAMENT

6.1 The Chairman called the public meeting to order at 10:14 a.m.

6.2 The following officials joined the meeting:

National Maintenance Training and Security Company Limited (MTS)

Ms. Jacqueline Lazarus Chairman,	-	Board of Directors
Mr. Lennox Rattansingh	-	Chief Executive Officer
Ms. Adilah Elahie	-	Corporate Secretary/Legal Adviser
Mr. Richard Ferguson	-	Chief Financial Officer
Ms. Alana Hosein	-	Divisional Manager, HR
Mr. Kareem Paul	-	Chief Accountant

Ministry of Public Utilities (MPU)

Ms. Nicolette Duke	-	Permanent Secretary
Ms. Arlene Collis	-	Director Economic Research Policy and Planning Division
Ms. Janette Cupid-St. Hilaire	-	Financial Analyst
Mr. Curtis Augustine	-	Monitoring & Evaluation Coordinator

Ministry of Finance – Investments Division (MoF)

Mr. Ryan Maharaj	-	Senior Business Analyst
Mr. Junior Atwarie	-	Business Analyst

6.3 Key Issues Discussed:

1. The major challenges faced by the MTS and the solutions to address these challenges;
2. The status of MTS' outstanding audited financial statements for the years 2019 to 2022 and the date of submission of these Statements to the MPU, MOF and SEC;
3. The financial viability of MTS's to generate the required cash flow to fulfil ongoing operational cost;
4. The status of MTS's non-reliance on Government subventions;
5. The number of employees currently employed at the MTS;
6. The amount of revenue generated by MTS annually from its security and janitorial operations;
7. The status of MTS's accounts receivables;
8. The status of the \$300 million loan granted by the MoF to MTS to assist in the company's payoff of its bank and credit union overdrafts, statutory deductions, pensions and salaries;
9. The status of approximately \$100 million in debt collections in fiscal 2022;
10. The status of MTS's largest debtors and the amount each currently owed the company;
11. The status of MTS's outstanding wage negotiations;
12. The demand for MTS's services during the COVID pandemic;

13. The uneven playing field and the competitive private security and janitorial industry;
14. The MTS's main sources of revenue generation;
15. The addition of project management services to MTS's portfolio and the projects the company manage for their current clients;
16. The percentage of funds collected that were used to pay salaries and statutory obligations;
17. The status of the debt outstanding by the Ministry of Education (MoE);
18. The fiscal strategy in place by the MoE to liquidate the debt owed to MTS;
19. The provision of funds by the MOF's to settle the MOE's outstanding payments to the MTS;
20. The percentage of the MTS's accounts receivables that is more than four (4) years old;
21. The strategies in place by the MTS to ensure that the debts owed do not become statute barred;
22. The implementation of MTS's Vacation Policy;
23. The oversight role of the MPU in relation to the collection of outstanding debts;
24. The reasons for the salaries of junior staff members exceed those of the senior members of staff;
25. The status of MTS recruitment policy;
26. The recruitment of more women in the Security Division;
27. The status of the availability of resources to meet the increased demand for its project management services;
28. The status of MTS's pursuit to gain private clientele;
29. The status of the written agreement with the HDC to make \$500,000 monthly payments to reduce the HDC's debt and the measures in place to ensure payment agreements are adhered to;
30. The nature and purpose of the one year Fixed Rate Loan with the First Citizens Bank Limited to pay EFCL contractors;
31. The MTS's loan portfolio and the purpose of the loan taken with NCB Global Finance; and
32. The MTS's justification for to be excluded from being regulated under the Private Security Bill.

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

- 7.1 The Chairman thanked the officials for attending the virtual meeting and they were excused.
- 7.2 The Committee agreed that additional questions would be sent to MTS.
[Please see Appendix 1]

SUSPENSION

- 8.1 At 12:19 p.m., the Chairman suspended the public meeting to resume in-camera for a post-mortem discussion with Members only.
- 8.2 There being no other business, the Chairman thanked Members for their attendance. The Committee agreed that the next meeting of the Committee will be held on March 1, 2023 at 9:30 a.m. At this meeting, the committee will examine the Audited Financial Statements of the Community Environmental & Protection Enhancement Programme Company Limited (CEPEP) for the years 2013 and 2014 and follow up into the Committee's Fourth Report, 11th Parliament.

ADJOURNMENT

9.1 The adjournment was taken at 12:28 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

February 01, 2023

ADDITIONAL INFORMATION***ADDITIONAL QUESTIONS ARISING FROM MEETING OF THE PUBLIC
ACCOUNTS [ENTERPRISES] COMMITTEE*****Request for Additional Information – Questions to the MTS**

1. What are the challenges being encountered by the MTS's presently?
 - a) State the measures taken to resolve each of the challenges listed at (1)?
2. Provide the following:
 - a) State MTS debt recovery challenges and the possible solutions to rectify these challenges.
 - b) MTS largest debtors in relation to its security and janitorial services respectively;
 - c) the amounts outstanding to date; and
 - d) the period the amounts have been outstanding?
3. What percentage of MTS's accounts receivables are more than four (4) years old?
 - a) Who are the entities that owing the debts?
4. What actions were taken by the MTS to prevent debts more than four (4) years old become irretrievable and statute barred?
5. What are the reasons for the outstanding wage negotiations for MTS employees?
 - a) What is the MTS's role in the wage negotiations?
 - b) What is the status of the wage negotiations?
6. What was the reasons for junior employees being paid more than their superiors?
 - a) Which instances have junior employees being paid more?
 - b) How long has this issue existed?
 - c) How was this situation address?
7. As an essential services provider, will MTS state the lessons learnt from the Covid -19 pandemic?

Were the lessons learnt documented? If yes, provide a copy of this report?
8. State the reasons that the private security and janitorial services industry are an uneven playing field for MTS.
 - a) What concerns does MTS have with respect to the low barriers of entry and competitiveness of private security and janitorial services industry?
 - b) What are some of the possible solution to the concerns?
9. State the reasons and justifications for MTS's position to be excluded from being regulated under the Private Security Bill?
10. What is MTS's profitability and retained earnings figures for each year, for the period 2017 to 2022?
11. Provide a breakdown of MTS's income from operations from each of the company's core services for each year for the period 2017 and 2022.
12. Provide a status update on the development of MTS's project management services from 2016 onwards?
 - a) Who are MTS's current project management clients?
 - b) List the projects managed by MTS?
 - c) Are there any challenges experienced by MTS with regard to the accounts receivable recovery issues for its project management services?

- d) What measures are in place to ensure MTS has the human resource capacity to manage all its projects?
- 13. How much money was invoiced and collected each year for the period 2017 to 2022?
- 14. What was the nature and purpose of the \$300 million loan from the MOF in 2020?
 - a) What is the status of the repayment of this loan?
- 15. Has MTS ever been in a situation where the company was unable to pay salaries, pensions, loans or any other statutory deductions because of its debt recovery challenges?
- 16. What assistance had been given by the MPU and MOF to address MTS's debt recovery challenges?
- 17. What is MTS's policy on vacation leave accumulation and utilisation?
- 18. What is MTS's recruitment policy for security and janitorial services?
 - a) Does this policy aid the employment of persons in depressed areas or persons in unfortunate circumstances?
- 19. What was the reason that led to the change in policy which impacted on an increase in the number of women recruited into MTS's Security Division?
 - a) What is the ratio of women to men security officers?
 - b) What specialised training is given to the female security officers?
- 20. Provide a status update on MTS's attempts to attract private clients to supplement its revenue generation capabilities.
- 21. What can MTS do to ensure that written agreements such as the one entered with the HDC are adhered to?
- 22. Provide the rationale for the loan taken on behalf of EFCL and the loan to pay EFCL contractors being on the books of MTS and MTS being the entity tasked with paying the contractors owed from the FCB loans.
- 23. Provide a list of all the contractors who received payments from the FCB loans and the amount each of the contractors received.
- 24. What was the purpose of the loan taken with NCB Global Finance?

Appendix 2: Verbatim Notes

VERBATIM NOTES OF THE TWELFTH VIRTUAL MEETING OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE HELD (IN PUBLIC) ON WEDNESDAY, FEBRUARY 01, 2023, AT 10.16 A.M.

PRESENT

Mr. Wade Mark	Chairman
Mr. Rushton Paray	Vice-Chairman
Ms. Amrita Deonarine	Member
Mrs. Laurel Lezama-Lee Sing	Member
Mr. Keith Scotland	Member
Ms. Hema Bhagaloo	Assistant Secretary
Mr. Darien Buckmire	Researcher

NATIONAL MAINTENANCE TRAINING AND SECURITY COMPANY LIMITED (MTS)

Ms. Jacqueline Lazarus	Chairman, Board of Directors
Mr. Lennox Rattansingh	Chief Executive Officer
Ms. Adilah Elahie	Corporate Secretary, Legal Adviser
Mr. Richard Ferguson	Chief Financial Officer
Ms. Alana Hosein	Divisional Manager, HR
Mr. Kareem Paul	Chief Accountant

MINISTRY OF PUBLIC UTILITIES

Ms. Nicolette Duke	Permanent Secretary
Ms. Arlene Collis	Director Economic Research Policy and Planning Division
Mr. Curtis Augustine	Monitoring & Evaluation Coordinator
Ms. Janette Cupid-St. Hilaire	Financial Analyst

MINISTRY OF FINANCE – INVESTMENTS DIVISION

Mr. Ryan Maharaj	Senior Business Analyst (Ag.)
Mr. Junior Atwarie	Business Analyst

Mr. Chairman: *[missing audio]* —and other financial statements and whether policy is carried out efficiently, effectively and economically and whether expenditure conforms to the authority which governs it. So, Members, I would like at this point to invite other members of the Public Accounts (Enterprises) Committee to introduce themselves, followed by officials of MTS, Ministry of Finance Investments Division and of course, public officials from the Ministry of Public Utilities. So, members of our committee, can you introduce yourselves at this time?

[Introductions made]

Mr. Chairman: Can I now go on to the officials from the MTS.

[Introductions made]

Mr. Chairman: We will then at this time invite the public officials from the Ministry of Public Utilities to introduce themselves.

[Introductions made]

Mr. Chairman: Thank you so very much, and the public officials from the Ministry of Finance, Investments Division.

