

THIRTEENTH

REPORT
FROM

THE PUBLIC ACCOUNTS
COMMITTEE

EXAMINATION
OF

Examination of the Reports of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Public Transport Service Corporation (PTSC) for the Financial Years 2014 to 2018 and follow up on the implementation of the recommendations made in the Eighth PAC Report, 11th Parliament, on an Examination of the Report of the Auditor General on a Special Audit of the PTSC.

Public Accounts Committee

The Public Accounts Committee (PAC) established by the Constitution of the Republic of Trinidad and Tobago in accordance with Section 119(4) is mandated to consider and report to the House of Representatives on:

- (a) appropriation accounts of moneys expended out of sums granted by Parliament to meet the public expenditure of Trinidad and Tobago;*
- (b) such other accounts as may be referred to the Committee by the House of Representatives or as are authorized or required to be considered by the committee under any other enactment; and*
- (c) the report of the Auditor General on any such accounts.’*

Current membership

Mr. Davendranath Tancoo	Chairman
Ms. Jearlean John	Vice- Chairman
Mrs. Ayanna Webster-Roy	Member
Mr. Adrian Leonce	Member
Mrs. Paula Gopee-Scoon	Member
Mr. Roger Monroe	Member
Dr. Amery Browne ¹	Member
Mrs. Hazel Thompson-Ahye ²	Member

Committee Staff

The current staff members serving the Committee are:

Ms. Keiba Jacob	Secretary to the Committee
Ms. Hema Bhagaloo	Assistant Secretary to the Committee
Ms. Khisha Peterkin	Assistant Secretary to the Committee
Mr. Justin Jarrette	Senior Research Specialist
Ms. Celeste Reece	Procedural Officer Intern
Ms. Teneka Carrington	Parliamentary Researcher Intern
Ms. Natoya O’Neil	Administrative Assistant
Ms. Anesha James	Administrative Assistant

Publication

An electronic copy of this report can be found on the Parliament website:

<https://www.ttparliament.org/committees/show/public-accounts-committee-4/reports/>

Contacts

All correspondence should be addressed to:

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

¹ Dr. Amery Browne was appointed in lieu of Mr. Randall Mitchell with effect from January 12, 2021.

² Mrs. Hazel Thompson-Ahye was appointed in lieu of Ms. Charrise Seepersad with effect from October 24, 2023.

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Members of the Public Accounts Committee

TWELFTH PARLIAMENT, REPUBLIC OF TRINIDAD AND TOBAGO



Mr. Davendranath Tancoo
Chairman



Ms. Jearlean John
Vice- Chairman



Mrs. Ayanna Webster-Roy
Member



Mrs. Paula Gopee-Scoon
Member



Mr. Adrian Leonce
Member



Mr. Roger Monroe
Member



Dr. Amery Browne
Member



Mrs. Hazel Thompson-Ahye
Member

Executive Summary

The Public Accounts Committee (PAC) is the Parliamentary Financial Oversight Committee tasked with the responsibility of examining the Report of the Auditor General and Audited Accounts of Statutory Authorities and Bodies. The Committee presents its Fourteenth Report of the Twelfth Parliament which details its *examination of the Reports of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Public Transport Service Corporation (PTSC) for the Financial Years 2014 to 2018 and follow up on the implementation of the recommendations made in the Eighth PAC Report, 11th Parliament, on an Examination of the Report of the Auditor General on a Special Audit of the PTSC*, highlighting its findings.

During this inquiry, the following issues arose:

- Outstanding Audited Financial Statements
- The Auditor General's Adverse Opinion's on the PTSC's Financial Statements
- Public Engagement and Customer Satisfaction
- The PTSC's Strategic Plan
- The PTSC's Other Comprehensive Income
- The PTSC's compliance with the Public Procurement and Disposal of Public Property Act 2015
- Route Establishment
- Fraud and Internal Controls
- The PTSC's Organisational Transformation
- The PTSC's Bus Fleet
- The Oversight of PTSC.

Based on the Committee's examination, the following observations were made:

- i. The Committee acknowledges the PTSC's efforts in submitting its financial statements to the AGD as well as its improved willingness to supply pertinent documents and justifications;*
- ii. While the Committee was quite concerned at the Adverse Opinions issued by the Auditor General, it was at least reassuring to note the Auditor General's explanation that "audit risk was and is expected to be considerably reduced going forward" as a result of PTSC's improved efforts to provide documentation required for the audit of its financial statements.*

- iii. *The committee notes the PTSC's continued efforts to digitise its customer interactions as well as the Corporation's initiatives towards becoming a customer centric organisation.*

Based on the Committee's examination the following recommendations were proposed:

- i. *The PTSC should submit to Parliament by January 29, 2024 a breakdown of the challenges experienced in achieving the desired customer satisfaction rating, as well as the measures implemented to overcome those challenges;*
- ii. *The PTSC should provide to Parliament by January 29, 2024 the metrics used to ensure that goals set aligned with customer satisfaction were achievable as well as on track to be completed within the time period of the 2021 to 2023 strategic plan;*
- iii. *The PTSC should provide a breakdown of customer oriented elements to be included in the Intelligent Public Transportation System to Parliament and the expected implementation date for the System by January 29, 2024; and*
- iv. *The PTSC should report to Parliament by January 29, 2024 on the ways in which the PTSC intends to utilise data to enable individualised consumer experiences and better business decisions.*
- v. *The PTSC should report to Parliament by January 29, 2024 on the following:*
 - (a) *its plans for implementing the remaining 17% of its 2021 to 2023 strategic plan;*
 - (b) *a breakdown of the 36% of its 2021-2023 strategic initiatives for which implementation was ongoing, detailing the specific stages of advancement and the timeline for completion; and*
 - (c) *whether any unfinished strategic plan initiatives from the Corporation's 2021–2023 plan will be carried over to its forthcoming 2024–2026 Strategic Plan.*
- v. *The PTSC should request a meeting to be held with the Ministry of Education regarding the collection of its monies for school children in uniform, who are considered 'non-fare passengers. A report on the key points from the discussion should be provided to the Parliament by January 15, 2024;*
- vi. *The PTSC should provide to Parliament by January 29, 2024 new possible advertisement initiatives to boost revenue for advertisement avenues that have decreased during the COVID-19 time period such as bus wrapping and PTSC Port of Spain hub advertisements;*
- vii. *The PTSC should report to Parliament by January 29, 2024 on the Corporation's plans to procure recovery vehicles;*
- viii. *The PTSC should provide to Parliament the metrics that were utilised to determine how advanced the Corporation was in its procurement process by January 29, 2024;*
- ix. *The PTSC should provide to Parliament a list of projects or initiatives the PTSC has implemented or plans to implement through its collaboration with the OPR by J January 29, 2024;*

- x. *The PTSC should provide to the Parliament by January 29, 2024 the date the tendering process for the required technology closed as well as the cost; and*
- xi. *The PTSC should provide to Parliament by January 29, 2024 a status update on the tendering process for the 300 buses, including the details of each of the 3 phases of the process;*
- xii. *The PTSC should provide to Parliament by January 29, 2024 a list of the policies that have be updated as well as the policies undergoing review;*
- xiii. *The PTSC should provide to Parliament by January 29, 2024 the timeline for its implementation of the fraud policy, as well as the cost to develop the policy;*
- xiv. *The PTSC should prioritise the review and resubmission of the organisational transformation report to the MOWT and update Parliament on same by January 29, 2024;*
- xv. *The PTSC should provide to Parliament by January 29, 2024 a list of the initiatives ongoing to rectify the challenges of fleet maintenance and staff efficiency affecting the PTSC's overall efficiency and effectiveness the Corporation faces;*
- xvi. *The PTSC should provide to Parliament by January 29, 2024 a breakdown of the 3 phases it intends to utilise to acquire the 300 new buses and the cost of each phase;*
- xvii. *The PTSC should provide to Parliament by January 29, 2024 a breakdown of its programme with the NESC Technical Institute as well as the cost of running the programme;*
- xviii. *The PTSC should conduct an assessment of its initiatives to rectify supply chain challenges and provide a report to Parliament on the findings by January 29, 2024;*
- xix. *The MOWT should provide to Parliament by January 29, 2024 a deadline for updating the framework for the time period 2016 to 2030; and*
- xx. *The MOWT should confer with the Investments Division of the MOF and submit to Parliament by January 29, 2024 the breakdown of the respective roles of the 2 Ministries in the oversight of the PTSC.*

Introduction

The PAC 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.

The Constitution of the Republic of Trinidad and Tobago mandates that the Committee shall consider and report to the House on appropriation accounts of monies expended out of sums granted by Parliament to meet the public expenditure of Trinidad and Tobago and the report of the Auditor General on any such accounts.

In addition to the Committee's powers entrenched in the Constitution, Standing Orders 111 of the House of Representatives and 101 of the Senate also empower the Committee, inter alia, to:

1. Send for persons, papers and records;
2. Have meetings whether or not the House is sitting;
3. Meet in various locations;
4. Report from time to time; and
5. Communicate with any other Committee on matters of common interest.

Election of the Chairman and Vice-Chairman

In accordance with section 119(2) of the Constitution, the Chairman must be a member of the Opposition in the House. At the first meeting held on Wednesday November 18, 2020 Mr. Davendranath Tancoo was elected Chairman of the Committee and Ms. Jearlean John was elected Vice-Chairman of the Committee.

Establishment of Quorum

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

Determination of the Committee's Work Programme

The Committee agreed to a work programme for the Fourth Session of the Twelfth Parliament as follows:

1. The Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2022
2. The Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2023
3. The Airports Authority of Trinidad and Tobago (AATT) [including Follow-Up]
4. The Regulated Industries Commission (RIC)
5. The National Agricultural Marketing and Development Corporation (NAMDEVCO)
6. The Chaguanas Borough Corporation [including Follow-Up]
7. The Princes Town Regional Corporation
8. The San Juan / Laventille Regional Corporation
9. The Agricultural Development Bank (ADB)
10. The Land Settlement Agency (LSA) [including Follow-Up]
11. The Police Complaints Authority (PCA)
12. The Caribbean Industrial Research Institute (CARIRI)
13. The Heritage and Stabilisation Fund (HSF)

The Inquiry Process

The Inquiry Process outlines steps taken by the PAC in developing the findings and recommendations of its follow up on the

The Inquiry Process included the following steps:

1. Examined the responses to the 8^h Report, 11th Parliament, of the PAC from the PTSC and identified areas for follow-up;
2. Identified issues in PTSC's Audited Financial Statements for financial years 2014 to 2018;
3. Sent questions for written submission to the PTSC and the Ministry of Works and Transport (MOWT) on April 3, 2023 and received the responses to those questions on May 16, 2023 and May 15, 2023 respectively;
4. Prepared an Issues Paper which identified and summarised matters of concern in the written responses from the PTSC and the MOWT;
5. Based on the issues identified, the Committee agreed to have a public hearing;
6. The public hearing was held on June 14, 2023. Representatives of the PTSC, the MOWT and of the Auditor General's Department attended the hearing to discuss the issues of concern (see Appendix I – Witnesses);
7. Questions for additional information based on the issues discussed at the public hearing were sent to the PTSC and the MOWT on June 23, 2023 (see Appendix II – Minutes). The responses to these questions were received on July 13, 2023 and July 10, 2023 respectively;
8. Reported the Committee's findings and recommendations to Parliament upon conclusion of the inquiry;

9. The Report will be transmitted to the MOWT for written response within sixty (60) days in accordance with Standing Orders 110(6) of the House of Representatives and 100(6) of the Senate; and
10. Subsequent further follow-up will be carried out on an ongoing basis to monitor progress in the implementation of the Committee's recommendations.

Background³ – Public Transport Service Corporation

The Public Transport Service Corporation (PTSC) is a statutory body governed by the Public Transport Service Act Chapter 48:02. The Corporation must, among other things, "create a safe, adequate, and economical public transportation system, appropriate to the needs of the country," according to the Public Transport Service Act. The Public Transport Service Corporation (P.T.S.C.) was founded as a result of the working party report on bus transportation in Trinidad and Tobago that the government appointed on November 21, 1964. Senior government officials and representatives of the relevant trade unions made up its membership. The government concluded that public (or state) control of the bus transportation industry should begin on January 1st 1965 as a result of their conclusions on December 2nd, 1964. In addition, The Public Transport Service Corporation was established on May 1st, 1965 as a result of the Transport Service Act Number II of that year, which made it the only operator of the nation's commercial bus service.

Vision

To be a “world class, self-sufficient bus transportation provider, moving people forward.”

Mission

To provide a “safe, cost-effective, reliable bus transportation system across communities.”

Services

PTSC provides the following services:

- Advertisements and Shop rentals
- Know your country tours
- Driving academy

Minister of Works and Transport

Senator the Honourable Rohan Sinanan

Permanent Secretary

Mrs. Sonia Francis Yearwood

³ Public Transport Service Corporation Website, About Us, Accessed September 14th, 2023. Available: <https://ptsc.co.tt/discover-ptsc/about-us/>

Background – Auditor General’s Department⁴

Establishment of the Office of the Auditor General

The Constitution of the Republic of Trinidad and Tobago (Act 4 of 1976) Chapter 8– Section 116 states that:

- 1) There shall be an Auditor General for Trinidad and Tobago, whose office shall be a public office.
- 2) The public accounts of Trinidad and Tobago and of all officers, courts and authorities of Trinidad and Tobago shall be audited and reported on annually by the Auditor General, and for that purpose the Auditor General or any person authorized by him in that behalf shall have access to all books, records, returns and other documents relating to those accounts.
- 3) The Auditor General is hereby empowered to carry out audits of the accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by or on behalf of the State.
- 4) The Auditor General shall submit his reports annually to the Speaker, the President of the Senate and the Minister of Finance.
- 5) The President of the Senate and the Speaker shall cause the report to be laid before the Senate and the House of Representatives, respectively, at the next sitting of the Senate and the House of Representatives after the receipt thereof, respectively.
- 6) In the exercise of his functions under this Constitution the Auditor General shall not be subject to the direction or control of any other person or authority.

Mission

To independently audit and report on the use of public resources for the benefit of the country and its people, and to lead by example.

Core Values

Values are the principles that represent the key ideas and ideals through which the Auditor General’s Department is governed. They are the fundamental thoughts that shape behaviour and operations. In this context and based on its Beliefs and Philosophy the Department’s core values include:

⁴ Auditor General’s Department website, *About Us*. Accessed June 27, 2023. Available: <https://www.auditorgeneral.gov.tt/content/overview>

1. Integrity: The Auditor General’s Department has built its image on this platform. All staff will contribute to the furtherance of this value.
2. Accountability and Transparency: These values will be foremost in the operations of the Auditor General’s Department on a daily basis.
3. Endorsement of open communication: Employee participation and involvement in the business of the Auditor General’s Department is a basic principle of its operations.
4. Confidentiality: This is in force at all times.
5. Professionalism: All staff would operate with professionalism at all times.
6. Participatory Leadership: Leadership in the Auditor General’s Department goes beyond the ‘open door policy.’ Key staff are empowered to make decisions.
7. Service Orientation: Superior service to the Government and people of Trinidad and Tobago will be the strongest orientation of the Auditor General’s Department.

Appointment of the Auditor General

The Auditor General is appointed by the President of the Republic of Trinidad and Tobago after consultation with the Prime Minister and the Leader of the Opposition and may hold office up to age sixty-five (65) years and may be removed from office only on certain grounds and after a prescribed procedure. Those provisions are entrenched in the Constitution of the Republic of Trinidad and Tobago (1976).

Auditor General

2019 – July 2023 – Ms. Lorelly Pujadas

July 2023 – Present - Ms. Jaiwantie Ramdass

Role and Function

The Auditor General is required by law to examine and report annually to Parliament on the accounts of Ministries, Departments, Regional Health Authorities, Regional Corporations and such State Controlled Enterprises and Statutory Boards for which the Auditor General is the statutory auditor.

The portfolio also includes the audit of:

- The accounts of projects funded partly or wholly by International Lending Agencies;
- All pensions, gratuities and other separation benefits paid by the State in accordance with the Pensions Acts and other Agreements; and

- The grant of credit on the Exchequer Account in accordance with the requirements of section 18 of the Exchequer and Audit Act, chapter 69:01.

The audit services take the form of financial audits, compliance audits and value for money audits intended to promote:

- Accountability;
- Adherence to laws and regulations; and
- Economy, efficiency and effectiveness in the collection, disbursement and use of funds and other resources.

Duties and Powers of the Auditor General

The duties and powers of the Auditor General are defined in the Exchequer and Audit Act Chapter 69:01 of the laws of Trinidad and Tobago. Part III of the Exchequer and Audit Act specifies these duties listed here under:

1. The Auditor General shall not be capable while holding the said office of holding any other Office of emolument in the service of the State.
2. (1) Save as is otherwise provided for in the Constitution the provisions of the law and regulations in force relating to the public service shall apply to the Auditor General.
(2) Where the Auditor General is removed from office under the Constitution the Minister shall make a full statement of the reasons therefore at the first opportunity to Parliament.
3. (1) The Auditor General shall examine, inquire into and audit the accounts of all accounting officers and receivers of revenue and all persons entrusted with the assessment of, collection, receipt, custody, issue of payment of public moneys, or with the receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores or other State property.
4. The Auditor General shall satisfy himself that -
 - (1) all reasonable precautions have been taken to safeguard the collection of public moneys and that the laws, directions and instructions relating thereto have been duly observed;

- (2) all issues and payments were made in accordance with proper authority and that all payments were properly chargeable and are supported by sufficient vouchers or proof of payment;
- (3) all money expended has been applied to the purpose or purposes for which the same was granted by Parliament and that such expenditure conforms to the authority which governs it and has been incurred with due regard to the avoidance of waste and extravagance;
- (4) essential records are maintained and the rules and procedures framed and applied are sufficient to safeguard the control of stores and other State property.

Overview of the Audit Process

Engagement

The Auditor General can be engaged to conduct audits in the following ways:

1. For the audit of Ministries and Departments of the government of the Republic of Trinidad and Tobago, the Exchequer and Audit Act section 9(1) mandates the Auditor General to conduct these audits.
2. In many instances the statute (law) setting up a Statutory Body or Authority indicates that the Auditor General shall be the auditor. In some instances, the Auditor General is allowed the freedom to appoint an auditor who would submit reports through the Auditor General.
3. Some statutory bodies, which have the prerogative to appoint auditors in their own right, appoint the Auditor General to conduct the audit.
4. At times International Financial Institutions require that the Auditor General's Department conduct the audits of projects funded by loan from these institutions.

Issues, Observations and Recommendations

During the Committee's examination of the Reports of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Public Transport Service Corporation (PTSC) for the Financial Years 2014 to 2018 and follow up on the implementation of the recommendations made in the Eighth PAC Report, 11th Parliament, on an Examination of the Report of the Auditor General on a Special Audit of the PTSC, the following issues were identified, observations made and recommendations proposed:

1. Outstanding Audited Financial Statements

The audit of the PTSC's financial statements for the years 2019 to 2022 presents various challenges for the AGD. The PTSC's written submission dated December 13, 2022 indicated that the organisation was up to date in its submission of financial statements to the AGD up to the FY 2022. However, according to Parliamentary records, the last audited financial statement laid in Parliament for the PTSC was for the FY 2018. At the public hearing held on June 14, 2023, the Committee inquired into the hindrances experienced by the AGD in auditing the PTSC's audited financial statements. The PTSC's efforts to submit its financial statements to the ADG and its willingness to offer the supporting documentation and justifications were recognised by the AGD. The AGD officials informed the Committee that, although staffing remained the biggest obstacle to finishing the audits, progress had been made in updating the audits of the PTSC's financial statements.

Field work for the FY 2019 was completed and as at the time of the public hearing, while the field work for the FY 2020 was due to begin shortly. Additionally, it was disclosed to the Committee that steps had been taken to address the issue of insufficient staffing through the hiring of new senior auditors. There were still, however, numerous openings at the lower level as at as at June 2023. Filling those vacancies would have helped the senior auditors to expedite the audit of the PTSC's financial statement. One Hundred (100) of the two hundred (200) jobs at the establishment were filled as at June 2023, leaving the AGD with only 50% of its full staff complement.

Observation:

- iv. The Committee acknowledges the PTSC's efforts in submitting its financial statements to the AGD as well as its improved willingness to supply pertinent documents and justifications.*

2. The Auditor General’s Adverse Opinions on the PTSC’s Financial Statements

On examining the Reports of the Auditor General on the PTSC’s financial statements from FY 2014 to FY 2018, the Committee noted that, in each year, the Auditor General issued an Adverse Opinion. This Adverse Opinion affirmed that each set of financial statements “do not present fairly the financial position of the PTSC as at September 30” of the year in question.

The bases for these Adverse Opinions are summarized as follows:

Financial Year	Basis for Adverse Opinion
2018	<u>Statement of Financial Position:</u> Capital and Reserves – Accumulated Deficit Balance Non-Current Liabilities – Government Grants
2017	<u>Statement of Financial Position:</u> - Property, Plant & Equipment Capital and Reserves – Accumulated Deficit Balance Non-Current Liabilities – Government Grants
2016	<u>Statement of Financial Position:</u> - Property, Plant & Equipment Non-Current Liabilities – Government Grants.
2015	<u>Statement of Financial Position:</u> - Property, Plant & Equipment - Inventories - Non-Current Liabilities – Government Grants. <u>Statement of Comprehensive Income:</u> - Salaries and Wages – Administrative Expenses
2014	<u>Statement of Financial Position:</u> - Property, Plant & Equipment. - Prior year’s balances for Fixed Assets. -

In its written submission dated April 21, 2023, the Auditor General noted the following:

- The Corporation in the periods 2014 to 2016 had challenges in supplying documentary evidence for certain accounts. In addition, policies to support basis of preparation of the financial statements such as the depreciation policies were not presented.
- Recommendations were made where relevant for the Corporation to present transactions and balances in accordance with International Accounting Standards (IAS). For example, an impairment review was recommended in accordance with IAS 36 paragraph 9 which states:

"An entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset"

- Another key issue was the collection of outstanding amounts and a recommendation was made for the Corporation to pursue the collection of such outstanding amounts.
- Starting in 2018, the Department observed that considerably more documentary, testimonial, analytical and observable evidence were available. Therefore, the audit risk was and is expected to be considerably reduced going forward.

Observation:

- While the Committee was quite concerned at the Adverse Opinions issued by the Auditor General, it was at least reassuring to note the Auditor General's explanation that "audit risk was and is expected to be considerably reduced going forward" as a result of PTSC's improved efforts to provide documentation required for the audit of its financial statements.*

3. Public Engagement and Customer Satisfaction

The PTSC faced challenges in achieving its customer satisfaction rating through its culture, strategic plan and customer engagement and communication. In the Eighth PAC Report of the Eleventh Parliament the "rationalization, reorientation and restructuring of the PTSC to enhance customer service, service delivery efficiency, effectiveness and value for money" was recommended. The Committee questioned to what extent the PTSC had been restructured to achieve this goal. The PTSC's written response indicated that a tender process had been conducted whereby consulting services were engaged for the Corporation's organisational transformation. The consultant submitted a report to the MOWT which included recommendations for the restructuring of the PTSC. It was then to be reviewed and recommended to Cabinet for approval.

The PTSC's one to five scale rating in pursuit of its mandate

At the public hearing held on June 14, 2023, the Committee asked the PTSC to rate the effectiveness of the pursuit of its mandate on a scale of 1 to 5. The PTSC scored itself a 3 out of 5 rating. The PTSC officials informed the Committee that a variety of programmes, activities and tasks were ongoing in line with its Strategic Plan. Improvement in the organisation's customer service was evidenced by the fact that its customer service rating went from forty-four percent (44%) in 2016 to sixty-six percent (66%) in 2019 and to sixty-nine percent (69%) in 2022. This progress notwithstanding, the PTSC noted that its ideal customer satisfaction rating was ninety percent (90%).

The PTSC's Strategic Plan adjustments to achieve customer satisfaction

The expansion of the PTSC's fleet through the acquisition of new buses was one strategy in the PTSC's 2021–2023 Strategic Plan geared towards obtaining the optimal customer satisfaction rating. The ideal customer satisfaction rating was developed using global benchmarks and best practices. According to the PTSC, a best practice customer satisfaction rating of over 80% would reflect a job well done in the transportation service globally. The PTSC officials acknowledged that 90% was ambitious for the time period of its current Strategic Plan, which expires at the end of the 2023 calendar year. As a result, the officials stated that the Corporation intended to implement a best practice customer rating in the Plan for the upcoming years in which international best practice percentages will be utilised.

The PTSC's culture shift to ensure customer satisfaction

The Committee further inquired into the PTSC's use of the term “negative culture” in its written response to describe its weaknesses. The PTSC officials indicated that the Corporation's culture was not sufficiently customer centric. Therefore, the initiatives in its Strategic Plan are now geared towards making the PTSC customer centric.

The measurements utilised by the PTSC to gauge customer satisfaction

The Committee sought clarification on whether the PTSC conducted an assessment that only considered customer ratings regarding the travelling public or whether the assessment was also based on the demand for the service throughout the country to truly be considered customer centric. The PTSC indicated that seventy-nine (79) out of one hundred and sixty-three (163) routes were covered as at June 14. Though a decrease in routes was seen, there had been an increase in customer satisfaction. According to the PTSC it was a mix of both methods utilized - a total of two (2) surveys. One (1) survey was done internally every month filled out only by the travelling public who utilized the PTSC services. The other was conducted by PriceWaterhouseCoopers, which combined both methods having an element that looked at the traveling public as well as an element that looked at the general public's thoughts on PTSC.

Subsequent information from the PTSC dated July 13, 2023 to the Committee's questions for additional information indicated that internal customer surveys were conducted monthly with a target of one hundred and fifty (150) commuters whereas the external surveys were conducted annually with a target of one thousand five hundred (1500) commuters.

The PTSC's Customer Engagement and Communication

Furthermore, the Committee raised concerns regarding the PTSC's forms of customer engagement and efficiency of customer engagement and communication. The PTSC officials indicated that customer engagement in the review of routes was an ongoing process, where the PTSC used both its internal survey to have issues identified by its customers as well as the existing customer complaint system. In terms of customer communication in cases of disruptions, customers were updated on the organisations Facebook platform. Planned interruptions in services were published in the newspapers.

The Corporation's hotline and customer service representatives were also available for customer queries. At the public hearing, Members questioned the PTSC about the possibility of developing a mobile app. The PTSC stated though no app had yet been developed, there were steps being taken to have it included within the Intelligent Public Transportation System, which was being developed. As at June 14, customers were able to pay for services via the PTSC's payment portal on the Corporation's website. This has been in place for about a year as at the time of the Committee's inquiry.

In additional submissions to the Committee dated July 13, 2023, the PTSC indicated that with reference to digitalisation of PTSC's customer interactions, it intended to integrate technology into its service delivery by automating procedures once financially viable, thereby enabling individualized consumer experiences and business decision by utilizing data. Furthermore, develop new skills by thinking creatively and ensure that anticipated value is realized through transformation, fill resource and skill gaps to improve customer satisfaction.

Observation:

- i. The committee notes the PTSC's continued efforts to digitise its customer interactions as well as the Corporation's initiatives towards becoming a customer centric organisation.*

Recommendations:

- vi. The PTSC should submit to Parliament by January 29, 2024 a breakdown of the challenges experienced in achieving the desired customer satisfaction rating, as well as the measures implemented to overcome those challenges;*
- vii. The PTSC should provide to Parliament by January 29, 2024 the metrics used to ensure that goals set aligned with customer satisfaction were achievable as well as on track to be completed within the time period of the 2021 to 2023 strategic plan;*
- viii. The PTSC should provide a breakdown of customer oriented elements to be included in the Intelligent Public Transportation System to Parliament and the expected implementation date for the System by January 29, 2024; and*
- ix. The PTSC should report to Parliament by January 29, 2024 on the ways in which the PTSC intends to utilise data to enable individualised consumer experiences and better business decisions.*

4. Strategic Plan

The PTSC's difficulty in completing its 2021 to 2023 strategic plan initiatives. According to the PTSC's responses to the inquiry indicated that twenty-one percent (21%) of the strategic activities for the years 2018 to 2020 had already been carried out, fifty-four percent (54%) were in various stages of

implementation, and twenty-five percent (25%) had not been implemented. At the public hearing, the Committee enquired about the outstanding 25%. According to the PTSC officials, a main component of its strategic plan was the upgrading of its fleet. As of June 14, 2023, the purchase of the buses had not been made, leaving 25% of its strategic plan unfulfilled. Infrastructure development, which had not yet started as of June 14, 2023, also contributed to that 25%. However the infrastructural development element of the Corporations strategic plan was still under negotiation as the initiative encountered difficulties with the Commissioner of State Lands. The Corporation stated it was working through to ensure it was accelerated.