[Introductions made]

Mr. Chairman: Yeah, well, thank you all once again and on behalf of the Committee, welcome. May I also advise participants that you are advised that your microphones should remain muted until recognized by the Chair. I would now like to advise that this meeting is being broadcast live on YouTube and the rest of the channels will broadcast these proceedings some time later on. It is going to be a delayed broadcast but at the moment, we are live on YouTube. May I at this time invite Ms. Lazarus from the MTS to make just a brief two-minute opening remark at this time. Ms. Lazarus.

Ms. Lazarus: Thank you very much, Chairman. Public Accounts (Enterprises) Committee, Sen. Wade Mark, members of the Committee, members of the viewing public, all, good morning. We appreciate the opportunity to once again tell the MTS story to the Committee and to the nation. My name is Jackie Lazarus and I have had the honour of being of service to the National Maintenance Training and Security Company Limited as Chairman for the past seven years.

For over 43 years, MTS has been tasked with maintaining and securing the schools of this country and we have done so diligently. However, whilst school security once focused on the protection of all students—sorry, while school security once focused on protecting the school premises, today, safety in school requires the protection of all students, teachers from violence, exposure to threats, use of weapons, theft, bullying, harassment, sale or use of illegal substances on the school grounds and other similar emergencies. School safety is very important to us all and the welfare of our students

is directly linked to improved school and student outcomes.

It is for this reason that the MTS has embarked on a school-based law enforcement training of our security officers assigned to schools. This initiative was a priority under our previous strategic plan which resulted in over 700,000 security officers assigned to schools being trained prior to the pandemic to better equip them to handle emergencies within the school environment. The world is changing rapidly and while the past five years have been difficult in particular, the period of 2020 and 2021 due to the effects of the COVID-19 pandemic, we face our challenges proactively. We learnt quickly from the pandemic that the way to manage our business, finances and our employees needed to change and began making better use of technology which resulted in improved communication with our clients and employees. Our strong client support and stakeholder loyalty is evidence that our focus on quality services is paying dividends.

Notwithstanding, we are always seeking to improve and under our new strategic plan, we hope to modernize aspects of our operations and improve efficiencies and productivity through the digitalization of our records, data and processes. The objective is to improve communication with our clients and our over 6,600 employees, most of whom work at over 900 client locations spread throughout the length and breadth of the country. The current strategic plan continues to build upon the successes of the previous plan of which we are especially proud but which were realized through prudent management and leadership. Our previous strategic plan 2016 to 2021 realized many achievements which are detailed in our present plan and I invite Members who have not yet read it to do so.

MTS's long record of good governance endures and we continue to be stable and trustworthy. This is the foundation upon which we have been able to strengthen our relationships with our stakeholders. If nothing else, the great success from COVID-19 for the company was that the MTS team members remained loyal, dedicated and willing to share in the pain in order to ensure continued sustainability and progress of the company.

We have developed our most recent strategic plan for the period 2022 to 2026 with the objective of addressing our challenges and creating a path forward for the company to ensure that we remain relevant to the needs and demands of our stakeholders in this current environment without being a burden to the State. We look forward to continuing to serve our nation by staying true to our core values and raising the bar even higher to help us to do better, provide more value and deliver the quality service that our clients expect and our nation deserves. Thank you very much.

Mr. Chairman: Thank you so very much, Madam Chairman. May I now invite the Permanent

Secretary in the Ministry of Public Utilities to make brief remarks?

Ms. Duke: Good morning, Chairman, Members of the Committee, counterparts from MTS and Ministry of Finance Investments Division. We at the Ministry of Public Utilities are pleased to be here to contribute to this discussion on an enquiry into the financial statements of the National Maintenance Training and Security Company Limited. As the line Ministry for MTS, we are particularly proud of all that MTS has achieved and we continue to play our role in supporting the initiatives and the objectives that MTS has set itself in any way possible.

It is for this reason that we are glad to be part of this discussion and we look forward to the recommendation not only of the Committee but of all gathered here so that we are able to further enhance our support to MTS as it executes on its mandate and responsibilities. Thank you, Chair.

Mr. Chairman: Thank you very much, Madam Permanent Secretary. I will now ask one of the two officials from the Ministry of Finance Investments Division to provide us with brief remarks.

Mr. Maharaj: Thank you, Chairman and good morning again. I have a prepared statement. The Investments Division of the Ministry of Finance is responsible for executing the investment policy as prescribed by the Cabinet. Accordingly, the mandate of the division includes oversight, monitoring and where necessary, the rationalization of what equity holdings in commercial enterprises. The National Maintenance Training and Security Company Limited is one of those enterprises.

Additionally, the division acts on behalf of the Minister of Finance corporation sole and carries out the corporate functions. This includes representation of the Minister at shareholder meetings, establishment of new state enterprises and divestment of state enterprises when it becomes feasible to do so. MTS is a wholly-owned state enterprise incorporated on November 27, 1979 to provide security and maintenance services to schools and learning institutions in Trinidad and Tobago. The company's mandate was expanded to include ground maintenance, technical maintenance, horticultural, landscaping services and project management services to the wider public. We look forward to today's discussion. Thank you.

Mr. Chairman: Thank you very much. May I begin with—as the Chairman of this Committee, by asking just one or two questions, clarification and guidance on behalf of this Committee and then I will invite my colleagues to follow. Now, this is directed at the MTS, either Mr. Lazarus or Mr. Rattansingh, we have just been told by the official out of the Ministry of Finance Investments Division, the mandate of MTS and that mandate, of course we are advised is expanded into project management. So you are into school construction, the maintenance to some extent I would imagine, and other technical services. This is in addition to your initial mandate of janitorial and security services.

My question to either one of the two officials, Chairman or the CEO is simply this. Can you share with this Committee what are some of your major challenges and as you deal with challenges, provide this Committee with what you have been doing to overcome and address those challenges? Either the Chairman or the CEO can engage this Committee and through this Committee, the general public as it relates to challenges and how have you been coping with those challenges via solutions to address same.

Mr. Rattansingh: Thank you very much, Mr. Chairman. If you would permit me that I would want to make an overall statement and then I will speak about our challenges. Since the last time we met, MTS was about 38 years old, we are over 43 years now and on the last occasion when we met, we were updated with our financial statements and I want to report to you that we are updated with our financial statements, in fact, we have just completed 2022 so since then, we would have submitted '17, '18, '19, '20 over the years.

And yes, project management is something that we have an add-on to since 2018 but it is not something new to MTS. MTS has been playing a role in project management over the last two decades and we have an organization that is well equipped to handle the project management work that is coming our way from the Ministry of Education and several other Ministries but we will speak a little more on that.

I want to say to the Committee that MTS is profitable, does not receive a subvention and we have a population of about 6,640 employees on our register as employees and we continue to give yeoman service to Trinidad and Tobago and I will say more about some of these things because our revenue is \$550 million based on our normal services and we will gain some more revenue based on the project management.

To come specifically, Mr. Chairman, to your question, your question of challenges, the challenge for all state enterprises over the last few years, and we are no different, has been receivables and when we met on the last occasion, we did discuss receivables so that has been a major challenge. Our receivables now stand at about \$620 million, at any point in time, it changes because we are in invoicing over 42 to \$43 million every month and then of course, we are collecting moneys on a daily basis.

I want to say straight away that the way we have met that challenge especially in 2020 during the COVID period is that we were granted a loan from the Ministry of Finance to assist with our overdraft, the NIS as a statutory payment and to pay some months of salaries. I want to also say to the Committee that while we would have beefed up our drive in collections, collections are only forthcoming when releases are made from the Ministry of Finance and other Ministries to our clients

and post-2022 budget, we have seen a marked increase in collection in MTS. In fact, we would have collected over \$100 million more in 2022 than we did for 2021.

Our largest debtors continue to be the Ministry of Education, about 340 to \$50 million, the Judiciary \$92 million, and TTPS \$14million, THA, \$14 million, HDC \$14 million. Those continue to be our largest debtors and we continue to pursue. I think I made an error, Chairman, when I told you that TTPS was \$14 million, I think it is actually \$32 million and HDC is \$14 million and THA is \$14 million.

The second challenge that we continue to have as a state agency are the issues of labour relations and industrial relations particularly with negotiations for our ATM staff. The ATM staff have not been given an increase since 2010 and there are some anomalies that are happening in the organization presently where the other bargaining units in the organization, TU and EPA in particular, they would have been given an increase in 2013, 2015 thereabout and those back-pays were paid in 2017. They are all also due for negotiating periods to be settled but what that has done where the ATM staff was not given any increases since 2010 is that some of the people that they are supervising are being paid more than what the management staff is being paid. So it is a little anomaly and we are awaiting some approvals from the CPO to proceed on this matter.

The third challenge we had over the years and I suspect the whole country would have been COVID and the COVID period posed a large challenge for MTS particularly because we have 6,640 staff and out of that, nearly 4,000 of them were out at work during the COVID period. We were an essential service, we are an essential service and I want to say—I want to thank those employees for coming out every day, every night to secure the assets of Trinidad and Tobago. We did not fail the nation, we came out and that was a major challenge in terms of a national shutdown paying salaries to 6,640 persons and I dare, Mr. Chairman, we paid salary on time and every time. And to me, we could speak a little more about the COVID lessons learnt, we have documented that COVID period and promised to submit some of that information to the Ministry of Public Utilities and the Ministry of Finance. And I think as a large organization and the things that we did during COVID in terms of operationalizing our machinery to effect efficiency and effectiveness to Trinidad and Tobago is worthy of hearing somewhere else.

The fourth challenge, Mr. Chairman, and we raised this in 2017 and this challenge continues to still raise its head, the uneven playing field in which MTS has to operate under. Uneven playing field because we are unionized. We obey all the laws of the land but we are competitive. So most of our revenue, \$550 million in revenue that we obtain, most of that revenue comes from a competitive

bidding process and as a result, while we are obeying the laws of the land and paying above minimum wages and observing all the other statutory obligations, we are competing in an environment where there is a low entrance barrier and therefore every single person who has “ah mop and broom” wants to be a janitorial company and a security company, and as a result, because most of the bids are evaluated on price, it is putting MTS in a situation where while we are obeying the rules of the land, the playing field has become very uneven.

And the fifth challenge which has not yet occurred but could be a challenge for us and we have made ourselves very clear on this matter is the question of the private security Bill, and Mr. Chairman, we will speak more about that a little later if time permits.