The PTSC's response to the Committee's request for additional information indicated that, as at June 2023, progress had been made towards implementing eighty-three percent (83%) of the Corporation's 2021 to 2023 Strategic Plan. Within this 83%, forty-seven percent (47%) was fully executed, while thirty-six percent (36%) was at various stages of execution. Seventeen percent (17%) of the Plan had had not yet started.

Recommendations:

- i. The PTSC should report to Parliament by January 29, 2024 on the following:*
 - (d) its plans for implementing the remaining 17% of its 2021 to 2023 strategic plan;*
 - (e) a breakdown of the 36% of its 2021-2023 strategic initiatives for which implementation was ongoing, detailing the specific stages of advancement and the timeline for completion; and*
 - (f) whether any unfinished strategic plan initiatives from the Corporation's 2021–2023 plan will be carried over to its forthcoming 2024–2026 Strategic Plan.*

5. PTSC's Other Comprehensive Income

The PTSC was developing plans to generate various sources of income other than Government Subventions. The PTSC's written response stated that the rental rates for its transit malls were based on the square footage and the location. Upper floor was priced at ten dollars per square foot and ground floor was priced at fourteen dollars per square feet vat exclusive. Accountability was ensured in the collection of fees by the guidelines set out in the policy and procedures. These included accounts receivable collection and credit policy. Supervision of the collection of fees was conducted by the head of finance, general manager and Finance Sub-Committee of the board. However it must be noted that the transit mall manager oversees the rental of transit malls. PTSC indicated that seventy nine percent of tenants pay on time, after two notices bad debtors were referred to the Legal Department which take the appropriate action including notice to quit and litigation.

At the public hearing, the Committee further inquired into PTSC's approach in collecting payments from tenants. PTSC's officials indicated the collection of payments had proven to be an issue for the

organization, however the Corporation implemented a strict approach to the collection of payments. This strict approach included all tenants with outstanding payment being written. Amongst the tenants that were written, some tenants have entered into payment arrangements and promissory note arrangements which was monitored on a monthly basis. Tenants who were unable to come to an agreement with the Corporation, cases have gone the legal route, forwarded to the court. Additionally, government departments with outstanding payments executives were written to settle its amount. Most government agencies have settled its accounts, however some remained outstanding and to date (June 14) were being pursued. The accounts department was responsible for monitoring tenant accounts, when issues arose tenants were written within a month or two within identification of the issue. The notices of eviction were served when the Corporation was unable to collect on delinquent tenants. Furthermore, PTSC officials stated that a policy would be implemented moving forward with regards to tenancy to aid with the challenge of delinquent tenants.

The Committee then inquired into the Corporation's new and expanding revenue streams. PTSC officials indicated that there were several initiatives it commenced. "Bus it to the Beach" which as at June 14, 2023 has been a successful endeavour and "Know your Country Tours" has been another initiative. In terms of advertisement, the Corporation utilised "Great Wall" at the Corporation's main building which holds several advertisement spots. Traditionally the Corporation carried out advertisements through bus wrapping, however, due to COVID 19 bus wrapping advertisement decreased. Additionally, advertisements were conducted on the PTSC's fixtures within the pavilion at the Port of Spain hub. Bus wrapping and PTSC Port of Spain hub advertisements are both areas the Corporation indicated to expand and explore. Furthermore the Corporation stated that revenue was generated by providing charters for special occasions such as the Commonwealth Games, World cup and CPL. Apart from the initiatives already explored the Corporation indicated that more initiatives were on the way in collaboration with the Ministry of Tourism Culture and the Arts. Another aspect of generated other income was through the collection of monies from the Ministry of Education for the provision of transportation to school children in uniform, who are considered 'non-fare passengers'. The Corporation indicted however it had been experiencing difficulties collecting monies owed from the Ministry of Education for the service provided.

Subsequent responses from PTSC to the Committee's questions for additional information indicated that a sum of three hundred and two thousand, seven hundred and twenty-seven dollars and sixty-four cents (\$302,276.64) was outstanding for Curepe transit mall of which one hundred and ninety one thousand, two hundred and thirty three dollars and seven-teen cents (\$19,233.17) were included in court matters. A sum of seven hundred and forty four thousand two hundred and eighty-five thousand and sixty-five cents (\$744,285.65) was outstanding for San Juan transit mall of which three hundred and eighty seven thousand, six hundred and fifty- five dollars and nineteen cents (\$387,655.19). As well as three hundred and twenty two thousand, three hundred and thirty seven dollars and fourteen cents (\$322,337.14) of which one hundred and eleven thousand, six hundred and thirty-five dollars and twenty-four cents (\$111,635.24) was included court matters.

Recommendations:

- i. The PTSC should request a meeting to be held with the Ministry of Education regarding the collection of its monies for school children in uniform, who are considered ‘non-fare passengers. A report on the key points from the discussion should be provided to the Parliament by January 29, 2024; and*
- ii. The PTSC should provide to Parliament by January 29, 2024 new possible advertisement initiatives to boost revenue for advertisement avenues that have decreased during the COVID-19 time period such as bus wrapping and PTSC Port of Spain hub advertisements.*

6. PTSC’s compliance with the Public Procurement and Disposal of Public Property Act 2015.

The PTSC’s disposal of its bus and recovery vehicle fleet in alignment with the Public Procurement and Disposal of Public Property Act 2015. The PTSC’s written submission highlighted the enactment of the Public Procurement and Disposal of the Public Property Act as a recent risk to its strategic and operational goals and objectives. The legislation poses a high level of compliance and procurement risk as the penalties included criminal prosecution and fines for a range of offenses. It was the Corporation’s intent as at May 16, 2023 to focus on the refinement of its transition to operative implementation and enforcement of the Act.

At the public hearing, the Committee inquired further into the Public Procurement and Disposal of the Public Property Act impact on the Corporation. The PTSC officials indicated that it was “advanced” in the procurement process. The Corporation had been in collaboration with the Office of Procurement Regulation (OPR) which allowed for the PTSC to have its handbook and guidelines in place. As at June 14, 2023 the Corporation indicated that the collaboration between PTSC and the OPR is ongoing to aid the Corporation in any hindrances they may face in the procurement and disposal process. The Corporation assured the Committee that no significant obstacles were experienced since the new Public Procurement and Disposal of the Public Property Act was implemented.

Additionally, the Committee inquired whether the PTSC still acquired recovery utility vehicles. The Corporation indicated that as at June 14, 2023 it no longer possessed recovery vehicles that were serviceable on the fleet. However, there were thirty-one recovery vehicles for disposal as it served its life span. The Corporation explained that the decommissioned vehicles would be auctioned off in accordance with the Public Procurement and Disposal of the Public Property Act. In place of PTSC owned recovery vehicles, the Corporation utilised third party providers for bus recoveries. Although no recovery vehicles were a part of the fleet as at June 14, 2023 the Corporation expressed its intent to acquire PTSC recovery vehicles in the future.

Recommendations:

- i. The PTSC should report to Parliament by January 29, 2024 on the Corporation's plans to procure recovery vehicles;*
- ii. The PTSC should provide to Parliament the metrics that were utilised to determine how advanced the Corporation was in its procurement process by January 29, 2024; and*
- iii. The PTSC should provide to Parliament a list of projects or initiatives the PTSC has implemented or plans to implement through its collaboration with the OPR by January 29, 2024.*

7. Route Establishment

The servicing of the PTSC's established routes was made difficult by delays in technology acquisition. The MOWT's responses to the Committee's follow-up questions regarding implementations of the recommendations in the Eighth PAC Report stated that the PTSC utilised available resources to implement the Route Evaluation Policy. However, the Corporation was limited in providing real time information. At the public hearing, the Committee asked about the process by which the PTSC established and reviewed its routes throughout Trinidad and Tobago. The PTSC officials stated that a policy was in place to review both new and existing established routes. Every 2 to 3 years, the Corporation performs a study and the information gathered is used to review or establish routes.

The following are the factors that the PTSC took into account when establishing its routes:

- Population density;
- Requests received from local Government bodies in areas where there was a demand for PTSC services;
- Rural routes (Toco, Blanchisseuse); and
- Road conditions (dimensions and structure).

Additionally, the Committee asked about the PTSC's current established routes. According to the PTSC officials Seventy-nine (79) of the one hundred and sixty-three established routes are currently serviced. The PTSC previously attempted to acquire three hundred (300) buses, which would have allowed them to service more of its one hundred and sixty-three (163) established routes, however it was delayed for a number of reasons. The tendering process for the 300 buses – intended to take place in three phases – was due to begin shortly.

Furthermore, the Committee inquired into the ongoing procurement process for the acquisition of the requisite technology for the implementation of the Corporation's Route Evaluation Policy. According to the PTSC officials the technology component of the policy was a part of the ongoing tender, the Corporation's expected schedule to purchase the necessary technology was one month from June 14, 2023. Following the purchase of the technology, implementation and valuation would

occur. The technology would not be released until the second or third quarter of 2024, even though the tendering process was supposed to be completed one month after June 14, 2023.

Subsequent information received from the PTSC provided further details on the challenges encountered in adopting the required technology for the implementation of the Route Evaluation Policy. The Corporation stated that the procurement of the technology itself was the biggest challenge in the implementation of the required technology. The Corporation also stated that it expected to complete the process of procuring and installing the technology by June 2024.

Recommendations:

- i. The PTSC should provide to the Parliament by January 29, 2024 the date the tendering process for the required technology closed as well as the cost; and*
- ii. The PTSC should provide to Parliament by January 29, 2024 a status update on the tendering process for the 300 buses, including the details of each of the 3 phases of the process.*

8. Fraud and Internal Controls

The PTSC made efforts to strengthen its internal controls in the absence of a Corporation-wide fraud policy. PTSC's written submissions indicated that the PTSC did not have a fraud policy in place but rather the Corporation used the Exchequer and Audit Act. The PTSC aligned its policies and procedures with International Financial Reporting Standards to aid in the identification and investigation and solution for occurrences of fraud within the Corporation that are investigated by the internal audit, human resource and security departments. The Corporation's policies and procedures cover an array of areas which include inventory, fixed assets, payables, ticketing and payroll each containing steps for occurrences of fraud. After policies are approved by the board it was shared with senior management where it was then passed on for lower staff availability on the Corporation's drive. Additionally, the Corporation hosted "roadshow" information sessions with its staff across its locations to keep staff abreast of its policies. The PTSC's internal procedure for recording, tracking and responding to all allegations of fraud is as follows:

- Once an allegation is received, the general manager or human resource department would launch an investigation.
- A report is then produced comprised of the findings from the investigation.
- The report is then submitted to the Human Resource Department or General Manager.

As aforementioned, the PTSC indicated there are internal controls in place, however, the PTSC also indicated in its written submission that the internal auditor's assessment for the FYs 2014 to

2018 internal controls were determined to be weak. At the public hearing the Committee inquired whether there were improvements made to the internal controls since the internal auditor's weak rating. The PTSC officials indicated that improvements were made with seventy eight (78) of the PTSC policies having undergone an update process of currently undergoing review as at June 14, 2023. The code of conduct policy and the internal disciplinary system specifically, both deal with occurrences of fraud. Although to date (June 14, 2023) the PTSC acknowledged the absence of a fraud policy, the Corporation has begun the process to create an organization wide fraud policy with the intent to implement within the three to four months.

Recommendations:

- i. The PTSC should provide to Parliament by January 29, 2024 a list of the policies that have be updated as well as the policies undergoing review; and*
- ii. The PTSC should provide to Parliament by January 29, 2024 the timeline for its implementation of the fraud policy, as well as the cost to develop the policy.*

9. Organisational Transformation

The PTSC recognised the need for organisational transformation. The PTSC's written responses indicated that the Corporation sought consultants through a tender process for organisational transformation. Organisational transformation can be defined as “the process of transforming and changing the existing corporate culture to achieve a competitive advantage or address a significant challenge.”⁵ After conducting its assessment, the consultants produced a final report that contained recommendations for the Corporation's change. Once the PTSC received the report, it was forwarded to the MOWT for its evaluation and onward transmission to Cabinet for approval.

At the public hearing the Committee inquired into the names of the consultants as well as the fees attached. The consultants Ernst and Young Global Limited were hired by the PTSC at a cost of seven hundred thousand dollars (\$700,000) following an open tendering process, according to the PTSC officials. The Committee also requested information regarding the date the report was submitted to the MOWT and the MOWT's evaluation of the report's conclusions and recommendations. According to the PTSC representatives, the MOWT received the report in December 2022. The MOWT indicated that after a first examination of the report was conducted, the Ministry requested the consultants to provide a breakdown of the findings and recommendations. Additional to the requested breakdown the Ministry requested an evaluation to be carried out with the transition programme put forward with the inclusion of the new buses. This was to be completed and re-submitted to the Ministry.

⁵ Definition of Organizational Transformation, Accessed September 14 2023. Available: <https://www.eaglesflight.com/resource/organizational-transformation-definition-and-what-it-means/>.

Subsequent information received from the MOWT dated July 10, 2023 highlighted that the Ministry had been unable to reach an opinion regarding the suggestions made by Ernst & Young Global Limited. The Ministry's executives highlighted areas of the organisational transformation report that needed to be reviewed and adjusted and to be resubmitted. Consequently, the MOWT was unable to comment on the suggestions presented. As at July 10, 2023 the PTSC's organisational transformation report had not yet been resubmitted.

Recommendation:

- i. The PTSC should prioritise the review and resubmission of the organisational transformation report to the MOWT and update Parliament on same by January 29, 2024.*

10. The PTSC's Bus Fleet

The size and average age of the PTSC's bus fleet as at June 2023.

The PTSC's written response indicated an ideal of 500 buses in its fleet servicing all 163 established routes. At the Public hearing the committee sought clarification on the current size of PTSC's fleet. According to PTSC officials as of June 14, 2023 the PTSC fleet consisted of 160 to 170 buses. A prior attempt by the PTSC to purchase 300 buses, would have allowed them to service more of their 163 existing routes, was unsuccessful for a variety of reasons. The three-phase tendering procedure for the 300 buses was resumed as at June 14th was indicated to ensue shortly. Subsequent information received from the MOWT disclosed that the project to modernise the fleet for the extra 300 buses is expected to take two to three years to complete.

The PTSC's bus fleet maintenance and refurbishment processes.

According to the written MOWT responses, the PTSC's bus replacement policy was created in its 2018 to 2020 Strategic Plan. The replacement policy stated that the average fleet age should be in the range of five to six years. No bus with a chassis age of more than fifteen years may be run, and no bus older than eight and a half years should be used if it has not been restored. At the public hearing the Committee requested clarity on the PTSC's current fleet age and an update on its projection for an increase in the number of buses in the Corporation's fleet. The fleet's average age was stated to be between ten and twelve years old. As of June 14, 2023, certain buses were undergoing lengthy repairs for which replacement parts were being sought with the intention of re-entering service.

The Corporation informed the Committee that a maintenance programme called Maximo was established and utilised by the engineering department at all depots. With the help of the programme, the Corporation was able to easily track the cost of maintenance that was performed by entering the costs of the necessary parts and labour. The system also has a function that flags buses that are due for maintenance each month.

The Committee also inquired into the training programmes being developed for the maintenance of buses. Specifically for the Corporation's older fleet, trainees were hired from local universities notably the University of Trinidad and Tobago to work on buses. The NESC Technical Institute was also engaged for a collaboration with the Corporation to assist in the development of a programme to train PTSC's mechanics to maintain the new fleet of electric buses when it arrives. Furthermore, the company employs local independent contractors to perform certain repairs for instance on engines.

The PTSC's supply chain challenges

The PTSC officials emphasized how challenging it was to find parts for its fleet. The COVID-19 era made the problem worse, and even though the pandemic is finished, repercussions on the supply chain continue to impact the Corporation. The Corporation set "minimum, maximum reorder levels" for the retail outlets to help with the situation at hand and allow purchasing to adjust the supply of items. The Corporation has hired a few local suppliers to help with timely part acquisition.

The status of the PTSC's route servicing in Tobago.

At the public hearing the Committee inquired into the PTSC's rural-specific transportation services in Tobago. The PTSC informed the Committee that despite the Corporation having some difficulties providing services in some locations due to poor road conditions, they were able to overcome these difficulties. In Tobago, PTSC services are now constantly available. In the event that its buses were unable to operate the route, independent contractors would have been hired by the Corporation as a backup plan. The PTSC hasn't had a reason to act in this manner as of June 14, 2023.

The key national indicators for bus transport established as part of the National Performance Framework 2017-2020.

According to the MOWT's written response the National Performance Framework 2017-2020 under *Theme III: Improving Productivity through Quality Infrastructure and Transport*, key indicators were established for the bus transportation sector. At the public hearing the Committee questioned why an updated framework hadn't been created. The MOWT indicated that it did not develop the framework but rather the Ministry of Planning and Development is responsible for doing so. While the MOWT was unable to comment on the reasons behind the lack of an updated framework, it was able to inform the Committee that as of June 14, 2023, the Ministry of Planning and Development was in the process of creating an updated framework for the years 2016 to 2030 as well as a Road to Recovery document was developed.

Recommendations:

- i. The PTSC should provide to Parliament by January 29, 2024 a list of the initiatives ongoing to rectify the challenges of fleet maintenance and staff efficiency affecting the PTSC's overall efficiency and effectiveness the Corporation faces;***

- ii. The PTSC should provide to Parliament by January 29, 2024 a breakdown of the 3 phases it intends to utilise to acquire the 300 new buses and the cost of each phase;*
- iii. The PTSC should provide to Parliament by January 29, 2024 a breakdown of its programme with the NESI Technical Institute as well as the cost of running the programme;*
- iv. The PTSC should conduct an assessment of its initiatives to rectify supply chain challenges and provide a report to Parliament on the findings by January 29, 2024; and*
- v. The MOWT should provide to Parliament by January 29, 2024 a deadline for updating the framework for the time period 2016 to 2030.*

11. The Oversight of PTSC

The oversight of the PTSC is shared by the MOWT's and the Ministry of Finance (MOF) - Investments Division. The MOWT's written responses stated that the Ministry did not receive the PTSC's quarterly financial statements. The Corporation's quarterly financial accounts were instead sent to the Investments Division of the MOF, whose role includes oversight and monitoring of State Enterprises. Given that the PTSC is not a State Enterprise, at the public hearing the Committee sought clarity regarding which of the 2 ministries were responsible for the oversight of PTSC. According to the MOWT officials each has its own unique duty regarding the Corporation.

Recommendations:

- i. The MOWT should confer with the Investments Division of the MOF and submit to Parliament by January 29, 2024 the breakdown of the respective roles of the 2 Ministries in the oversight of the PTSC.*

Concluding Remarks

The Committee commends the PTSC for remaining steadfast in its commitment to offering a “*safe, adequate, economic and efficient public transportation system, adapted to the needs of the country.*” The Committee takes note of the actions being taken by the PTSC to address the various issues being faced with the upkeep of its fleet, the establishing of routes, organisational reform, generation of revenue, development of its policies, and the enhancement of customer satisfaction. Regardless of the difficulties it encountered, the Committee looks forward to the Corporation's continued efforts and has faith in its capability to keep diversifying its sources of income and developing innovative ideas to raise the quality of transportation services offered across Trinidad and Tobago.

This Committee respectfully submits this Report for the consideration of the Parliament.

Sgd.
Mr. Davendranath Tancoo
Chairman

Sgd.
Ms. Jearlean John
Vice – Chairman

Sgd.
Dr. Amery Browne
Member

Sgd.
Mrs. Ayanna Webster-Roy
Member

Sgd.
Mr. Adrian Leonce
Member

Sgd.
Mrs. Paula Gopee-Scoon
Member

Sgd.
Mr. Roger Monroe
Member

Appendix I - Witnesses

At the public hearing held on June 14, 2023, the witnesses attending on behalf of the Auditor General's Department and the Ministry of Works and Transport and the Public Transport Service Corporation were:

Auditor General's Department (AGD)

- Mr. Gary Peters - Assistant Auditor General
- Mrs. Desmond Noel - Audit Director
- Mr. Rookmin Ramnarine - Assistant Audit Director

Ministry of Works and Transport (MOWT)

- Mrs. Sonia Francis-Yearwod - Permanent Secretary
- Mr. Wayne Koylass - Chief Planning Officer (Ag.)

Public Service Transport Corporation (PTSC)

- Mr. Robin Rampersad - Vice Chairman
- Dr. Bhushan Singh - Director
- Mr. Patrick Gomez - General Manager
- Ms. Vaneisa Bynoe - Corporate Secretary
- Ms. Gloria Corneal-Boyce - Deputy General Manager- Finance
- Mr. David Mangal - Deputy General Manager- Engineering
- Ms. Lalitha Bala Cetty - Deputy General Manager- Corporate Planning and Strategic Performance Monitoring

**THE PUBLIC ACCOUNTS COMMITTEE –
THIRD SESSION, TWELFTH
PARLIAMENT
MINUTES OF THE FOURTEENTH MEETING HELD ON
WEDNESDAY JUNE 14, 2023 AT 10:10 A.M. IN THE J. HAMILTON
MAURICE MEETING ROOM, GROUND FLOOR, CABILDO
BUILDING, PARLIAMENTARY COMPLEX, ST. VINCENT STREET,**

Present were:

Mr. Davendranath Tancoo	-	Chairman
Ms. Jearlean John	-	Vice-Chairman
Ms. Charrise Seepersad	-	Member
Mr. Roger Monroe	-	Member
Dr. Amery Browne	-	Member
Mrs. Paula Gopee-Scoon	-	Member
Ms. Hema Bhagaloo	-	Assistant Secretary
Mr. Justin Jarrette	-	Senior Research Specialist
Ms. Celeste Reece	-	Procedural Officer Intern
Ms. Teneka Carrington	-	Parliamentary Researcher Intern

Excused were:

Mr. Adrian Leonce	-	Member
Mrs. Ayanna Webster-Roy	-	Member

COMMENCEMENT

- 1.1 At 10:10 a.m., the Chairman called the meeting to order and welcomed those present. The Chairman informed Members that Mrs. Ayanna Webster-Roy and Mr. Adrian Leonce asked to be excused from the Meeting.

EXAMINATION OF THE MINUTES OF THE THIRTEENTH MEETING

- 2.1 The Committee examined the Minutes of the Thirteenth (13th) Meeting held on Wednesday March 22, 2023.
- 2.2 The following corrections was made:
- Items ‘9.1’ and ‘9.2’ on page 10 was replaced with ‘10.1’ and ‘10.2’.

- 2.3 There being no further omissions or corrections, the Minutes as amended, was confirmed on a motion moved by Ms. Charrise Seepersad and seconded by Mr. Roger Monroe.

MATTERS ARISING FROM THE MINUTES OF THE THIRTEENTH MEETING

- 3.1 With reference to item 3.2, page 2, the Chairman informed Members that responses to the Committee's questions for additional information were received from the Children's Authority of Trinidad and Tobago on March 31, 2023 and used to draft the Committee's 11th Report. The responses were uploaded to the Rotunda (e-repository).
- 3.2 With reference to item 10.2, page 4, the Chairman informed Members that responses to the Committee's questions for additional information were received from the Ministry of Energy and Energy Industries on April 20, 2023 and used to draft the Committee's 12th Report.

PRE-HEARING DISCUSSIONS RE: EXAMINATION OF THE AUDITED FINANCIAL STATEMENTS OF THE PUBLIC TRANSPORT SERVICE CORPORATION (PTSC) FOR THE FINANCIAL YEARS 2014-2018 AND FOLLOW UP ON THE IMPLEMENTATION OF THE RECOMMENDATIONS IN THE EIGHTH PAC REPORT, 11TH PARLIAMENT, ON THE EXAMINATION OF THE REPORT OF THE AUDITOR GENERAL ON A SPECIAL AUDIT OF THE PTSC.

- 4.1 The Chairman informed Members that the purpose of the public hearing was to examine the Audited Financial Statements of the PTSC for the financial years 2014-2018 and to follow up on the implementation of the recommendations made in the Eighth Report, 11th Parliament, of the Public Accounts Committee on the Examination of the Report of the Auditor General on a Special Audit of PTSC.
- 4.2 The Chairman outlined the remit of the inquiry.
- 4.3 The Chairman invited Members to review the Issues Paper prepared by the Secretariat based on the written submission received by the PTSC.
- 4.3 The Chairman invited Members to raise any issues or questions on the examination of the Audited Financial Statements of the PTSC for the financial years 2014-2018 and to follow up on the implementation of the recommendations made in the Eighth Report, 11th Parliament, of the Public Accounts Committee on the Examination of the Report of the Auditor General on a Special Audit of PTSC. Members discussed the issues of concern and the general approach for the public hearing.

SUSPENSION

- 5.1 There being no further business for discussion *in camera*, the Chairman suspended the meeting at 10:24 a.m.

EXAMINATION OF THE AUDITED FINANCIAL STATEMENTS OF THE PUBLIC TRANSPORT SERVICE CORPORATION (PTSC) FOR THE FINANCIAL YEARS 2014-2018 AND FOLLOW UP ON THE IMPLEMENTATION OF THE RECOMMENDATIONS IN THE EIGHTH PAC REPORT, 11TH PARLIAMENT, ON THE EXAMINATION OF THE REPORT OF THE AUDITOR GENERAL ON A SPECIAL AUDIT OF THE PTSC.

6.1 The Chairman called the public meeting to order at 10:35 a.m.

6.2 The following officials joined the meeting:

Auditor General's Department (AGD)

- Mr. Gary Peters - Assistant Auditor General
- Mrs. Desmond Noel - Audit Director
- Mr. Rookmin Ramnarine - Assistant Audit Director

Ministry of Works and Transport (MOWT)

- Mrs. Sonia Francis-Yearwod - Permanent Secretary
- Mr. Wayne Koylass - Chief Planning Officer (Ag.)