So in a nutshell, Mr. Chairman, those are our challenges. And if I may, Mr. Chairman, if you permit me, if I could speak on some of our achievements at the same time on the other side of the coin.

Mr. Chairman: Yes, briefly. Thank you.

Mr. Rattansingh: So as I said, Mr. Chairman, we pride ourselves on good corporate governance and we have completed all our financial statements up to 2022, we just completed 2022 and 2017 to 2021 have been submitted to our line Ministry and the Ministry of Finance. We have completed the last strategic plan and we have updated and put forward a new strategic plan 2022 to 2026, that was also submitted to the MPU and to MOF and that plan is being activated right now.

Mr. Chairman, we are also very profitable and I would not say “very”, let me just say, Mr. Chairman, we are profitable. Our profit for 2021 audited statement was \$7 million before taxes and we have moved the company over the last 18 years from a negative \$100 million retained earnings, to a positive \$64 million in retained earnings.

Chairman, on the last occasion, you would have heard from our last strategic plan that we wanted to execute a project management arm more vigorous. I want to report that we have achieved this in that now we are project managers for the Ministry of Education, the Ministry of Youth Development, the Ministry of Public Utilities, TTPost, the Ministry of digitalization, public administration, the Ministry of Finance, the Office of the Prime Minister Communications Division and community development. And, Mr. Chairman, we celebrated during that period our 40th anniversary and MTS continues to live on and we hope to be here for a long time. Thank you, Mr. Chairman.

Mr. Chairman: Thank you, Mr. Rattansingh. I know that MTS based on what you have said has a very proud track record. Could you just advise this Committee when those financial audited statements, 2017 to 2021 were submitted to the line Ministry?

Mr. Rattansingh: For all our financial statements, for example, when we completed 2017, it would

have been submitted in 2018 and so on and so on, so it would have been submitted in respective years but I would ask our Corporate Secretary who has responsibility for that to proffer an answer to that.

Mr. Chairman: Okay.

Ms. Elahie: Good morning, Chairman again. All our financial accounts are always submitted on time to both line Ministry and corporation sole as well as the Trinidad and Tobago Securities Exchange Commission on time within the month of March the following year following the completion of the financial year. So for 2017 accounts would be submitted by March 31, 2018 and so forth and so forth for all the years. We have always submitted on time—[Inaudible]

Mr. Chairman: Okay, thank you. Continue, sorry about that. You were saying something, Ma'am?

Mr. Rattansingh: She said that at least for the last decade, Mr. Chairman.

Mr. Chairman: Okay, yeah, okay, thank you, thank you. Mr. Rattansingh, I have a financial question to your good self. Could you advise this Committee how much money is being collected by MTS on a daily basis and if you can indicate to us how is this money that is being collected on a daily basis being used?

Mr. Rattansingh: So, Mr. Chairman, it is difficult to answer on a daily basis because we will received moneys when moneys are released from the Ministry of Finance to our clients. So sometimes for the month, we may not receive any money and then the following month, we will receive a larger sum of money. So, for example, what I have in front of me, for the year 2022, we would have collected \$620 million and we have invoiced \$600 million. So this is one of the most successful years within the last decade in the collection. I have on file here 2019, we would have invoiced \$500,000 and we would have collected less than \$400,000. We had a shortfall of \$126 million. In 2020, we would have invoiced \$500,000, we collected 385 million—sorry \$500 million and we had a shortfall in collection of \$165 million. In 2021, we had a shortfall of collection of \$101 million. In 2022, however, we had a surplus of \$20 million in collections above what we invoiced.

So the moneys are utilized—this money is utilized mostly for salaries. Because we have a staff of nearly 6,700 persons, our salary and statutory deductions for the month are close to 38 to \$40 million depending on how many fortnights of the month we may have. So we are talking about nearly \$500 million has to be paid in salaries for the year. So 95 per cent of our moneys, our collection goes back into salaries into the organization.

10.45 a.m.

Mr. Chairman: All right, thank you so, very much. I now invite Mr. Rushton Paray, to be followed by member Keith Scotland, in that order.

Mr. Paray: Thank you very much, Chairman. And again welcome to our guests this morning. Mr. Rattansingh, I do want to concur two things in that the importance of MTS, and I have first-hand experience in terms of the quality of work that the MTS officers do provide, and especially our schools here in the Mayaro constituency.

The other thing too is that I do share your concern with the issue around the uncompetitive nature of the bids that you have to provide when you are following the regulations, while other security companies—as you say, anybody could pick up a mop and bucket and provide janitorial services. And I do know that private security Bill went dormant somewhere prior to the last general election. And I do hope that it comes back to the Parliament at some point in time. Because it is creating quite some concerns, in terms of the general private security industry, after you had a lot of incidents lately with the robberies, and so on, on those armoured vehicles. And a lot of it ties in back to the quality and the training and the systems involved in the private security industry. So, I want to concur with that. I want to focus, for the next couple minutes, in terms of this debt that is owed by the Ministry of Education to MTS. I think that is the elephant in the room. According to our records here, it is \$384 million. If I could just segue to ask the Investments Division a question, that is Mr. Maharaj, yes Mr. Maharaj, or Ms. Mohammed. Mr. Maharaj or Ms. Mohammed, anyone of you could respond to the queries that I have. In Mrs. Lazarus opening, she had a very powerful delivery in terms of the importance of MTS and the work they do in our school system and the broad range of services, in terms of the HSSE, and the importance of the safety and welfare of not only students and teachers and the protection of the assets of the State. And the question I want to ask, first question I want to ask Mr. Maharaj or Ms. Mohammed: Do you agree with Mrs. Lazarus position that the Ministry of Education is a critical client in terms of the overall welfare of our society?

Mr. Maharaj: Thank you, member. Yes, I would agree with her. I do not want to elaborate too much, because I do not want to talk on behalf or say anything out of turn or in that context, but I will agree with her.

Mr. Paray: Okay, and the fact that I have two documents in front of me, which are signed by your Permanent Secretary in the Ministry of Finance, and I suspect it looks like Dookeran or something like that. I cannot catch the writing. And then it is another document. One is for the Clerk of the House here at the Parliament and the other one is to Ms. Lenor Baptiste-Simmons, Ministry of Education. Since both of you all are the representatives of the Ministry of Finance, I suspect, I would hope that you can answer the questions on behalf of the persons who would have signed these two documents.

Now, in both documents, there was a query as to what is being put in place for the Ministry of Education debt to be sorted out, in terms of MTS, to be able to get that money to continue providing the quality and the importance of the service as indicated by Ms. Lazarus. But what is interesting to me is the language, and if you allow me, Mr. Chairman, just to read on the penultimate paragraph of a letter dated June 29, 2018:

Ministry of Finance

Investments Division

To Ms. Jacqui Sampson-Meiguel

Clerk of the House

—and I read the paragraph:

The Ministry of Finance, in the past, has addressed this issue—

—and this is with regard to the debt to the Ministry of Education:

on behalf of MTS and has advocated for urgent steps to be taken for liquidation of arrears to reduce the debilitating effect of untimely payments on MTS operations.

So the Ministry of Finance is advising the Parliament, this is our group, that they have advocated for the Ministry of Education to take particular steps to liquidate the arrears.

And then the second letter, which has the same date, June 29, 2018, and this time it is for the Permanent Secretary, Ministry of Education, Ms. Lenor Baptiste-Simmons. And in its penultimate paragraph as well, the Ministry of Finance, Investments Division makes a similar statement, and I read:

In view of the committee's recommendation—

—they are asking Ms. Lenor Baptiste-Simmons, who is the PS at the Ministry of Education to:

—please indicate the Ministry of Energy strategy to liquidate its debt to MTS and its plan going forward to keep within the agreed payment terms with MTS.

So, in my mind, and I could be wrong, somebody will correct me, is that there is an expectation that the Ministry of Education has the responsibility of liquidating that debt to MTS. So, these are my questions to Mr. Maharaj and Ms. Mohammed, right. And I will ask these questions, because I do not know the answer and perhaps you would educate me a bit on how the systems work.

Now, is the Ministry of Education, their operation, is that a money-making enterprise that they can generate revenue to pay debt to MTS? Yes or no?

Mr. Maharaj: Well, member, no. They have to get releases from the Ministry of Finance to liquidate those debts.

Mr. Paray: Okay, so, we agree that they have to get money from the Ministry of Finance. So, it has to come from the Ministry of Finance. It is not going to come from anywhere else.

My next question: Does the Ministry of Education, does it present its debt-servicing requirement to the Ministry of Finance when preparing its budget requirements on an annual basis? Basically, what I want to get at is, prior to the reading of the budget every year, is the Ministry of Finance aware of the debt that the Ministry of Education owes to MTS, and whether relevant provisions are made from the Ministry of Finance? Because they do not get money anywhere else. The Ministry of Education is not a profit-making company. So that means the Ministry of Finance has to put money inside it to liquidate those debts. Is the Ministry of Finance aware, year on year, of the debt-servicing requirements to MTS?

Mr. Maharaj: Thank you again, member. Yes, we are aware of that. However, it has competing interests and there are funding issues. You would know that in 2023, budgetary allocation the Ministry of Education got \$279 million approximately, to settle their debts to MTS, both janitorial services and security services.

Mr. Paray: Okay. In my opening question I asked if you agreed with Ms. Lazarus, in terms of her plea, in terms of the importance that MTS plays to the education system, to the education system that impacts the society in such a critical way. And you agreed with that. And you are also telling me now that there is competing interests, right, which I agree there is competing interests. But prioritization can and should be made, based on what Ms. Lazarus said, and you agreed with her. I know you did not want to go into too much additional commentary on it, but I suspect you agree with her.

Taking that into consideration, my final question on this, based on what you have now said, is that the Ministry of Finance is asking the Ministry of Education what strategies they can put in place to liquidate that debt. If the Ministry of Education is not a money-making enterprise, can you tell this Committee, what fiscal space or strategy can the Ministry of Education have in terms of liquidating that debt, based on both letters to the Clerk of the House here in the Parliament, and the one to the Ministry of Education, the Permanent Secretary? And for my information, I do not know, I am asking: What fiscal space or strategy can the Ministry of Education place in its system to liquidate those debts if the money is not coming from the Ministry of Finance?