Public Service Transport Corporation (PTSC)

- Mr. Robin Rampersad - Vice Chairman
- Dr. Bhushan Singh - Director
- Mr. Patrick Gomez - General Manager
- Ms. Vaneisa Bynoe - Corporate Secretary
- Ms. Gloria Corneal-Boyce - Deputy General Manager- Finance
- Mr. David Mangal - Deputy General Manager- Engineering
- Ms. Lalitha Bala Cetty - Deputy General Manager- Corporate Planning and Strategic Performance Monitoring

6.3 Key Topics Discussed:

1. The reasons for and significance of the Auditor General's adverse opinion on the financial statements of the PTSC for FY 2014 to 2018, in line with International Standard on Auditing 705 – *Modifications to the Opinion in the Independent Auditor's Report*;
2. The PTSC's ongoing efforts, notably in collaboration with the Valuation Division of the Ministry of Finance (MOF), to address the longstanding issues leading to the Auditor General's adverse opinions on its financial statements;
3. The status and timeline of the AGD's audit of the PTSC's financial statements for FY 2019, 2020, 2021 and 2022;
4. The staffing challenges experienced by the AGD and the effect of those challenges on the volume of audits the Department is able to conduct annually;

5. The improvements noted by the AGD since FY 2018 in the PTSC's provision of information necessary for the audit of its financial statements;
6. The major challenges, including fleet maintenance and staff efficiency, affecting the PTSC's overall efficiency and effectiveness from FY 2014 to FY 2018, and the strategies adopted to address those issues;
7. The status of the implementation of the PTSC's Strategic Plan 2021-2023 and the percentage of the plan that has been executed as at June 2023;
8. The international standards applied by the PTSC to develop performance indicators for the implementation of its Strategic Plan;
9. The customer satisfaction targets established in the PTSC's Strategic Plan, and the improvements independently measured in this regard through surveys conducted by professional services provider PwC;
10. The PTSC's commuter surveys, customer complaint system and customer hotline;
11. The size and average age of the PTSC's bus fleet as at June 2023, and the Corporation's planned acquisitions of three hundred (300) new buses;
12. The PTSC's bus fleet maintenance and refurbishment processes;
13. The supply chain challenges experienced in sourcing replacement parts for the repair of PTSC buses;
14. The use of external contractors to conduct some of the repair works required to PTSC buses;
15. The training programmes being developed for the maintenance of electric buses, which the Corporation plans to procure;
16. The process whereby the PTSC established and reviewed its routes throughout Trinidad and Tobago;
17. The ongoing procurement process for the acquisition of the requisite technology for the implementation of the Corporation's Route Evaluation Policy;
18. The PTSC's capacity to service only seventy-nine (79) of its one hundred and sixty-three (163) established routes, given its available fleet;
19. The recent addition of five (5) newly procured buses to service routes in rural areas;
20. The PTSC's routes providing access to the country's two (2) international airports and to the Inter-Island Ferry Terminal;
21. The status of the PTSC's route servicing specifically in Tobago;
22. The Corporation's compliance status with respect to the Public Procurement and Disposal of Public Property Act 2015 and its related regulations;
23. The Corporation's ongoing initiatives for the disposal of thirty-one (31) decommissioned buses;
24. The systems in place to ensure continuity of service in case of mechanical difficulties encountered by buses while servicing their respective routes;
25. The trends noted in the PTSC's ridership numbers since 2010;
26. The number of transit malls owned by the PTSC and the difference between transit malls and depots;

27. The target of thirty percent (30%) internally generated revenue established in the PTSC's Strategic Plan;
28. The revenue generated from transit mall rents and the status of the Corporation's ongoing initiatives to collect outstanding sums owed by mall tenants;
29. The PTSC's litigation risk and the major issues which have been the subject of litigation against the Corporation since FY 2014;
30. The alternative streams of revenue developed by the PTSC, including *Know Your Country* tours and transport to beaches using specially equipped buses;
31. Trends in revenue gained from rental of advertising spaces including at City Gate and the various transit malls;
32. The downward trend in the PTSC's annual spending on overtime since FY 2018, due in part to the slowdown of activity caused by the COVID-19 pandemic in FY 2020 and 2021;
33. The cost of the PTSC's engagement of an organisational transformation consultant and the status of the MOWT's review of the consultant's report;
34. The respective oversight roles of the MOWT and of the Investments Division of the MOF with respect to the PTSC;
35. The key national indicators for bus transport established as part of the National Performance Framework 2017-2020 under *Theme III: Improving Productivity through Quality Infrastructure and Transport*;
36. The status of the PTSC's progress to date towards becoming a more customer-centric organisation;
37. The ongoing digitalisation of the PTSC's customer interactions and the feasibility of developing a PTSC mobile app;
38. The trends in the Corporation's Accounts Receivable since FY 2014 and the successful collection drive carried out to reduce receivables;
39. The measures implemented since FY 2018 to strengthen the Corporation's internal controls to combat fraud, as recommended by the Internal Auditor, and the potential for implementing a Fraud Policy;
40. The Corporation's ongoing collection of monies owed by the Ministry of Education for the provision of transportation to school children in uniform, who are considered 'non-fare passengers';
41. The standard operating procedures in place to ensure security on board PTSC buses while carrying passengers; and
42. The existing CCTV coverage at the Corporation's premises nationwide and the need to strengthen these systems at the transit malls.

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

- 7.1 The Chairman thanked the representatives from the PTSC, MOWT and the AGD for attending the meeting and they were excused.

SUSPENSION

8.1 At 12:32 p.m., the Chairman suspended the public meeting to resume in-camera for a post-mortem discussion with Members only.

RESUMPTION

9.1 At 12:34 p.m., the Chairman resumed the meeting in camera.

POST-MORTEM DISCUSSION

10.1 The Chairman sought Members' views on the public hearing. A discussion ensued.

10.2 The Committee agreed that additional questions would be sent to PTSC and MOWT.
[Please see Appendix 1]

ADJOURNMENT

11.1 There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned to June 28, 2023 at 10:00 a.m.

11.2 The adjournment was taken at 12:36 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

June 6, 2023
Appendix 1

**ADDITIONAL QUESTIONS ARISING FROM THE 14TH MEETING OF THE PUBLIC
ACCOUNTS COMMITTEE**

QUESTIONS FOR ADDITIONAL INFORMATION – PTSC

General Questions

1. Provide the trends in the PTSC’s ridership since 2010.

The PTSC included “fit between employee skills and job requirements” among its major weaknesses.

Questions:

2. Does the PTSC experience difficulties in acquiring staff with the skills needed to fulfil its mandate?
3. What have been the most difficult skills to acquire?

In the 8th PAC Report, 11th Parliament, it was noted that the Auditor General had recommended in the Special Audit, the up-skilling of the PTSC’s engineering labour force to meet the challenges of new technology.

Questions:

4. Was this recommended up-skilling conducted?
5. How does the PTSC plan to better incorporate new and emerging technologies into its service delivery?

In its submission, the PTSC indicated that it has engaged an external provider to archive its documents, as its in-house storage was no longer sufficient.

Question:

6. What was the cost of engaging the external storage provider?

When conducting searches under the *Routes and Schedules* section of the PTSC’s website, it is only possible to choose “Monday – Friday” in the drop down menu labelled “Periodical”.

Questions:

7. Does this mean that routes are not serviced on weekends?
8. If no, will the website be updated so that potential customers could access information about routes, schedules and fares on weekends?

Issue: Strategic Plan

The PTSC submitted its Strategic Plan 2021-2023 to the MOWT on August 5, 2020.

Questions:

1. Was the Strategic Plan 2021-2023 approved by the MOWT?
2. If yes, how much of the Plan has been implemented as at June 2023?
3. What is the status of preparation of the PTSC’s post-2023 Strategic Plan?

According to the submission, “with regard to PTSC’s Strategic Plan 2018 – 2020 [...] 21% of the strategic activities were fully implemented, 54% were at various phases of implementation and 25% were not implemented”.

The PTSC Strategic Plan 2018-2020 identified the following categories of strategic initiatives:

- Operational Efficiency;
- Employee Satisfaction and Engagement;
- Customer Service and Satisfaction Improvement;
- Organisational Transformation;
- Revenue and Diversification;
- Establishment of M&E Framework; and
- Environmentally Friendly PTSC.

Question:

4. Provide a breakdown of which specific strategic activities were fully implemented, as well as those that were partially implemented and those that were not implemented.

Issue: Litigation Risk

The PTSC identified “litigation risk” the following among the major risks faced in the execution of its mandate.

Questions:

1. Provide an aggregate cost breakdown of the value of monies paid out annually as a result of litigation brought against the Corporation from FY 2014 to FY 2022?
2. From the period FY 2014 to 2022, have litigation costs increased or decreased?

Issue: Risk Management

The PTSC was in the process of developing its Enterprise Risk Management Policy.

PTSC’s Risk Management & Corporate Policies Sub-Committee of the Board “ensures that an appropriate policy and plan for a system of risk management is developed by management, approved by the Board and distributed throughout the Corporation”.

Question:

1. Given that there is, to date, no existing Enterprise Risk Management Policy at the PTSC, how long has the Risk Management & Corporate Policies Sub-Committee been functioning?

The Ministerial Response to the 8th PAC Report, 11th Parliament noted that there were nine (9) sub-committees of the PTSC’s Board of Directors. One of these was the Risk Management and Information Technology Sub-Committee.

Question:

2. In the absence of an Enterprise Risk Management Policy, what framework guided the considerations of the Risk Management and Information Technology Sub-Committee?

The PTSC identified “litigation risk” the following among the major risks faced in the execution of its mandate.

Question:

3. Could the PTSC quantify the value of monies paid out annually as a result of litigation brought against the Corporation?
4. What are the most common issues that lead to litigation involving the PTSC?

Issue: Internal Audit

The PTSC's written submission acknowledged that "the Internal Auditor's assessment is that the internal controls were assessed to be weak during the FY 2014 to FY 2018".

The PTSC's Internal Auditor therefore made recommendations based on its review dated June 10, 2016 of the FY 2014 financial statement. Ten issues were highlighted and recommendations were made on 6 of those issues, and questions were asked on the other 4.

The Internal Auditor recommended adjusting the Statement of Cash Flows to include Finance Costs, which were included in the Statement of Comprehensive Income. However, perusal of the Audited Financial Statements for the subsequent years shows that the recommendation was not implemented.

Question:

1. What was the reason for not implementing this particular recommendation?

Regarding Note 15 to the FY 2014 Audited Financial Statement – Debtors and Prepayments, the Internal Auditor recommended that the Deputy General Manager Finance

- "conduct an analysis on advances on Salary and provide a response re: the non-payments within the financial year";
- "conduct an analysis on advances on Vacation Leave and provide a response re: the non-payments within the financial year"; and
- "conduct an analysis on advances on Officer Loans and provide a response re: the non-payments within the financial year".

Questions:

2. Were the recommended analyses conducted?
3. If yes, what were the findings and what action was taken?
4. If no, why was the analyses not conducted?

Regarding the variances noted between FY 2013 and FY 2014 in the items "Operating Revenue", "Cost of Operations", "Other Income" and "Administrative Expenses" at Notes 3, 4, 3 and 6 respectively, the Internal Auditor recommended that:

"all significant variances between 2013 and 2014 should be analysed and explanations documented and made available for management review and auditing purposes".

The Internal Auditor explained that implementing this recommendation "would contribute to decreasing the level of substantive testing by the External Auditors which results in increased auditing costs to the Corporation".

Questions:

1. Were the recommended analysis conducted?
2. If yes, did this have the overall effect of reducing the need for substantive testing by the External Auditor?
3. If no, why was the analysis not conducted?

Issue: Profit and Loss on Operation

The PTSC identified the following measures taken to help ensure that operating income exceeds operational expenditure:

"During the period 2019-2022, PTSC acquired 37 CNG buses and 28 Diesel buses and is expected to receive 300 electric, CNG and Diesel buses in fiscal 2023-2025 which aims to increase revenue from ticket sales and tours/ charters."

Questions:

1. What was the cost of procuring the 37 CNG buses and 28 Diesel buses?
2. How many of the CNG and Diesel buses have been procured to date in FY 2023, and at what cost?
3. How does the value for money of CNG and Diesel buses compare to that of other types of buses?

Issue: Other Comprehensive Income

The PTSC derived the following income from transit mall rentals in FY 2018 (note 9 to Audited Financial Statement).

At the Public Hearing, the PTSC indicated that it employed several measures to recoup outstanding payments such as eviction notices, review of tenancy policies, calling in tenant debtors and legal pathways.

Question:

1. Provide the value of the outstanding rental payments at each transit mall as at May 2023.

Issue: Management of Income and Expenditure

The PTSC has implemented sales initiatives, which have boosted non-fare revenue generation. These include private charters, transport to beaches, the re-launch of the PTSC's tours, commercial advertising on buses and terminals, and tenant rentals at depots and terminals.

Question:

1. Since the implementation of these initiatives, what have been the respective contributions of private charters, transport to beaches, the re-launch of the PTSC's tours, commercial advertising on buses and terminals, and tenant rentals at depots and terminals to the PTSC's increases in non-faire revenue?
2. What, if any, targets have been set for desired level / proportion of income coming from tours / charters going forward?

The PTSC used management accounting to make short-term decisions and develop strategies for long-term growth. These include monitoring and managing overtime.

Question:

3. What was the PTSC's annual spending on overtime in each year from FY 2014 to FY 2018?
4. To what extent has this level of spending reduced since FY 2018?

The PTSC recorded an overall reduction of receivables due to an aggressive collection drive from FY 2017 onwards.

Question:

5. Provide the value of the PTSC's accounts receivable in each year since FY 2014.

Issue: Route Establishment

The 8th PAC Report, 11th Parliament recommended that "the PTSC should put in place strong mechanisms for the monitoring and reviewing of its routes on a regular basis to be more responsive to commuter demands". A Route Evaluation Policy was subsequently established in the 2018-2020 PTSC Strategic Plan.

However, as at May 2023, the PTSC was still awaiting the technology solution, which will assist in implementing the Route Evaluation Policy.

Questions:

1. What has hindered the adoption of the required technology for the implementation of the Route Evaluation Policy?
2. Is there an estimated timeline and cost of the procurement of the technology and subsequent roll out of the Policy?

The PTSC indicated that it conducted commuter surveys to obtain feedback from the travelling public as part of its route determination strategies.

Question:

1. How often are commuter surveys conducted?
2. How many respondents were there to each of these surveys?

QUESTIONS FOR ADDITIONAL INFORMATION – MOWT

Organisational Transformation of the PTSC

In a written submission dated May 15, 2023, the PTSC indicated the following:

“PTSC, through a tender process, engaged consulting services for the Organisation Transformation of PTSC. The Final Report of the Consultant, which includes recommendations for the restructuring of PTSC, has been submitted to the Ministry of Works and Transport for its review and recommendation to Cabinet for approval.”

Questions:

1. What is the Ministry’s perspective on the recommendations made in the Report prepared by the PTSC’s organisation transformation consultant?
2. When was the Report of the consultant submitted to Cabinet and what is expected to be the way forward for the PTSC’s transformation?

With respect to each outcome under the National Performance Framework, the MOWT indicated the Strategic Objectives, as well as the associated performance indicators and established targets.

Question:

3. Were all established targets met? Provide details.

The PTSC’s identified “liquidity risk”, whereby there could insufficient revenue to meet expenditure, and / or a reduction in Government Subvention, among the major risks faced in the execution of its mandate.