Mr. Maharaj: Member, thank you again. I really do not want to comment on what the Ministry of Education may do. However, there is something that, at the mid-year review, if there is any shortfall in allocation, the Ministry of Education reaches out to the Ministry of Finance and the votes can be supplemented. But to go further than that, I really cannot comment further.

Mr. Paray: So, outside of the mid-year review, which you have now identified as one option, you cannot tell this Committee of any other options? Because you are asking, as it is written here in this documentation—not you are asking, you are telling. You were telling the Ministry of Education to advise you of what strategy. I am putting it to you, that if the only way that the Ministry gets money is from the coffers of the Consolidated Fund, through the Parliament, how do you untie the hands of the Ministry of Education who is, as Ms. Lazarus is saying, an important client, as MTS is providing a critical service that has societal impact, why it is, and in my reading, and Mr. Chairman I could be wrong, but in my reading that the Ministry of Finance is basically telling the Ministry of Education: “Look, allyuh beat allyuh body” with this debt.

Mid-year review, you come to Parliament, and we will change a few Heads. Because we are not getting more money. We might move money from Head to Head. So to get more money from MTS, we may have to move air-conditioning repairs. We may have to take out some furniture repairs, whatever Heads that they are on. So, my take, Mr. Maharaj, from the Ministry of Finance, I think it is unreasonable to ask the Ministry of Finance and to report to this Parliament as well, that the Ministry is telling the Ministry of Education, Permanent Secretary, “Look, you find your way to do this”. That is what I am reading in the two pieces of instructions here, which I find is unreasonable for the Ministry. Because the Ministry of Finance knows the debt. You have acknowledged the importance of the Ministry of Education, the importance of what MTS is doing.

And I will close, Mr. Chairman, on this particular line with, perhaps—and I know we do not have anybody from the Ministry of Education here today. But I would really like to find out, from both the Ministry of Finance, in a subsequent question or probably a request for additional information, what space; what space does the Ministry of Education have in its fiscal meandering to get money to pay off this debt? And if they do not do it, they continue to have MTS struggling for this \$384 million. So, historically, Mr. Chairman—I mean, I have come to these meetings on several occasions and when I look at the explanations from the Investments Division to all state enterprises, it sometimes appears that it is a rudimentary thing, we write some letters, we beg you to do better, but there is no teeth. There is no teeth to make sure things happen.

I mean, I was really surprised reading the two documents, and I saw it like a trap and pass that the Ministry of Education should really be dealing with that. So, Mr. Chairman, I would probably pass on to member Scotland, because I know he wants to prosecute some matters on receivables as well. Thank you.

Mr. Chairman: Yes. Thank you. Mr. Scotland, the floor is yours.

Mr. Scotland: Chairman, thank you. Just give me 10 seconds please, Chair, I am just trying to adjust my camera. Chairman, are you seeing me?

Mr. Chairman: I am not. While you are adjusting your camera—

Mr. Scotland: Am I being seen, Chair?

Mr. Chairman: Yes.

Mr. Scotland: Thank you, Chairman. Thank you very much, Chairman. Good morning everyone. Chairman, my first question is directed to the MTS. We are told that they have their audited financials up to 2022. Can I ask, through you Chairman, when was that done? When was that achieved?

Mr. Chairman: If I may, one of their representatives did indicate, Mr. Scotland, that in accordance with the state operating manual, they have stuck to the deadline of submitting their financial audited accounts at the end of the following year, which is March 31st, to their line Ministry, to the Ministry of Finance, to the Securities and Exchange Commission. So, it is in that order they have done that. So, all their accounts from 2017/18, right up to 2021/2022, would have been submitted in accordance with the state operating manual.

Mr. Scotland: And, Chairman, through you, was that done for each year? Through you again, can I ask the director—

Mr. Chairman: Yes, yes, yes. According to MTS's submission, yes, it was done.

Mr. Rattansingh: Mr. Chairman, the only year not submitted is 2022. It is now completed and we would submit that within the next couple weeks. But we have submitted up to 2021.

Mr. Scotland: Thank you very much, Chair. Chairman, we are told that the outstanding—I am dealing now with the outstanding receivables. In the document submitted to us, Chairman, we are now told that there is \$600 million outstanding in receivables. Did I hear that correct from Mr. Rattansingh?

Mr. Rattansingh: Yes member, \$620 million.

Mr. Scotland: Chairman, may I ask: Out of this \$600 million, how much of that debt is four years old or more? Is there any quantum? Can I ask Mr. Ferguson or Mrs. Lazarus, how much of that is four years old or older?

Mr. Rattansingh: It could be about 50 per cent, member.

Mr. Scotland: And have you, through your legal department and your other operative, secured a commitment to ensure that that does not become statute barred in case you need to action recovery?

Mr. Rattansingh: Very good question, member. The problem is that all we can do as a state agency, based on the state monitoring manual, is we cannot take legal action against the State or the other

Ministries. So, what we do to keep the debt alive, is that we write consistently, almost on a monthly basis, informing our clients about these debts. We continue to meet with them. We continue to treat with them. But to take any kind of legal letter to them or response to them on this matter, is not allowed, based on the state monitoring manual.

Mr. Scotland: No. My question, because you are in some way governed, in some aspect governed, by the Companies Act. Do you get acknowledgment of the debt from these people who are owing, which will keep the debt current, as opposed to allowing for it? That is the question.

Mr. Rattansingh: We get acknowledgments member, from a large number of them. The public service sometimes does not respond in the way we want them to respond, in the timeliness that we want them to respond to the acknowledgment. But we have acknowledgments from most of our clients.

Mr. Scotland: Well, Chair, through you, may I suggest that maybe the time has come for MTS to be able to action recoveries of moneys? Because, as I understand it, and correct me if I am wrong, this is moneys for goods and services already delivered. Am I correct?

Mr. Rattansingh: Correct. Correct.

Mr. Scotland: Well, Chairman, through you, may I suggest and maybe this could be a recommendation coming from the Public Accounts (Enterprises) Committee that MTS be, somehow there be an amendment but be given the ability to recover receivables if and/or when they are at the cusp of being statute barred. Because then, you then are at the mercy of the debtor of whether or not it is paid.

Mr. Chairman: We will take note of your recommendation, Mr. Scotland.

Mr. Scotland: Thank you very much, Chairman. Chairman, I would now like to move on to another item regarding vacation leave policy. And may I, through you Chair, ask whether there is a specific policy at MTS, as it relates to vacation leave. Is there a vacation leave policy?

Mr. Chairman: Mr. Rattansingh.

Ms. Lazarus: We will pass this on to Alana Hosein.

Ms. Hosein: Thank you, member, for your question. So yes, we do have a vacation leave policy in our Human Resource Policy Manual. And the policy is that employees can accumulate half their amount, half their entitlement per year, up to two years. Now—

Mr. Scotland: And—go on, sorry.

Ms. Hosein: So I just wanted to add to say that is the policy. However, we have had some challenges, obviously through Covid-19, in ensuring that employees proceed on leave, because of stay home

orders.

Mr. Scotland: And do you have a policy, as it relates to the implementation of that leave?

Ms. Hosein: Yes. So the policy is that every year, all the divisions are supposed to provide us with a roster of the vacation leave to be taken for the year. And that roster is managed by the HR department and a report given at the end of the year to the divisions to ensure that there was compliance with the utilization of vacation leave.

Mr. Scotland: I see. Chairman, through you again, and this question, it straddles the line Ministry, which is the Ministry of Public Utilities and the Ministry of Finance. Can I ask if they has been any—and I want to go back to the receivables, because some of the receivables, and the bulk of the receivables, are set in public enterprises. Is there any meeting of the mind, so to speak, as it relates to some sort of plan for the reduction? So, in other words, have you met with your line Ministry? Have you met with the fellow Ministry, the Ministry of Finance, to discuss a way forward, as it relates to the reduction of that amount? You would agree with, well, to my mind Chairman, to my simple mind, \$620 million is quite a lot of money.

Mr. Chairman: Who would you like to—

Ms. Duke: Chairman.

Mr. Chairman: Yes.

Ms. Duke: May I address that question first?

Mr. Chairman: Of course.

Ms. Duke: I am not sure whether the Ministry of Finance would like to respond. But I would just like to give some information on what we have been doing here at the Ministry of Public Utilities.

We do agree with the member, as with the MTS, that there is a very large quantum of debt for, or liability on the part of state agencies. So, what we have been doing over the years, and continue to do consistently, is to reach out to the Ministries. Every year when we get the allocations, we would look at the allocations to different Ministries in terms of the line Items for security and janitorial, and we would write to the Ministries asking them to submit to us a plan of how they would be disposing of those allocations. Now, being mindful that even though a Ministry might carry a certain amount of debt, the Ministry can only dispose in any particular year of up to the amount of its allocations.

We are also mindful that some Ministries employ other agencies in terms of security and janitorial. So, even if we see a particular figure in an allocation to a Ministry, for security or janitorial, it may be that that allocation is not only to service MTS. It may be to service other agencies that that Ministry may employ. However, we are focused in asking the Ministry to remit moneys to MTS for its services,

mindful that these agencies as well, these Ministries as well, are currently also being serviced by MTS. So they can only remit up to their allocation. But we continue to lobby the Ministries to make payments to MTS and to let us know when they have made these payments and when they have asked the Ministry of Finance for releases, so, we as well could be speaking to the Ministry of Finance and encouraging those releases from the Ministry of Finance.

So the Ministry of Public utilities is very consistent in this type of support and in ensuring that we continue to press our sister Ministries and agencies to remit the moneys that will get them eventually out of a state of debt to the MTS.

Mr. Scotland: Chairman, may I get a response from the MTS or from the other Ministry before I move on, through you, with my next area of enquiry?

Mr. Rattansingh: So thank you, member, Mr. Chairman, members. I made the point earlier that while we had a large amount of receivables, and we still do, what we saw, after making a lot of representation to the Ministry of Finance and to the Ministry of Public Utilities, and they did represent us, what we saw post-2022 budget is a different trajectory; one that was positive. And we received almost \$100 million extra, in terms of payments for 2022. That payment was very useful, because we were able to now pay deductions to all the credit unions that we were owing, all the banking institutions that we were owing. Our overdraft, we were able to pay most of our suppliers. We were able to pay all of the principals to NIS that we continue to pay and we were able to pay some retirees and we have started the process of paying retirees.