Question:

4. What is the likelihood of a reduction in the PTSC’s Government Subvention going forward?

Issue: Management of Income and Expenditure

The MOWT acknowledged that “a thorough review of the PTSC’s fare structure may be require”. The most recent adjustment of the Corporation’s fare structure was done in 1990.

The PTSC submitted its *Assessment of Fares and Subvention Levels with the Acquisition of 300 Buses* dated January 6, 2021 to the MOWT. The Assessment detailed the possibilities for fare increases, flat rates and the effect of changes on the level of Government Subvention that the PTSC would need. The Assessment also considered the effect of free riders on fare and subvention levels. (Attachment 6)

Questions:

1. What is the MOWT's perspective on the *Assessment of Fares and Subvention Levels* submitted by the PTSC?
2. What action will be taken based on this assessment?
3. What challenges could hinder action in this regard?

Appendix III – Verbatim Notes

VERBATIM NOTES OF THE FOURTEENTH MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD (IN PUBLIC) IN THE J. HAMILTON MAURICE MEETING ROOM, GROUND FLOOR, CABILDO PARLIAMENTARY COMPLEX, OFFICE OF THE PARLIAMENT, ST. VINCENT STREET, PORT OF SPAIN, ON WEDNESDAY, JUNE 14, 2023, AT 10.35 A.M.

PRESENT

Mr. Davendranath Tancoo	Chairman
Ms. Jearlean John	Vice-Chairman
Dr. Amery Browne	Member
Mrs. Paula Gopee-Scoon	Member
Mr. Roger Monroe	Member
Ms. Charrise Seepersad	Member
Ms. Hema Bhagaloo	Secretary
Ms. Celeste Reece	Procedural Officer Intern
Ms. Teneka Carrington	Parliamentary Research Intern

ABSENT

Mrs. Ayanna Webster-Roy	Member
Mr. Adrian Leonce	Member

AUDITOR GENERAL'S DEPARTMENT

Mr. Gary Peters	Assistant Auditor General
Mr. Desmond Noel	Audit Director
Ms. Rookmin Ramnarine	Assistant Audit Director (Ag.)

PUBLIC TRANSPORT SERVICE CORPORATON

Mr. Robin Rampersad	Vice Chairman
Dr. Bhushan Singh	Director
Mr. Patrick Gomez	General Manager
Ms. Veneisa Bynoe	Corporate Secretary
Ms. Gloria Corneal-Boyce	Deputy General Manager – Finance
Mr. David Mangal	Deputy General Manager – Engineering

Ms. Lalitha Bala Cetty

Deputy General Manager –
Corporate Planning and Strategic
Performance Monitoring

MINISTRY OF WORKS AND TRANSPORT

Mrs. Sonia Francis-Yearwood

Permanent Secretary

Mr. Wayne Koylass

Chief Planning Officer (Ag.)

Mr. Chairman: Good morning all and welcome to the officials from the Public Transport Service Corporation, the Ministry of Works and Transport, and the Auditor General's Department. My name is Davendranath Tancoo and I am the Chairman of the Public Accounts Committee for today's session. Please note that Public Accounts Committee has a mandate to consider and report to the House on:

- (a) appropriation accounts of moneys expended out of sums granted by Parliament to meet the public expenditure of Trinidad and Tobago;
- (b) such other accounts as may be referred to the Committee by the House of Representatives or as are authorized or required to be considered by the Committee under any other enactment; and
- (c) the report of the Auditor General on any such accounts, whether policy is carried out efficiently, effectively and economically, and whether expenditure conforms to the authority which governs it.

The purpose of today's meeting is for the Public Accounts Committee to examine the reports of the Auditor General on the financial statements of the Public Transport Service Corporation for the financial years 2014 to 2018; to assess whether expenditure conforms to the authority which governs it; to examine the challenges being faced and the possible solutions to these challenges; to assist the PTSC in achieving efficient delivery of services while ensuring that expenditure is embarked upon in accordance with parliamentary approval; to observe and assess the extent of the implementation of the recommendations made in the Eighth Report, Eleventh Parliament of the Public Accounts Committee on an examination of the report of the Auditor General on a special audit of the PTSC.

Based on the issues identified, the following key stakeholders were invited to today's session: the Public Transport Service Corporation, the PTSC; the Ministry of Works and Transport, the MOWT; and the Auditor General's Department, the AGD. Please note as well that this meeting is being broadcast live on the Parliament's Channel 11, on Radio 105.5 FM and the Parliament's YouTube Channel, *ParlView*. Viewers and listeners are invited to send their comments related to today's enquiry via email at parl101@tpparliament.org, via Facebook at [facebook.com/tpparliament](https://www.facebook.com/tpparliament), via Twitter @TTParliament. I will now ask and invite members of the Public Accounts Committee here with us today and with us online as well to introduce themselves. Members.

[Introductions made]

Mr. Chairman: Thank you all very much, members. I would now invite the Auditor General to make a brief opening statement.

Mr. Peters: Good morning all, Chairman, members, corporation's team. Special good morning to Mrs. Francis-Yearwood, PS. Very briefly, I would just like to let the meeting know that we at the Auditor General's Department, we are making progress in bringing the PTSC's audits up to date; granted not as quickly as we might like, I am sure, but we are still facing some challenges in terms of staffing and so on. However, we recently completed fieldwork for 2019 and we should begin fieldwork on 2020 very soon.

Finally, I would just like to point out that over the last two audit interactions with PTSC, I think it would be fair to say that the PTSC's team worked tirelessly, I would say, to provide documents and explanations that we required. In previous years that proved to be a challenge but they are really trying to help us out here. So in the end I think we should expect a quicker turnaround time in terms of completing the audits and moving

forward. Thank you.

Mr. Chairman: Thank you, Sir. I neglected to request that you introduce yourself and your good team. Can we do that now, please?

[Introductions made]

Mr. Chairman: Thank you all very much and welcome. I would like to get the Ministry of Works and Transport to also, if you may, Ma'am, introduce your team.

[Introductions made]

Mr. Chairman: Can I also ask that member from the Public Transport Service Corporation also introduce your team, please?

[Introductions made]

Mr. Chairman: Thank you all very much. I would like to invite the Permanent Secretary of the Ministry of Works and Transport to make a brief opening statement, please.

Mrs. Francis-Yearwood: Thank you. Good morning, Chairman, and members of the Public Accounts Committee. The Ministry of Works and Transport wishes to thank the Committee for its invitation to attend today's meeting to discuss the audited financial statements of the Public Transport Service Corporation for the period 2014 to 2018. The PTSC was established as a statutory body by the PTSC Act, No. 2 of 1965, Chap. 48:02, and responsibility for same as assigned to the Ministry of Works and Transport at various times throughout the subsequent years, the most recent being the Trinidad and Tobago *Gazette*, Vol. 59, No. 158 dated September 09, 2020.

As the line Ministry for PTSC, the Ministry of Works and Transport provides assistance to the PTSC in the implementation of their capital programmes and the administration of the corporation's main mandated function which is to provide a safe, adequate, economic and efficient public transportation system adapted to the needs of the country. Once again, I thank you for the invitation and we are willing to respond to any questions to the best of our ability posed by the Committee.

Mr. Chairman: Thank you very much, Madam PS. I want to now invite the Vice Chairman or the General Manager, either of you can make a brief opening statement on behalf of the PTSC, please.

Mr. Rampersad: Good morning, again, Chairman, and members of the Public Accounts Committee. On behalf of the board and management of the Public Transport Service Corporation, I wish to thank you for giving us the opportunity to provide updates on the audited financial statements for the years 2014 to 2018, and to respond to questions detailed in your correspondence dated April 03, 2023. As Vice Chairman, I welcome this opportunity to be part of the team this morning. Our team is comprised of at least one board member, Dr. Singh; the general manager and senior management of the corporation. We have spent time addressing several recommendations made both by your committee as well as the Auditor General's office, and we are grateful for the keen insights provided into the operations of the PTSC.

The corporation has been working diligently to streamline our fleet as well as other procedures according to international best practices, using standards such as APTA, the American Public Transportation Association, and UIPT, International Association of Public Transport. We have strengthened several areas, such as our IT department and infrastructure, and our customer service in alignment with our approved 2021 to 2023 Strategic Plan. One area of good improvement has been in customer satisfaction. This is according to independent surveys conducted by PriceWaterhouseCoopers in 2019 and again, in 2022. The corporation's financial statements up to and including fiscal year ending September 30, 2022 have already been submitted to the Auditor General's Department for its review. I thank you very much.

Mr. Chairman: Thank you very, very much, Sir. In our process of the Committee's hearing would be that I would start with some questions and then turn it over to my colleagues who will pick up other questions moving forward. I want to begin with a general question: What were some of the major problems affecting the PTSC's efficiency and effectiveness during the period 2014 to 2018?

Mr. Gomez: Chairman, thank you for the question. Some of the major issues affecting the PTSC was the

number of different fleet types in the corporation. That was a recommendation of the Auditor General. There were also issues with regard to the efficiency with respect to maintenance of the fleet. That was another issue identified. Efficiency of the staff, that was another issue identified.

Mr. Chairman: Thank you. Can you advise what strategies have been put in place between 2018 then and now to address some of these issues that you have raised here, and whether those strategies have been measured in terms of their success?

Mr. Gomez: In terms of the maintenance programme of the PTSC, there have been significant improvements made in that regard. We have a very aggressive preventative maintenance programme that is ongoing. We also have identified fleet types for disposal and we are rationalizing the fleet in terms of those fleet types that are providing the best output for us. In terms of efficiency, we have undergone some restructuring internally to look at efficiencies within various departments and that has been fairly successful at this point. All of these are ongoing at this stage.

Mr. Chairman: Thank you very much. Based on that then, a follow-up question with regard to your respond in April to questions asked by this Committee. In response to the Committee's questions to how do you rate PTSC in its overall effectiveness in pursuit of its mandates using a scale of one equals four, two equals fair, three equals good, four equals very well, five equals excellent, the PTSC rated itself as three, which is good. The obvious question then, is this rating of three out of five in 2022 better or worse than the rating you would have given yourself in 2018?

Mr. Gomez: I am not sure of the rating in 2018, but what I am sure of is that that rating that we have given represents a pretty prudent assessment of where we are. We have a number of programmes ongoing at this point in time. We have a number of activities and tasks in train from our strategic plan, and we have made successes in terms of customer service. In 2016, we were rated around 44 per cent. We did a survey in 2019 and we were at 66 per cent. And in 2022, we are at 69 per cent. So in terms of customer service rating, we have made some strides, but our strategic plan speaks to customer satisfaction of 90 per cent. So we are not where we want to be but we have made strides.

So in terms of our assessment, we have made improvements along the way. We are assessing it against our strategic plan and we have a number of activities that are still to be accomplished as we go forward.

Mr. Chairman: Thank you, Sir. The strat plan you are referring to is which one? The one up to '23 or—

Mr. Gomez: 2023, Sir.

Mr. Chairman: So that, at 2022, you had 69 per cent and at 2023, your hope would have been to get into the 90 per cent percentile?

Mr. Gomez: Well, we would have set 2023, the strat plan, to look at achieving 90 per cent customer service. Now, there are a number of activities and a number of initiatives that would have supported that. One could look at the acquisition of new fleet types. That is actually ongoing at this point in time. So based on those other activities that we have taken on, yes, we are moving towards the 90 per cent and that is the goal that we are trying to achieve.

Mr. Chairman: All right. Now, you have identified some of the things that are works in progress, but can you specifically identify—I want to tie you down a little bit to the 90 per cent. What would have caused you, given that you had a strat plan, given that you were working towards that 90 per cent, which is a reasonable—in fact, it is a nice option to have at 90 per cent, but what would have caused you not to achieve the 90 percentile? We are in 2023 now, or it is that you hope that something will peak and by the end of the fiscal you will get to 90 per cent?

Mr. Rampersad: Mr. Chairman—

Mr. Chairman: Yes, Vice Chair.

Mr. Rampersad:—when we developed that strat plan in 2021 to 2023, we looked at international benchmarks, best practice. And best practice is saying that in the 80s, in the mid-80s apparently, around there, you are doing a very good job in the transport service worldwide. I think in developing the strat plan we were a bit ambitious

by going 90 per cent, because 90 per cent customer service satisfaction is really high in this industry. As the GM indicated, in 2016, we were around 44 per cent which is under 50. We moved to 66 and then last year on to 69. As you would appreciate, when you make a great improvement like that, it is difficult to improve quicker again, and improvement would only occur in small increments. So we are nudging ourselves towards a higher percentile but in realistic terms and probably in reviewing our new strat plan, we may very well have to go with international best practice and reduce that optimism we had from 90 to probably 85, or somewhere around there.

Mr. Chairman: All right. I will take that. That is clear. I want to treat with something that would have been referred to in the opening statement, and just for my clarification, did you indicate that the financial statements for 2018, '19, '21 and '22 had already been submitted to the Ministry?

Mr. Rampersad: Yes, Chairman, up to September 2022.

Mr. Chairman: All right. Because my question is that one of the concerns that was raised in your communication to us is that the financial statements for 2018, '19, '21 and '22 were not ready in time because they were being prepared as at April 2023. I am glad to hear that they were forwarded. But one of the concerns that we have as the Public Accounts Committee is the delay in which it takes for financial statements to be brought to the Ministry, and therefore from the Ministry to Parliament, and therefore from Parliament to the Public Accounts Committee. We are right now reviewing up to 2018. That is five years ago. So realistically, a lot would have changed over the last five years.

My question then is, what would have caused—you indicated inadequate staffing. I want to get a little more specific to that because there is a requirement in law for the submission of these financials on a timely basis. So what, in terms of inadequate staffing, was specifically referenced when you indicated that this was the reason for the inability of PTSC to submit to your reports? I see my friend at the Auditor General's Department is looking to take this away from me and I am grateful for the advice.

Mr. Peters: That was my comment. I just want to clarify that.

Mr. Chairman: Right. Okay. Great. So can you advise then what would have caused—well, you would have indicated inadequate staffing—

Mr. Peters: Yes.