So, going forward, the forecast going forward, based on the information that we are seeing, is that allocations were made in the 2022 budget for MTS's funding. I am hoping and praying that that money is released to the various clients and it would be passed to us.

Secondly, the Ministry of Finance, especially during the Covid period, given that the receivables that cross—actually the receivables last year in 2021, was \$715 million. This year it is down to 620. So we get an extra \$100 million in payments that we did not get in the year 2021. So there is a positive change.

The point that I wanted to make about the Ministry of Finance is that they did assist us in 2020, in giving us a loan. It is on our books as a loan. It is being paid by the Ministry of Finance, the Ministry of Public Utilities, and that loan was used to pay salaries for that period of time, in lieu of not having moneys being paid for the receivables. So that loan was paid for salaries, and paid some NIS and paid some overdraft at the bank. So we want to thank the Ministry of Finance actually for helping us with that loan that is being serviced by the Ministry of Public Utilities.

Going forward, member and Mr. Chairman, and members, I am hoping from what I am seeing in the budget 2022, is that there will be a positive change to our receivables and we are looking forward for those payments.

Mr. Scotland: Chairman, my last question on this item, the loan received, is it an interest-bearing? Do you have to pay interest on it? And is there a concomitant interest added to the receivables? Because then you will have a dichotomy where you have to take a loan because you are in a deficit receivables position and you pay interest on that loan, but your receivables do not attract interest. Can anyone—

11.15 a.m.

Mr. Rattansingh: Very good question, member. The answer is that the loan does bear an interest but the matter is not for us to pay. This is a matter being serviced by the Ministries of Public Utilities and Finance; we do not pay that loan. It comes out straight from MPU so it does not affect us.

The second thing is receivables, unfortunately, in the Government circles you do not accrue interest on receivables. So that matter will not arise as long as it is in the frame of reference that it is right now in terms of payments.

Mr. Scotland: Chairman, through you, and this was an area for concern. I am told that there is an outstanding time frame relative to settling wage negotiations, and it goes back as far as eight years in some instances. And if I am to paraphrase, Mr. Rattansingh, in some instances you have persons who are below in the hierarchical structure because they have had their negotiations completed being paid more than their supervisors. Why has that situation been allowed? Chairman, through you, and I know this will be a concern for all of us, why has that situation been allowed to develop?

Mr. Chairman: Mr. Rattansingh.

Mr. Rattansingh: Thank you, Mr. Chairman. As the Committee may well know, state enterprises cannot conclude negotiations without the approval of the CPO. And so, what we would have done as a state enterprise, is we would have done our negotiations with our bodies, various bodies, and we would have submitted those findings and/or recommendations to the Ministry of Public Utilities. Ministry of Public Utilities, I am aware, that they would have transmitted that to the CPO. So the matter resides at the level of the CPO or somewhere else, but it does not reside in MTS. It is a matter that is external to us, it is exogenous to us, and we really await some ruling on this matter.

Mr. Scotland: Well, Chairman, through you, and I will ask maybe Mrs. Hosein or Mrs. Elahie, or even the people in finance, or even the Chair, that cannot bode well for good industrial relations practices. It simply cannot, because what you have is not a heuristic anomaly, but you have a real

anomaly in your organization, where due to the lack of some process. And the process of collective bargaining, Chairman, in your other incarnation, we know, is by no means novel to MTS, why have we not, I mean, why has it not been pursued as an urgent concern, so that you can level your playing field in your organization, and everyone can feel that they are being treated fairly?

Mr. Chairman: Yes. Who would like to respond?

Ms. Duke: Chairman, if I may?

Mr. Chairman: Thank you.

Ms. Duke: Member, I share your angst and I would not say that MTS has not treated this matter as an urgent concern. MTS, like other agencies are charged with following the process, and matters such as these are channeled through the CPO's office and must make their way onto an agenda for the committee that deals with the remuneration packages for persons employed in state agencies.

So as Mr. Rattansingh would have said, all the relevant documents from MTS as well as the bargaining unit trade unions would have been submitted to the Ministry of Public Utilities. The Ministry of Public Utilities has conveyed these to the office of the CPO, and it lies now for the CPO to complete its analysis, and for the matter to make its way onto the agenda of the Human Resource Advisory Committee, which deals with these remuneration matters.

So MTS has been, you know, very efficient in terms of identifying the importance and the urgency of this matter and we feel that in due course, this matter will make its way onto the agenda and be appropriately dealt with. Thank you.

Mr. Scotland: Chairman, hopefully my final area of enquiry until my other members make their rounds. Does MTS have the—I see that you are expanding into project management services. Does MTS have a policy whereby in your recruiting process you hire persons, of course qualified, but from specific areas where projects are going to be implemented? Or do you have a policy whereby you would assist of course, bearing in mind the prerequisites, that you will assist persons who are less fortunate in having a live chance to have a career in janitorial services or even in services of security, once of course, all criteria are met. Do you have such a policy? Can I direct that to either Mrs. Lazarus, or the Chairman, or Mr. Rattansingh please?

Mr. Chairman: Sure.

Mr. Rattansingh: Thank you very much, member. I am not sure if we have a policy to say we are going to hire persons in certain areas. What we do, we have a policy of hiring all persons in Trinidad and Tobago. So we hire nationals.

Mr. Scotland: Right.

Mr. Rattansingh: We do not hire non-nationals. That is the first policy that we have. Second policy that we have, in fact, our organization, we hire mostly persons who are in need, that are in depressed areas. I can safely say more than 60 to 70 per cent of our employees come from areas that are very challenged, and we do try to hire persons from the surrounding areas where we have our contracts with schools or Ministries as far as we can. So we will treat with vested interest in the community.

I must say, we did change our policy within the last decade in terms of hiring more women in the Security Division, and that has now put a ratio where we have almost maybe more women than men in the Security Division, because there are a lot single mothers in the country. And Member, you would know in your own constituency in Port of Spain South, there are a lot of persons who would apply for work. There are some depressed areas and some areas for concern, and we do reach out and we try to assist throughout Trinidad and Tobago.

And I want say, over the years, member, we have employed nearly 30,000 persons in Trinidad and Tobago. Presently, our workforce is 6,640 and we have been hiring persons in those areas. And that is why when we started project management, I made it clear that no project will be started here without funding being available. So one of the criteria with various Ministries we have project management services, we ensure we get the fundings up front for those projects, or at least know where it is coming from, in which Vote from the Ministries.

And the reason for that is that we have to find 37 to \$38 million a month to pay salaries to people who probably would have already spent their last salaries the fortnight before. Because these people are very, very on the low end of the spectrums of salaries and therefore your question is taken from the point of view that we have addressed this situation. And this is another role that MTS plays in national development and nation building in treating with these depressed areas in Trinidad and Tobago.

Mr. Scotland: Chairman, I am very heartened to receive that response from Mr. Rattansingh. Chairman, I would give way to my fellow members and if there is any time left I will crave your indulgence if there are any issues that I would need to prosecute. Thank you very much, Chairman.

Mr. Chairman: Yeah. Thank you very much. I will now invite Mrs. Lezama-Lee Singh to take the floor at this time.

Mrs. Lezama-Lee Sing: Thank you very kindly, Chairman. And once again, it is very good to have MTS here, and I am quite satisfied so far with the progress that we have been hearing from MTS. I am particularly pleased to hear about the soon to be, or seeming, or apparent, change in the receipt of payment of moneys due to you, because I was concerned that perhaps MTS was not able to keep up

with its payments for NIS and VAT and whatever other debts that would incur naturally because you are a business organization.

I am happy to hear about the \$100 million in paying of the retirees or starting to pay the retirees, I think that is something that must be complimented and I am really pleased about that turn around. What I want to know please, is do you have a figure perhaps of what you have actually collected since the last time we met with you, to the CEO perhaps?

Mr. Rattansingh: Thank you very much, member. Since the last time we met, we would have collected, I have it here but I did not submit—we would have collected about \$2.2 billion collection.

Mrs. Lezama-Lee Sing: Okay. So you were last here about a year ago?

Mr. Rattansingh: We met in 2017 with this Committee.

Mrs. Lezama-Lee Sing: 2017?

Mr. Rattansingh: With this Committee, this is the PA(E)C, and I think you are referring to when we met with the JSC last year.

Mrs. Lezama-Lee Sing: The other one, yes, yes, yes. So, over the past four years, you have been able to collect just about—past five or six years you have been able to collect just about \$2 billion?

Mr. Rattansingh: Above \$2 billion.

Mrs. Lezama-Lee Sing: [*Inaudible*—significantly in so far as being able to manage your own finances, yes? My question follows now please with the project management services. I know that member Scotland would have asked some questions about that. But in so far as the project management services go, can you please give me some information about that please? About who your new clients are and how that goes? I know we had some brief discussions around it but if you can, I would be grateful.

Mr. Rattansingh: So thank you very much, member. In 2017 when we met, we only had two clients at the time which were Ministry of Community Development, and NALIS, I believe. And we had on our strategic plan that we were going vigorously searching after project management. Since then to now, I am pleased to report, as I said earlier in the statement; we now have the Ministry of Education School Repair Programme. And I daresay, 2018 when we started no school was closed because of construction issues, 2019, 2020, 2021. We worked through even the COVID, we got special permission to work and have all those schools repaired. So that is the first project we have for project management.

Secondly, we have a project under the Ministry of Finance, which is the client, or who is the client and the user will be Education. And that would have been some schools that were supposed to be

completed. Those are some priority schools and we started doing some of them. We finished actually about 12, and we are on a second phase doing another seven, and there is a third phase to do another three or four. That is for the Ministry of Finance. That project, the first phase was approximately \$400 million. The second phase is \$269 million for the Ministry of Finance. And that is to do school—not school repair, but to complete school buildings that were not completed previously.

The third client that we got was the Ministry of Public Utilities. They have been using us to do some work at the Doppler Radar Station Meteorological Office, and under that Ministry, also we have TTPost. We have just got into a memorandum of understanding with them to repair, refurbish, and restore, some legacy postal offices throughout the country. We have about 12/13 of them we are doing some costing on at the present time.

The third Ministry is the Ministry of Youth Development and National Service where the Cabinet would have approved for us to do some youth camps. We have already started some, Chatham, Persto Praesto, St. Michaels, and we are doing the Ste. Madeleine Boys Male Transition Home. We are doing Los Bajos, and we are doing Laventille, El Dorado, and the MiLAT one in Mausica. Those some projects that we are working on right now. There are some more on the drawing board with the Ministry of Youth Development and National Service.

The fourth or fifth client is the Ministry of digitalization. So we have been awarded a contract by the Ministry of digitalization to refurbish some community centres or access centres to equip them for digitalization purposes. I believe it is quite a large number; value is about 30 to \$40million in work to be done with that Ministry.

The fifth or sixth Ministry, I am losing track, because it is a lot of Ministries, TTPost, I think I mentioned. Public Administration is another client on the block. We have been given some work and we are being courted for some more work for the Siparia Administrative Complex, the Tunapuna Administrative Complex, some buildings in Oxford Street in Port of Spain, and so soon to be a Point Fortin Administrative Complex. So those are some of our key clients. We continue to do some work with NALIS.

We also have the Office of the Prime Minister where we were awarded a contract to move the office of communication to that—from Morvant down to the Office of the Prime Minister in Port of Spain. I think by and large those are most of our—and those are most of our clients so far.

So we have been very successful, member, in stretching and dealing with the works in that Division. And I daresay, we have been coping well, and we have been producing the quality of the work, and the timeliness of the work, within budget, and within the time frame. In fact, in many cases we have

been coming in below the budget in these projects.

Mrs. Lezama-Lee Sing: Thanks very much, Mr. CEO. I am really impressed to see the turnaround and to see the work that you have been doing. I like how you ended with the quality of your work and your time frame. Clearly, you are in great demand now so that is good to hear about the pivoting. Particularly, let me compliment you on both working towards the preserving of the built heritage of the country, which would be the historical post offices, as well as the future of the country, which would be the access centres through Ministry of Digital Transformation.

So coming out of all of this work that you have here, you have listed one, two, three, four, five, six, at least seven Ministries who are your clients, are you sufficiently resourced to do—I know you have said that you have been doing everything within time and within budget, but is there any further resource that you think that MTS needs or is lacking to be perhaps more efficient? Because clearly your demand may increase in the coming years if you continue with this level of performance and efficiency.

Mr. Rattansingh: So thank you, member. That is a very good question. So, we started off the Division with about 14 or 15 persons. The Division has now grown to about 25. We have a head of the department, we have several engineers on board, we have several project assistants on board, we have a project accountant assigned to that Division, and we have several consultants, external to MTS that are used to do the QSing work, the structural engineering work, the architectural work, and the MEP works with those projects.

We just this week—well, a couple of weeks ago we had put an add out and we just this week, we interviewed for more engineers, and more project assistants, and we tried to hire those persons based on a contract basis. So when these works come to the completion and those contracts will also come to an end, those employment contracts.

So we are resourcing ourselves as we go forward. MTS has a good structure and a good base in terms of our Finance Division, and we have actually moved forward in making payments online. So we pay all our contractors online. So we are actually digitalizing MTS from a perspective of online banking. And we are working with our consultants, our engineers, and our team, and our clients in a timely basis. So far, we are coping, and if we continue to get more work of course, we will resource ourselves a little more.

Mrs. Lezama-Lee Sing: Thank you. And my final question, or rather let me just make a quick comment because I want to apologize because I did mix you up with my JSC meeting with the state enterprises when I asked if I saw you six months ago, but that was a different committee meeting. But my final question now is, that in your strategic plan for 2022 to 2026, I suspect that you have now

kicked that completely into action in taking you forward over the next few years.

I know that you had mentioned perhaps looking for non-state sector and private entities to be your clients, is that still a plan. Is that still in train? And if so, what is the status? If not, what was the reason?

Mr. Rattansingh: So thank you again, member. So we would have completed our last strategic plan and we updated last year, a pretty good document, “Strategic Plan 2022 to 2026”. And in fact, we have an implementation plan also attached to it, and we will be presenting for the first quarter to our next board meeting, which is in the next couple of weeks as to the progress of this plan. The plan mainly has three main objectives, maintaining quality and trust. That is the first objective. And under that objective, the initiatives will be cash flow management, quality service and profitability performance targets, and security in mission critical facilities in crisis or emergency.

The second is building on strengths, which will be new services and clients—and that is where your question is, and engineering and project management. So the second objective under building on our strengths, because our largest strength would be our employees and our strength even larger than that actually also. Our largest strength really is our brand equity. The brand called MTS is a good brand, and 43 years of history, good branding and we intend to use that brand. Especially collecting moneys only from the Government sector is a bit challenging; we have decided to look into the private sector. So the strategic plan is geared to looking at new products, new markets, and seeing whether or not we could penetrate the private sector, because our model presently cannot penetrate the private sector given the process of our employment and the way we are unionized. If we have to enter the private sector, we have to enter into some part of the product life cycle that is unique and different than what we are doing right now.

So, for example, we are setting up an R&D section. In fact, we already started the research because the research will form part of the private sector development. And we are going to research the following products and markets: event security for high profile clients; individual estate and corporate threat assessments; close protection security; elite facilities and maintenance services; elite commercial estate and home maintenance; landscaping services for office buildings and private sector building. Those are going to be some of the areas we are looking to move forward. Building on our strengths of security, of janitorial maintenance, of property management, of landscaping, and our knowledge of our clients and the country. But we are going to do the research and we are going to enter into the market at a point where it makes sense for MTS to enter into the market.

Mrs. Lezama-Lee Sing: Thank you very kindly. Chairman, that ends this round of questioning on

my behalf. Thank you so much.

Mr. Chairman: Okay, thank you so very much. May I invite member Amrita Deonarine. You have to unmute, member.

Ms. Deonarine: My apologies. Thank you so much, Chairman. At this point, I want to revert to the whole issue of the accounts receivables. And in your submission, I saw that you all mentioned that you were able to secure a written agreement to remit moneys on a monthly basis to MTS in order to reduce the large arrears and that is with the Housing Development Corporation, a written agreement. Can you explain or elaborate whether such—how this agreement has been working for you so far in terms of reducing the level of arrears with the HDC? Because I saw that in your submissions for June 2022, the outstanding amount owed by HDC was around \$11 million. However, when you mentioned figures earlier today in your introduction, I heard \$14 million. So could you elaborate on how this written agreement to pay on a monthly basis with the HDC has been working?

Mr. Rattansingh: Thank you very much, member. That is an interesting question, and I was hoping that question was not going to be asked. But coming out in 2017 when we last met with this Committee, we decided to try some other mechanisms, and one of them was to go vigorously behind some state agencies and get into some agreements. So the HDC entered into an agreement with us and the agreement was to pay \$500,000 monthly. When we entered into that agreement, we were about \$10.8 million in receivables. Today, we are at \$14 million in receivables.

The answer to your question is that the agreement did not work. And it was not adhered to, and we have been speaking with the HDC. We have been speaking to everyone in the HDC about this, and this is a matter that concerns us deeply, because we felt if is one thing that would have happened with this agreement that payments would have come, at least the agreement would have been followed. It was not followed on this occasion.

Ms. Deonarine: Okay. So, then with that being said, prior to securing this agreement with the HDC, were you all able to secure any other written agreements with any other debtors?

Mr. Rattansingh: No, we did not pursue many of the state agency—not the state agencies, we did not peruse many Ministries. We have very few state agencies. So a state agency easier to do this. But the Ministries, when we chatted with Ministries with respect to this agreement, it was difficulty for a Ministry to sign off on an agreement because their funding comes from a release and they are not as sure when the release is going to happen so they did not want to commit on a monthly figure to us. So they did not sign off with us. So that is why we were happy when we got the HDC, at least one of the state agencies to sign off, but it did not happen at the end of the day.

Ms. Deonarine: Okay. So then in terms of your lesson learned from this failed attempt of having a written agreement, what would you say you would do to improve or to change trying to have the state enterprise, or the HDC, or any other Ministry, abide by such written agreement? Because with a written agreement, if I understand correctly, it is now legally binding.

Mr. Rattansingh: Right. But I cannot take another state agency to court, neither can I take a Ministry to court based on the state monitoring manual. So we have all of these heuristic devices, and it sounds good, and it looks well on paper. But the reality is, I cannot use anything else but suasion to collect my money. Now, we would have tried everything under the sun to collect our moneys. We are seeing a little turnaround now and we are happy for it, but to hold any Ministry to say, okay, if you do not pay, the only threat I can make is to terminate my services. And that also has to be done responsibly especially if the client is one that is very critical to national service in the country.

So I cannot not really take a Ministry to court or a state agency to court and the most I may do is advance it. I think what we can do, the next thing I intend to do with these documents is advance it to our line Ministry and the Ministry of Finance, for they to be involved in this process.

Ms. Deonarine: All right. Okay. So I understand your position. But I wanted to revisit this because while I understand the policy perspective from the Ministry of Finance under the State Enterprises Performance Monitoring Manual, it is a guideline tool and it is not legally binding. In the sense that your responsibility as part of the board of directors of MTS, you all are legally liable to the company and seeking the interest of the company. That is the utmost priority of the MTS.

Now, I am not encouraging that you go and, you know, pursue legal matters or go against any sort of relationship that you all would have built with the Ministry of Finance, and Ministry of Public Utilities, but I want to clearly understand that we are all adults in this room and we understand that you all as members of the board and the directors, are legally liable to the company, and if anything is to go wrong you are the ones who will be liable.

11.45 a.m.

Mr. Rattansingh: Noted member, we will seek guidance on the matter. Noted.

Ms. Deonarine: I just want to move on to, there was another part of your submission, you all mentioned that you would give a breakdown of the equity, the non-current liabilities and the current liabilities, and the current liabilities to date is \$1.09 billion. And you all said that these liabilities included the loan on behalf of EFCL and amounts owed to EFCL contractors, could you elaborate on that please?

Mr. Ferguson: Thank you for the question, member. Right now, the total loans outstanding on

MTS is approximately \$1.5 billion. Of that amount \$269 million was a loan taken from NCB Global Finance to construct and outfit the priority schools; \$400 million was from NCB Global Finance to payment of EFCL contractors. This was for work done by EFCL contractors. The payments were passed through MTS to pay those contractors. There is another loan for \$400 million from FCB. That is to construct and outfit the priority schools. There is another loan for \$200 million for NCB Global Finance, that is for the school repair programme. And there was a final loan for \$300 million from Republic Bank that was to assist with the operations to MTS and to pay some NIS. So that is the current status of the loans.