Mr. Chairman:—but you would have done that based on an assessment of some sort that the PTSC itself was suffering from inadequate staffing, or was it at the Auditor General's Department?

Mr. Peters: No, at the Auditor General's Department.

Mr. Chairman: Can you advise then, Sir, if that staffing has been resolved; if that issue has been resolved?

Mr. Peters: To some extent. Some audit seniors joined us recently. However, the lower level staff, there are a lot of vacancies at that level that would assist, or feed into the work that would assist the audit seniors to complete their work. So we are trying to get PTSC up to date as soon as we could but again, it would take some time because we have other audits as well that have equally—deadlines as well.

Mr. Chairman: All right. So what you have just raised is a hornet's nest because one of the major concerns of the Public Accounts Committee is the length of time—we have a huge list of public entities that have not in fact to date been submitting their reports up to date to the Parliament, and therefore to the Public Accounts Committee, and that is an accounting issue but it is an accountability issue. Can you advise—allow me to bedevil you a little bit to raise some of these issues. Can you advise the extent of the understaffing—if I may use that phrase, and you could correct me if I am wrong—and what urgent measures are being taken, put in place now, to ensure that these reports are completed quickly and in on a timely basis and in accordance with law?

Mr. Peters: Well, it is kind of difficult to answer that with any degree of certainty. We—

Mr. Chairman: Let me help you because I went on for quite a bit to make the point.

Mr. Peters: Yeah—[Inaudible]

Mr. Chairman: But in terms of the staffing, what you have outstanding, what vacancies do you have in your establishment and what more staffing do you think is required? Just in terms of a number.

Mr. Peters: In terms of the audit staff, the establishment has about 200 audit staff. We have just under 100 auditors on staff spread over the public accounts division, the division too that I am heading right now that does the financial audit of statutory boards and similar bodies, as well as the performance audit division.

Mr. Chairman: So what you have—basically what you just described is a 50 per cent complement of the staff that you actually need.

Mr. Peters: Yes.

Mr. Chairman: Sir, can you advise what measures have been taken, as far as from your perspective, to expedite the employment and the securing of that support staff?

Mr. Peters: That question will have to be answered by the Auditor General. Sorry about that. I am unable to answer that question right now.

Mr. Chairman: Not a problem. Thank you very much. I want to open the floor now to my colleagues who will ask some of the other questions and then I will come back with some further questions. Colleagues? Member John, if you would start up?

Ms. John: Thank you, Chairman. The CEO, please, what are the run out numbers on a daily basis for the corporation at this time? Because I am seeing a 500 number of buses but that is aspirational. I am seeing 500 buses. That is an aspirational figure. Because you are projecting in your strategic plan, in both periods that we have here, 2018 and 2020, and 2021 to 2023, you are predicating your service on a run out of 500 buses. What is it now, please?

Mr. Gomez: And that is correct, member. The end result is 500 buses. That is the target and that would have envisage acquisition. Right now, the bus run out that we have covers around 160 to 170.

Ms. John: That is about what?—40-something per cent of your—is it?

Mr. Gomez: Well, the fleet right now, we have 187 buses that have been identified for disposal and have been approved by the board for disposal. We have a number of buses in long-term repair and short-term repair. So on a daily basis we have an operational fleet that varies between that 160/170.

Ms. John: So it means in terms of your 160 routes—I think I saw somewhere, I could be wrong, you could barely service that—well, you are not servicing that at all.

Mr. Rampersad: Member, I will just take this one. At present, we service 79 routes because with the number of buses we have available, that is the maximum number of routes we can service effectively. The strat plan envisaged is that we would be having a fleet—an available fleet of 500. Again, international best practice calls for 85 per cent of your available fleet being on the road. So it would have brought it down to about 400-plus buses running on a daily basis. If we had that, we would then be able to service all the 163 routes. The issue with us not doing it right now is that we had attempted to acquire 300 new buses, but for various reasons that whole exercise was postponed and it is now in progress and it is supposed to take place sometime soon.

Ms. John: To purchase all 300 buses in one tranche?

Mr. Rampersad: No, no, 300 that will add to our fleet and they would be in three phases I think.

Ms. John: Okay. But I want to deal with what you have on your plate because I know a little bit about PTSC. So I know that is “woulda”, “shoulda”, “coulda” with Ministers, and I am not saying with your specific Minister. All right? So let us deal with what you have and the demand you have for the service, et cetera. You know, the aspiration, you “ain’t” getting 300 buses unfortunately, and I am not saying that because I am against PTSC. I love PTSC. In terms of the buses that you have now, there is a mixed fleet. Am I correct?

Mr. Rampersad: You are correct, member.

Ms. John: How many different types of buses you have in that fleet?

Mr. Gomez: At this point, I would hand that over to engineering who will be more specific on that.

Mr. Mangal: Good morning. We have various types of buses, models and type. It could vary from at least seven or eight different types.

Ms. John: But have you all settled—in terms of when you are going out now to acquire, have you settled on your specifications for these new buses and will consolidate so you would not go to Brazil and China and the US or wherever you find them the cheapest?

Mr. Gomez: Yes, in terms of the acquisition, the specifications are there and the acquisition will be one fleet type.

Ms. John: Last question before I give way. With respect to the HR, you have had a rapid turnover in staff, very key staff, head of HR, even in your position I am seeing you just got there in 2023, which is earlier this year, although you were there from '21 to '22, I cannot remember in which capacity. What is causing that continuous turnover? This is a company that really needs to be settled to progress.

Mr. Gomez: Well, from my assessment, the PTSC is a challenging environment and that may account for some of the turnover, also to attract the high-level professionals. We have been encountering a lot of problems with regard to the salary and the attraction to the portfolio. So some persons come and they stay a little while and they leave. But recently, we have consolidated the management team and a lot of the managers you see here are serving in their second contract. I myself was the Deputy General Manager - Operations and I have assumed the position of the General Manager. So within recent times that has changed.

Ms. John: One last thing. In terms of—what is the position that is in charge of the fleet? That engineering position that used to be there, what is the new name of it?

Mr. Gomez: Deputy General Manager - Engineering.

Ms. John: We have that person?

Mr. Gomez: That person is seated behind me there, Mr. Mangal.

Ms. John: Mr.?

Mr. Gomez: David Mangal.

Ms. John: He is an engineer?

Mr. Mangal: Yes.

Ms. John: And you have been—you just came. How long have you been with PTSC?

Mr. Mangal: So it is approximately two years and six months. This is my second contract.

Ms. John: All right. Thank you. Thank you, Chair.

Mr. Chairman: Thank you very much, member John. I want to turn over to Dr. Browne now.

Dr. Browne: Thank you, Mr. Chair. Good morning once again to those appearing before the Committee. And I want to start by congratulating the PTSC based on the feedback from the Auditor General's Department on its significantly improved responsiveness to the Auditor General, and I want to thank the Auditor General's Department for sharing that observation. Sometimes the Auditor General is viewed as the "bad news department", but when there is progress, you know, it was a good start to our discussion. I want to have some comments from you on the new and expanding revenue streams for the PTSC, and I would like some feedback in terms of whether you are serious in terms of pursuing payments from tenants. How is that process going, including City Gate, and the other hubs? Is there an exploration of advertising in buses and other modalities for the future? And I would like some comments on advertising along the bus route as well. Is that in place; is that a source of revenue; is that something that is being explored for the future? Chairman, I have quite a few questions and I do not know if for the flow you would want me to give all and those responsible would reply, or should I pause, get a response?

Mr. Chairman: I think for clarification, for clarity, for the listening audience as well, you should do one at a time.

Dr. Browne: Okay.

Mr. Gomez: Thank you, member, for your questions. There were a lot of questions there, but I will try to—in terms of collection from tenants, that has proven in the past to be an issue but we have a very stringent approach to it at this point in time. We have written all tenants who have arrears. Everybody has been written. So we would have gone through that process. With some of the tenants we would have entered into payment

arrangements, promissory note arrangements, and those who agree to that, that is ongoing and we monitor that on a daily basis—on a monthly basis, sorry. In terms of those tenants who we are unable to come to some sort of arrangement, we have forwarded a number of those cases to the courts. So we are pursuing a legal pathway with those.

In terms of other government departments, we have written to the heads of those departments, and for the best part other government agencies have settled their accounts. There are a couple that are outstanding and we continue to pursue those. Proceeding forward, we have a policy that is being enforced with regard to tenancy. So we monitor them on a daily basis, our accounts department, and where there are issues that arise we deal with it. Within a month or two, we write and we go through a process with that. And if need be, we serve notices of eviction if we cannot collect on those and they continue to be delinquent. So that is in terms of the tenancies. You may have to repeat the other question.

Dr. Browne: It was a question with respect to new revenue streams; advertising—what is the advertising philosophy within the buses on the bus route, et cetera. I would like some feedback on that because that—

Mr. Chairman: If I may? Before you go to that, just hold for one second. Can you advise what is the value of the outstanding rents thus far for these entities?

Mr. Gomez: I will have to provide that in writing for you. I do not have the figure offhand.

Mr. Chairman: Thank you very much.

Mr. Rampersad: Yes, member, thanks for your question. With regard to new revenue streams, there are several initiatives that we have embarked upon. As you would probably have noticed, we have an ongoing advertising of “Bus it to the Beach” which has been a very successful project so far. So we are doing those extra charters and tours, Know Your Country Tours and so on. That is one area.

With regard to advertising, for those of us who traverse the Beetham Highway, when you come up to PTSC’s main building, we have that big wall, which we refer to as the “Great Wall” in which we have several advertising positions. So we advertise that way. We traditionally have done a lot of advertising on bus wrapping and we continue to explore that area. However, during the COVID time that particular type of advertising dwindled considerably. Hopefully it will pick up again. We also have advertising on our fixtures within the pavilion, within the hub in Port of Spain, and we intend to increase that in our other transit malls, et cetera.

With regard to other types of advertising, we are dealing right now with our marketing department trying to explore new areas. We also generate additional revenues in charters for special events, so things like the Commonwealth Games, and the cricket, and World Cup and so on, that comes along. So we have the CPL coming up, we have I think a tour of India sometime coming up, and the Commonwealth Games and so on, we provide those types of services as well. And we are also doing a lot of work in consultation with the Tourism, Culture and the Arts Ministry to increase those type of services.

Mr. Chairman: Thank you. I have a supplemental based on what you just indicated and a comment you had made previously. You said you were currently servicing 79 out of 163 routes because of bus availability.

Mr. Rampersad: Yes.

Mr. Chairman: But while I am encouraging the need to generate more revenue, I actually think it is a commendable effort to try to generate more revenue outside of traditional sources. Is it that we are using the buses for purposes outside of transport and therefore, denying the travelling public access to those buses by pursuing these other revenue-raising methods?

Mr. Rampersad: Mr. Chairman, we have some specially equipped buses for tours and charters that do not normally run the normal routes.

Mr. Chairman: Thank you very much. I hand over back to Dr. Browne.

Dr. Browne: I have a few questions and maybe I will break it up and give other members an opportunity. My attention was drawn when the PTSC was asked about its weaknesses a phrase was used in response, “negative culture”. Let me just ask the question and you will gauge how best to respond to it. Can you elaborate on what that refers to and the steps that are being taken to address “negative culture”?

Mr. Gomez: Thank you, member, for that question. Maybe it is a misused phrase, “negative culture”, but it is what I call a legacy culture that was not based on customer—it was not customer-centric. So what the PTSC is doing is refocusing itself on being a more customer-centric organization. One of our strategic goals, as we said, a very ambitious 90 per cent customer satisfaction, and all the activities that we are embarking upon are geared towards that perception—changing that perception of PTSC to a more customer-centric organization focused on its customer, its commuters, who are really the backbone of the organization. So that is—

Dr. Browne: Chair, maybe the last one in this block. I see extensive reference to this 163 routes, what exactly is that based on? What is the formula that has come up with 163 routes for the country and is that something that has evolved with time, or is that we have closed our eyes and used that as static and we plan around that? And connected to that is the future disposition of the fleet with respect to electric buses, diesels, CNG. Can you give a sense as to what is the trajectory of the PTSC, understanding there is procurement in train, et cetera? But from the corporation’s point of view, what is the ideal future disposition? Let us say in 2030, what would your fleet look like? But I do not want you to forget that initial aspect of the 163 routes, how you came up with that, is that static? And I would want some comments from members.

Mr. Rampersad: Thanks, member. The 163 routes that we talk about so often was in place around 2010, ’11, ’12, ’13, around there, at which time we had a maximum level of fleet working on the road. And then the fleet started ageing and deteriorating and we had eventually ended up with less than 200 run out. So we had to relook at our routes. And we do have a policy in terms of how we determine routes and so on, even new routes, which we revise from time to time. So we had to look at which are the routes that would give us and give the public the best benefit, and that is how we came down to 79. We are moving—once we acquire more and the fleet is grown, we will be increasing the number of routes. And again, we will be looking at our studies that we revise every two to three years. We have a section within our company that looks at that and that is how we come up the number of routes. One hundred and sixty-three is the optimum that we had at one point in time and they were all running, but now we do not.

Dr. Browne: Chair, I am not sure the response took me where I wanted to go. Because when asked an earlier question the response was that the newly acquired buses, and a 90 per cent formula was applied, et cetera, with service—this listing of routes, this number of routes. So what determines a route for the PTSC? And if that was the listing back in 2010, or whatever previous period, was that based on science or was that based on we have X number of buses available? Is there some science involved here? And I would want a little insight into how the corporation treats with determination of a route.

Mr. Rampersad: Yes, so there is some science involved in it. So you would have a route, for example, from Port of Spain to Siparia, or to Barrackpore. However, if you do not have enough buses to service that route, you will have to incorporate the bus that is running that route that would normally—normally you would have had several other in-between routes. So you will have Port of Spain running to, let us say, Princes Town, or Port of Spain running to some intermediary spot. Now, what we do is we run the entire route which issues added time but you could transport less number of people on the entire route. And that is how we will address those matters.

Mr. Gomez: Member, also in—yes, there is some science to how we establish a route. Sometimes there is—you look at things like—population density is something that you would look at. Sometimes we get requests from local government bodies that there is a demand here. We would assess that demand and determine whether it is feasible. Of course, it is always easier when you have buses. Sometimes we are unable to satisfy.