Ms. Deonarine: Right. And all of these loans were paid by the Ministry of Finance, correct?

Mr. Ferguson: Yes, all these loans have been guaranteed by the Government of Trinidad and Tobago, and they are financed by the Ministry of Finance.

Ms. Deonarine: Okay. So I understand that three of these loans were taken for either school construction or school repairs, but the amount of \$400 million that was taken to repay contractors of EFCL, could you explain why exactly this loan had to pass through the MTS?

Mr. Rattansingh: Thank you member, I would ask the Corporate Secretary to address this.

Ms. Elahie: At the time that the loan was being taken EFCL was not in a position to take the loan, and so the Government asked MTS to facilitate the payments to contractors. The list of names of contractors to be paid came from the Ministry of Finance. The payments to be made were authorised by the Minister of Finance, and we would just use as a facilitation to pay the contractors. The bank that the loan was given to, FCB, they would have received instructions from the Ministry of Finance as well with the list of contractors and the amounts to pay, and they would have cut the cheques. So MTS just facilitated the payments to the contractors.

Ms. Deonarine: Okay, thank you. Ministry of Finance is this a common practice that is adopted throughout, with state enterprises and statutory bodies?

Mr. Maharaj: Member, thank you again. It is not a common practice, but because EFCL had some matters in court and their bank accounts were garnished they could not have accepted payments or made payments from their bank account, therefore the Ministry utilised MTS to facilitate that process to pay the EFCL contractors that had outstanding bills and so on.

Ms. Deonarine: Wait, so I am trying to understand why MTS and why not the Ministry of Education, for example?

Mr. Maharaj: Well, I think MTS could answer that. Because it is a loan it has to be a legal entity or a company and therefore the relationship is between a bank and a company hence the reason why

MTS was used. Ministries do not really have loans on their name, so MTS was utilised as part of that process as the legal entity.

Ms. Deonarine: Right, okay. So thanks for that explanation. So, MTS, the members of the board, everyone on the board would have had to sign off on this loan in the sense that, agree to have this loan passed through MTS to pay the contractors of EFCL. Is it a matter of you all had to reach an agreement with the Ministry of Finance or just were told to do it and did it?

Mr. Chairman: Hello, who will answer that, Ms. Lazarus or Ms. Elahie?

Ms. Elahie: Yes member, the Ministry of Finance would have instructed MTS that this loan was going to be taken and that it was procured to FCB bank. We were just instructed.

Ms. Deonarine: Okay. Thank you very much, Mr. Chair, I would pause for now.

Mr. Chairman: May I just follow up? Is it possible that the Committee could be provided with the list of contractors who would have had their outstanding liabilities or payments owed to them by EFCL completed or at least satisfied? Is it possible that we can receive that—well, in fact, let me just recast this question: How many contractors were involved? May I ask the Corporate Secretary?

Mr. Rattansingh: Yes, Mr. Chairman, let me proffer that answer. So, MTS was not involved in selecting the contractors from EFCL. A list was provided, and my understanding that list was to service a \$400 million loan. There was much more money outstanding. We could provide you, Mr. Chairman with the list of those contractors that were paid to cover that \$400 million, that list that was given to us.

Mr. Chairman: Now, may I also clarify here, [*Inaudible*]—that is with the FCB loan. You mentioned NCB Global Financial, was a similar kind of arrangement as we had with the FCB loan to pay off contractors, can you clarify?

Mr. Rattansingh: Yes, Mr. Chairman. The first loan that we got in 2019, that was \$400 million from FCB to pay off EFCL contractors. The remaining loans that we have on our books are to execute new works. So that second loan really was to start up the priority schools. So those were the loans that we started to do schools that were not completed in the past, so that \$400 million was to start that project. And that loan came from the Ministry of Finance, they are the brokers of that loan, and they are also our client for that particular project.

Mr. Chairman: And could you advise Mr. Rattansingh as it relates to the FCB \$400 million loan for paying off outstanding debts to contractors formerly employed by the EFCL? Can you indicate to this Committee how was this executed in terms of the arrangement? For example, could you advise whether a discount method would have been applied in this regard? For example, if I am a contractor

and I am being owed let us say \$25 million for works I executed on behalf of EFCL, in order to satisfy, my \$25 million contractual agreement obligation, would that have been arranged via a discount? Meaning that instead of taking \$25 million I would have taken let us say, 20 in order to satisfy my arrangement?

Ms. Elahie: Yes, Chairman. We are not aware of what was used to calculate the amounts that were given to the contractors. We were just provided with the name of the contractors, the project and the amount to be paid. We had nothing to do with the decision-making regarding the contractors to be paid nor the amounts to be paid.

Mr. Chairman: All right. Okay, we will come back to that on another occasion. Let me just move on to another matter and this has to do with the statement we got earlier from MTS, that they have satisfied their requirements in accordance with the State Enterprise Monitoring Manual to submit their accounts, that is financial audited accounts and statements to the line Ministry, Ministry of Finance, corporation sole, as well as the Securities and Exchange Commission. Can I ask the Ministry of Public Utilities, upon receiving those financial audited statements for the years 2018/'19, up to 2021, with 2022 to come in very shortly, can you indicate to us, were those accounts, financial audited accounts upon being received, how long did it take the Public Utilities Ministry to have those things submitted to corporation sole, or did you submit those accounts to corporation sole, Ministry of Finance that is?

Ms. Duke: Chairman, those documents would have been submitted simultaneously to the Ministry of Finance. So upon our receipt of those documents from MTS we would normally do an analysis here at the Ministry and we would provide our principal Ministry and/or Minister with an analysis of those documents. But those documents are submitted simultaneously to the Ministry of Finance, and it is in fact the Ministry of Finance that then deals with the audited report in terms of taking them to Cabinet for review and consideration. I do not know if that Ministry would want to add anything at your discretion, Chair.

Mr. Chairman: Well, thank you so very much. May I ask the Ministry of Finance, Investments Division, what is the status of those financial audited accounts that would have been submitted to you, that is the Ministry of Finance? Can you advise?

Mr. Maharaj: Thank you, Chair. From 2018 to present excluding 2022 those accounts were submitted to us. We analysed those financial statements. We held annual general meetings and subsequently those accounts were submitted to Parliament. For 2021, we got those accounts a couple of months ago, and only recently we got a request to hold the AGM for the financial year 2021, December 31, 2021. So that AGM will take place within the next week or so. For 2022, those accounts

are still being audited and soon we will receive those from MTS. But to go back to the question, is that once we receive the accounts we do an analysis, have the AGM, and subsequently it goes to Parliament.

Mr. Chairman: Can you advise this Committee when those accounts, financial audited accounts and statements for 2019, 2020 and 2021 were sent to the Parliament?

Mr. Maharaj: Chairman, thank you again. I do not have the dates in front of me but I will be willing to put that in writing if that is not a problem with the Committee?

Mr. Chairman: Yes, we would certainly would welcome those statements. Because as far as we are aware on our end, that is the Public Accounts (Enterprises) Committee, the last financial audited report we have received in the Parliament is dated 2018, so we have not received any audited financial accounts for '19, '20, '21, and as I said '22, based on what we were advised is now in transition. So I do not know where and when the Ministry of Finance would have routed these audited accounts. So I would look forward receiving in writing almost post haste from the Ministry of Finance when those accounts, the dates they were sent, because we are yet to have access to those accounts. Now, Ministry of Finance, Investments Division we look forward to receiving your correspondence with some degree of urgency. Okay? Mr. Rushton Paray, you would like to raise an issue?

Mr. Paray: Yes, Mr. Chairman. Mr. Chairman, to close off my end of questioning I have two questions and a comment. Mr. Rattansingh, in terms of the EFCL debt, is there still a portion of it outstanding to pay out to those EFCL contractors that would have been transferred to your accounts?

Mr. Rattansingh: Thank you, member. The part that was given to us to pay, all \$400 million was paid, so as I am aware. Whether there are other persons being owed by EFCL I am not aware of that information.

Mr. Paray: That value is not on your books at this time?

Mr. Rattansingh: No, no, no. There is nothing from the EFCL on our books.

Mr. Paray: Okay. All right. And I have a question for the Corporate, the legal secretary there. I just wanted to find out if MTS has any pending legal matters, either as plaintiffs or defendants in the court system for any matters in terms of employees, in terms of any other issues? Does MTS have matters before the courts right now? And if they do, give us an indication of, probably in writing what some of those matters would have been like, and if MTS would have had to pay cost over the last couple years, probably about three or four years, what would those values have been in terms of understanding MTS's legal systems in terms of how you are interacting in the courts based on any issues that would have popped up over the last couple years?

Ms. Elahie: Sure. Yes, thank you, member, for the question. We will submit to the Committee in writing the list of litigation matters. We do have litigation matters before the court. They are by and large employees who may have been injured on the job and would have then taken the company to court for damages. We can send the listing of our litigation matters and the progress with those matters to you.

Mr. Paray: Okay, thank you. And Mr. Rattansingh Just to close off, I have listened to several state enterprises come before this Committee and talked about, you know, their plans and so on, and I want to commend you. I mean, you spoke to member Lezama in terms of your broad scope, and I do not know if you have more latitude that many of those other state enterprises, but clearly I like what I am hearing in terms of where you want to take MTS in terms of being more competitive, being less reliant on the State, and, you know going out there into the private sector where we ought to be looking at in terms of dropping the reliance on the State as well. So I want to commend you and your team, and I suspect you have a good team that is going to work with that.

Mr. Rattansingh: Thank you, member.

Mr. Paray: I also want to highlight something said as well in terms of your focus and the work that you do, especially in rural communities. I mean, I mentioned about Mayaro as well, but the fact that you are hiring a lot of women in terms of some of these activities, and I want to commend you for that as well. Because in my respectful view, the more women that we put to work, especially the single mothers and so on, you know, we empower women, and we are in a society and we could have seen for the last, I think the last two weeks you could have seen incidents in the public space where women were the victims of abuse and so on. I mean, one early as even yesterday. And I feel when we put women to work especially in organizations like yours that has a good system and structure, I think we empower them for one.

And when we empower them they become more empowered in the household in terms of disciplining children and so on. We have such a huge issue with youth indiscipline, and I think the more women we put into the world of work, I think that is going to help curtail a bit of that indiscipline as well, and obviously when you empower women in the relationship in the home, I think the men and the gentlemen in the home tend to look at them a little different.

So, Mr. Chairman, if this is not policy of MTS in terms of probably a proportionate amount of women that they must be mandated to hire, I think it is a good recommendation that we can recommend when we are writing this report. Because I see MTS playing a crucial role in terms of this social fabric with our women as well. So that is something I want to commend you for, and it is something that I

am trying to highlight, even at the municipal corporation level in terms of its work programme to see how many women that they can bring on board as well in terms of a structured percentage, so we can accomplish and deal with those issues of youth indiscipline, you know the violence in the home and so on.

I want to commend you with that and, you know, I look forward to MTS growing stronger, because, I mean, I am talking about the work that I see that you do here in the Mayaro constituency in our schools, and I think, you know, your team must be commended for that. So that is it for me, Mr. Chairman. Thank you.

Mr. Rattansingh: Thank you very much member.

Mr. Chairman: Yeah. I just want to indicate to Mr. Scotland, I was looking at the limitation of certain actions, Act, Chap. 7:09, and under section 3 subsection (a)(1) or (1)(a) and (2) as well—yeah, (1) and (2), I think there are in fact provisions through our consideration as a Committee. So at the appropriate time I am sure when we are dealing with recommendations we can look that, or those particular sections. I just wanted to ask MTS again, when it comes to the construction of schools and the maintenance of schools, the funding for the construction of same would come through the Ministry of Education, or would it be the Ministry of Finance, and in that regard, if it comes through the Ministry of Finance would MTS be instructed by the Ministry of Finance to access a loan, or to sign off the loan with X financial institution or Y financial institution? Is that how it works, just for my own edification?

Mr. Rattansingh: Yes, it is a good question, Mr. Chairman, so there are three methods of funding: The first method education uses will be the IDF. So contracts to—we enter into a contract with Ministry of Education to do school repairs and they would utilise the idea. So they would give us approval to proceed to do some construction, roof repair in Mayaro secondary. That funding some of it would come from the IDF. So we would then submit an invoice to the Ministry of Education, and that would be submitted to the Ministry of Finance, and that will come through the IDF.

The second method of funding would be loans really. So the Ministry of Education has a loan for \$200 million to deal with school repair, so some of those moneys will be instructed through Ministry of Education and the Ministry of Finance. So what happens is that when the work is completed we invoice the Ministry of Education, the Ministry of Education then would send it to the Ministry of Finance, the Ministry of Finance will then review it and then in writing instruct me to access the bank account to pay those—for those contractors.

The third mechanism is directly with the Ministry of Finance. The Ministry of Finance would have

procured some loans for the high priority schools, the priority schools, and those are directly sent to the Ministry of Finance, not through Education, and Ministry of Finance would review it, and then instruct me in writing to access the loan to pay the contractors. So that is the mechanism that is used, Mr. Chairman.

Mr. Chairman: Now, in case of FCB we know about the \$400 million loan, but you mentioned another financial house call NCB Global Finance. Can you advise this Committee what the total loan that you have entered into with this particular financial institution or body is?

Mr. Rattansingh: Right. So, Mr. Chairman, MTS would enter into these loan agreements, but MTS would not procure these facilities. It is done by the Ministry of Finance and the Ministry of Finance would procure, and then we would enter into new arrangements. So there are three loans with NCB, the first is \$200 million for school repair, second is payment to EFCL contractors of 400, so that is 600. So that is a bond, actually. And the third loan is \$269 million for the priority schools. So we are talking about \$469 million in loans, and a \$400 million bond with NCB.

Mr. Chairman: Oh, the \$400 million bond was with FCB?

Mr. Rattansingh: So the loan was with NCB—with FCB and then it went into—it was refinanced by NCB with a bond.

Mr. Chairman: Yes, and that is the same loan to address payment to EFCL?

Mr. Rattansingh: EFCL contractors, yes. Yes, Mr. Chairman.

Mr. Chairman: All right. Are there any final questions my colleagues would like to raise?

Mrs. Lezama-Lee Singh: Yes, Chair, I would like to just ask one question please, if that is all right?

Mr. Chairman: Yes.

Mrs. Lezama-Lee Singh: First of all I want to place on record it was fortunate just speaking after Mr. Paray, and I want to endorse his last sentiments expressing congratulations to MTS in the way it is conducting its business and the way that it has transformed the organization, and the trail blazing lead that it is setting for other state enterprises to follow. So I really want to congratulate the CEO and the chairman of the board, and all members of staff who are really taking MTS forward. And perhaps this would be a really good best practice, once, of course, you are able to collect your outstanding payments naturally.

Mr. Rattansingh: Thank you, member.

Mrs. Lezama-Lee Singh: I just have one question to ask, I know coming out of your last visit with the PA(E)C there was discussion about whistle-blowing policy, and can I just ask if there has been any finality or any progress with the implementation of a whistle-blowing policy? Thank you.

Mr. Rattansingh: Thank you very much, member. We are pleased to report that we have a whistle-blowing policy. It has been approved by the board of directors, and it is being implemented.

Mrs. Lezama-Lee Singh: Can I just ask when that—from since when that has been taking place, or that was implemented, rather?

Mr. Rattansingh: It was approved sometime last year. The ending of last year with the board.

Mrs. Lezama-Lee Singh: Wonderful, thank you kindly.

Mr. Chairman: Anyone else would like to raise a final question. Ms. Deonarine.

Ms. Deonarine: Yes, Mr. Chairman, I have one final question to MTS. Mr. Rattansingh, when you gave your introduction statements you identified five challenges that the MTS faces, and the last one you mentioned was with respect to the private security Bill, and you told us that you would elaborate on it further. Are you in a position to do so now?

Mr. Rattansingh: Member, thank you so much for bringing that up again, because I really wanted to speak about it. I will ask the Corporate Secretary to speak on it in a little while. Our position is that MTS should not be under the private security Bill because it is going to be onerous on us, because most of the things that are being asked of the Bill we are already reporting to our line Ministry or Ministry of Finance; having our audited accounts, reporting to the Parliament. We are already doing a number of things. But the most important thing is that we are handling certain mission critical buildings that are important for us remaining independent and not under that Bill. We have done a document, sent it to MPU, and we have sent it to the Ministry of National Security, stating our case, and we actually met with the Minister of National Security, and the colleagues from the CPC, to go forward as to whether we should go forward and what is our position on this matter. So if you permit me, member, I would ask the Corporate Secretary to elaborate.

Mr. Chairman: Sure, Corporate Secretary.

Ms. Elahie: Yes. So as CEO would have mentioned, we have put our position forward to our line Ministry, to the Minister of National Security, and we would have had a meeting in September last year regarding that, and our concerns with the recent draft. In the initial draft in the legislation MTS was not included in the legislation. In fact we remained under the Supplemental Police Act, which is what our position has maintained. Since then, the draft has had some amendments and we have been included in the most recent draft, and we have expressed our concerns with that.

Since our meeting with the Minister of National Security in September last year we have consolidated our issues and we have put forward a case for why we think MTS should not be included, some of which CEO would have mentioned, and we go back to the genesis for the legislation. At the end of

the day, this legislation is to regulate an unregulated industry, unregulated private security companies, which MTS does not belong. And yes it is a regulated company, we are not private, we are a state enterprise, and it is heavily regulated and monitored by different arms of the State, including the Parliament, and none of our competitors experienced this kind of regulation or monitoring. It is a wild, wild west of security companies out there, but it is an industry that needs regulating given the power that they have as an almost private army, the number of security officers that are private security officers quite out numbers what the State security forces would number. And so it has been recognized worldwide that the industry needs to be regulated, and we are for that. We think the industry needs to be regulated, but we also agree that MTS should not be under that legislation, because as the CEO would have said, it does not serve the purpose of the State for the work that MTS does with the State.

12.15 p.m.

Ms. Deonarine: Okay, thank you so much for that. Mr. Chair, could I ask that they submit to us in writing that justification for their case because as I understand it, it is one of the challenges going forward that the MTS would face and also the Committee should take it into consideration?

Mr. Chairman: Yes, of course. May I ask Mr. Rattansingh or Ms. Lazarus if you can make available your submission as to why MTS is of the view that the current private security Bill ought not to have MTS included and if you can share with us your submission on that matter and any additional information as my colleague Amrita Deonarine has alluded to. We would really welcome your submission to this Committee on your concerns for being incorporated or inserted into this Private Security Industry Bill. So I look forward to receiving your submission on this matter. Mr. Rattansingh.

Mr. Rattansingh: Thank you, Mr. Chairman. We certainly will have that off to you in a jiffy.

Mr. Chairman: Thank you very much. Members, if there are no further questions or issues, I think that I would like to bring down the curtains at this time but in doing so, may I ask the officials from the Ministry of Finance Investments Division if you can submit as a matter of urgency, if it could be done today, we would welcome that submission of all your outstanding audited financial statements that you claim to have been submitted to our Parliament. If you can have those things submitted today or before the end of this week that is, your financial audited statements, balance sheets, profit and loss statements as audited for the period 2019, 2020 and 2021 and we do look forward to the submission of your audited financial statements for 2022 shortly. Okay?

So officials out of the Ministry of Finance Investments Division, please submit urgently again because we are yet to receive any of those financial audited accounts, please submit them urgently. If you can

do it by this evening, we will welcome them by tomorrow but latest, we would like you to submit all no later than Friday of this week.

Now, in closing therefore, I would like on behalf of the Public Accounts (Enterprises) Committee, to thank all our public officials out of the MTS, out of the Ministry of Finance Investments Division as well as officials out of the Ministry of Public Utilities, for being with us today. And we look forward to bringing back MTS shortly to address the financial audited statements 2019, 2020 and 2021 and soon, 2022 financial audited.

So you are now excused and we look forward to all of those officials returning shortly for another round of enquiry as it relates to your outstanding audited financial statements. So thank you so very much, members of those three agencies and you are now excused. Thank you so very much.

Mr. Rattansingh: Thank you very much, Chair.

Mr. Chairman: And members of our Committee, we ask you to stay back because we have another matter that we want to address. So thank you very much.

Meeting adjourned at 12.21 p.m.