We also look at things like rural routes. So, for example, the last five buses we bought were assigned to rural routes, Toco, Blanchisseuse. These are areas that do not have other forms of transportation in large volumes and also, it is very expensive. So to come out of Blanchisseuse on a daily basis may be a \$20 and so on. So the bus is very popular in that area in terms of its demand. So we use some of those metrics.

Of course, roads conditions are also important because you may want the bus to run on a particular

route but because of the size of the road, the bends, the things, buses cannot, so our smaller fleet is assigned to those types of routes. So as we acquire new buses, they will be assigned based on some of these metrics that we use.

Mr. Chairman: So if I may, I just want to tie this issue in to a previous issue. You indicated that we are doing 79 out of 163 routes as we speak, but you also indicated that you would have dropped from 163 to 79. Simultaneously with that drop we have an assessment that you would have done, a survey that you would have done which shows that while you have a drop in the amount of persons able to access public transport you seem to have an increase in the customer rating. So is it that you are only measuring customer rating in terms of the number of people travelling? So you are measuring quality of service as opposed to—the quality of service in terms of the vehicles, the actual use of the facility as opposed to quality of service by PTSC itself as an institution serving 163 routes or the transport demands of Trinidad and Tobago?

The question just to clarify is whether or not this survey that was done is reflective only of the travelling public that you currently service as opposed to the demand for service. Because if you treat with the demand of service, we are looking at 163 routes based on your own assessment which you had to reduce to 79. So is your survey for success, your benchmark, your KPI based on the actual persons travelling and their comfort, et cetera, or is it based on the demand or service and therefore satisfaction with PTSC?

Mr. Rampersad: Mr. Chairman, it is a mix of both. So we have two surveys. We have an internal survey that is done monthly by the PTSC, and that is done by our travelling public that use the PTSC service only, because we conduct those on our terminals and so on, with our customers. And then we have the independent surveys that were done by PriceWaterhouseCoopers that mixed both because in their reports to us they will tell us what the travelling public that uses the PTSC says, but they also have a component that speaks to what the general public thinks about the PTSC and whether or not they would use our service. So we have that component as well.

Mr. Chairman: Thank you. Not at this point because I know we are pressed for time as well, but I would like if you would be able to provide to us, to your committee, the differentiation. I would like to really see what the travelling public would have been saying as compared to what the general public would have been saying, if that is possible. Just for the referencing—if you do not have it now you could present it to the Committee at a later point in time—how many beneficiaries are we talking about? How many people—I am trying to gauge on an annual basis given your trajectory for growth so far. So let us go from 2010 thereabouts, in terms of the number of persons using the Public Transport Service Corporation for accessing transport from point A to point B. So I do not know if you would have that now. I suspect you would not, so I do not want to be unfair. So if you could provide it to the Committee at a later point in time. Is that okay?

Mr. Gomez: Yes. Sure.

Mr. Chairman: Thank you. I want to turn over now to member Seepersad who is with us online and she would engage you all in some further conversations and questions.

Ms. Seepersad: Thank you, Chairman. One of the risks identified by the PTSC is your litigation risk, and I would like to get some information on what is the level of litigation cost that the corporation incurs on an annual basis and what are the common issues that lead to litigation involving the PTSC?

Mr. Gomez: Thank you, member, for your question. In terms of the total cost, we can provide that in writing for you, but there are common areas. The common areas would be industrial relations matters. So we would have a number of those before the courts. That is where you have people who may be challenging termination, et cetera. We have litigation in, as I spoke to previously, in terms of tenancies. Those are people who were tenants and have not paid and the debt remains outstanding. So that is another area. And then another large area would be public injury. So if somebody falls on a bus, slips on the platform, these are areas that we have some number of issues that have arisen in those areas. And a fourth area would be in OSH-related matters, where we are in an environment that is a mechanical environment and there are injuries at times in terms of accidents that may attract those sorts of litigation.

Ms. Seepersad: A follow-up question: Are your costs increasing in terms of litigation or decreasing?

Mr. Gomez: Again, I would provide that in writing. But what I can say is that a lot of them are spanning multiple years, so that they range back to five years they have not been completed and so on. So new matters in terms of public injury, I would not say that it is increasing or there is any significant increase in the area. In terms of IR matters, I would consider it to be relatively stable. In terms of the public injury, what we have is a very robust OSH system in place internally where we monitor and we try to be very proactive in that regard.

Ms. Seepersad: Okay. Chairman, I have another question that just came to mind. One of the recommendations of the internal auditor with respect to your cash flows was the inclusion of finance cost in your statement of comprehensive income, and it is noted that it has not been included in the cash flows. And I was wondering what is the reason for excluding your finance cost and if you could give us an idea of the quantum of these cost?

Ms. Corneal-Boyce: Good morning, member. The question of non-inclusion of the finance cost was from the internal auditor in 2016—

Ms. Seepersad: Right.

Ms. Corneal-Boyce:—and that was corrected, in the sense that finance costs are included in the income statement—yes?—income and expenditure statement and therefore, would be part of the cash flow with the opening balances. Yes?

Ms. Seepersad: “Mm-hmm”.

Ms. Corneal-Boyce: So it is inadvertently included. That has always been the case and it was corrected in terms of explanation over the years.

Ms. Seepersad: So it has been satisfactorily dealt with?

Ms. Corneal-Boyce: Yes.

Ms. Seepersad: So it is not an issue anymore?

Ms. Corneal-Boyce: No.

Ms. Seepersad: Okay. I wanted to ask you about your accounts receivable. I have noticed that you have been able to—well, according to the information I have it is down to 17.7 million and I was wondering what is the current situation like at present and what strategies you all have been using to reduce your accounts receivable?

Ms. Corneal-Boyce: Okay. Well, I will have to give you the figure in writing.

Ms. Seepersad: Okay.

Ms. Corneal-Boyce: But we have instituted—as the GM had alluded to earlier, we have rigorously followed our policies to ensure that we reduce the likelihood of, or the delays in recovery of our funds. So it is a continuous monitoring, monthly writing, following up where necessary, having the agreements for payment of those in default, having legal deal with the issues where there are challenges in collecting, eviction, that sort of thing. But we have been rigorously—and that has come down significantly. There is the challenge of the very old ones where we still have some legal matters outstanding, but in terms of current it is at a quite unacceptable level.

Ms. Seepersad: And you do not have an idea what is the current state of affairs with respect to accounts receivable?

Ms. Corneal-Boyce: Well, I do not have the figures on me, but we could respond to that in writing.

Ms. Seepersad: Okay. Great. Chairman, I will give way to other members, but I do have a couple of other questions.

Mr. Chairman: Thank you very much, member. I want to turn over now to member Gopee-Scoon. Member.

Mrs. Gopee-Scoon: Thank you very much, Chairman, and good morning again, everyone. Two questions at this time, one on customer contact and communication, and the other on the bus replacement policy. So to go to the customer contact. Now, recognizing, of course, that you have an insufficient bus complement and you did say to me that, as I can recollect, that every two or three years you review your routes, et cetera. Is the

customer involved in that route review? In other words, yes, you would look at servicing all communities and of course there are restrictions, of course, but is the customer involved? Do you do a survey at that time to understand what the customer wishes to get? Are they involved in that review?

The second thing is, of course, there would be inefficiencies in any system where you have an ageing complement of buses, how do you communicate with the customer? I know that there might be by now, and I hope that there is an online service. Are you actually ensuring that you are communicating your late arrivals, et cetera, using your online service? And at times as well if you can predict one week down that you would not be able to service a particular route because your fleet is not up to scratch for various reasons, maintenance, et cetera, do you communicate with the papers? My question is about customer contact and communication with regard to planning and with regard to different kinds of exigencies. Thank you.

Mr. Gomez: Thank you for the question, member. In terms of the contact with the customers to determine routes, that is an ongoing process. So in our monthly survey with customers we would take on board any issues. We also have a very open customer complaint system where customers can also reach out to us and we address the customer complaints on an ongoing basis. When we are looking at routes, there are a number of stakeholders that we would engage. And as I said, I have a number of local government bodies would have reached out and indicated their desires in their communities. So that is also taken into consideration as we service routes. So, yes, the customer is involved in the process along the way.

In terms of customer communication, when there are disruptions, we use our Facebook platform. In fact, our latest one would have been on Monday. With the heavy rains, we would have been proactive indicating there may have been disruptions. And when there are specific disruptions, we would communicate that way to the commuters. In terms of when we are not having services, for example, on public holidays, you would see the ads in the papers where we communicate to our customers and give them information accordingly.

So, yes, when there are major road disruptions that is communicated to our customers. Where there are roads that become impassable temporarily, we communicate that. And when the service has restarted, we would communicate that to our customers. As we go forward and we improve our IT platform, that will become more real time as we go forward.

Mrs. Gopee-Scoon: Thank you. But staying on that, do you have a hotline? Because I would imagine that there are some days when you have a tyre—some tyre “buss and all kinda thing”. There are many things that would come up as to why a bus will not get to where it is supposed to be on time. Can that schoolchild or that customer use the hotline to call you to find out what is happening?

Mr. Gomez: We do have a hotline, but we also have at all our depots customer service reps and information booths at the Port of Spain depot where anyone can lodge an enquiry and the information can be provided to them accordingly.

Mr. Chairman: *[Inaudible]*

Mrs. Gopee-Scoon: And are there customer service—sorry.

Mr. Chairman: Sorry. If I may? I just want to target you as you raised the issue. Can you confirm that that mechanism that you just described is actually working at today’s date?

Mrs. Gopee-Scoon: That is what I wanted to find out.

Mr. Gomez: Which mechanism?

Mrs. Gopee-Scoon: The hotline.

Mr. Chairman: The hotline that you just described.

11.35 a.m.

Mr. Gomez: Okay. I will have to check whether it is working at this date but yes, that is in place. Our customer service reps are in place. We have the system where you can contact us and where there are deficiencies, that can also be brought to our attention with regard to customer complaints. In terms of the customer complaints, that would be routed through our marketing department where issues are normally raised through that department and are brought to our attention. So enquiries also come through that area.

Mr. Chairman: Thank you. Going back to member Gopee-Scoon.

Mrs. Gopee-Scoon: Yes, but I want to come back to the hotline. I want to know what is the hotline, how many people do you have servicing the hotline, and I want you to tell us and come back to us on whether or not that is in use.

Mr. Gomez: Right. Will do, member.

Mrs. Gopee-Scoon: Thank you very much. Now, I want to go back to the concern with regard to the limited buses. I know that you said you had 79 buses. Somewhere along the lines, I would have read that you have a bus replacement policy where you cited that the average fleet age should be in the range of five to six years. So I want to understand what is the average fleet age now, and understanding as well that we are going to 300 buses, some of which will be electric or all may be electric, I am not sure you said, but you are going to be redoing it in phases. Putting the two together, that is your fleet age and the arrival of buses in phases, when do you see an improvement in the numbers that are available? Because there are 79 on now but they may all quite be aged and you may have 80 buses coming in in the first phase, I do not know. So what I am pointing to is when do we see the numbers actually increasing, both with your old and your new complement? I do not if I explained it properly.

Mr. Gomez: In terms of the current fleet, we have a rigorous maintenance programme to keep that fleet going. Based on our projection, we anticipate that, with all things being equal, we are looking at probably an injection in the fleet probably in the second to the third quarter of 2024. Right? That would be the first probably injection of a new fleet, based on all things being equal in our procurement process and all things running smoothly. That would be when we would be looking at an improvement in a bus fleet.

But until such time, we continue to aggressively look at the existing fleet to keep it running. We also have a bus refurbishment programme going on. So that there are some that are in longer-term repairs, we are acquiring parts to bring those back into service and put them back into the fleet once they have been assessed as reasonable in terms of the expenditure on bringing it back. And those that have been assessed not to be — beyond economic repair, those have been identified for disposal.

Mrs. Gopee-Scoon: But I want to go back to the direct question as to the average fleet age, and to be even more specific, the average chassis age. Because you said in your policy that you will not use any buses with a chassis older than 15 years, and because I am also looking at the risk aspect of it as well. Tell me what is the average age? So that that gives us a sense that when your first phase of new buses come in, then what are we looking like—when would we see an improvement of the figures of buses available for public use?

Mr. Gomez: Member—

Mrs. Gopee-Scoon: But go back to my—[Inaudible]—question of the average fleet age.

Mr. Gomez: Right. In terms of that question, I will hand that over to my engineering officer to address.

Mr. Mangal: Right. Good morning, member. I would take the opportunity to firstly start that we have from 2022 buses, a small number. We have buses 2018 and 2020, this is the newer fleet composing about 65 buses. After that, we have buses that are 12 years and greater, some even at 16 years, 18 years along that line. So if you want to take an average, we could be over 10 to 12 years age.

The second part of your question that you asked about the present fleet and the policy that we have for bus replacement, yes, there is an ongoing process that we identified buses that are not economical to repair as they get older. The supply of parts becomes very difficult to get and so we use different strategies to identify these buses “and them” for replacement. So the injection of the new buses that will start from, hopefully from next year, we should be able to strike a balance then to get the older fleet back up. And also, the ones that will be approved for disposal will now be removed from the fleet, the core. So as we go along, we should see an improvement coming into next year with the injection of the new buses.

Mrs. Gopee-Scoon: Okay. Thank you very much for that. But, Mr. Chairman, may I just ask about the maintenance? What are the numbers in terms of your maintenance staff and do you have trainees? A big

focus must be trainees because these specialized vehicles—and I would like to think that you do have a number of trainees who are going to go into the job and who are going to stay with you. Thank you. Maintenance and trainees, et cetera.

Mr. Mangal: Yes, so I will first start with maintenance. Over the past few years, we have implemented a maintenance programme called Maximo that has been utilized across the engineering department at all depots. All jobs are created via a work order. We input all the parts cost, the labour cost and all of that. So we are now tracking the maintenance activities that is going on in the buses.

Further to that, we have now implemented and the preventative maintenance is being scheduled via the new system and it is flagged every month for buses that would reach the due date. So from a maintenance point of view, we do have a more aggressive system in place. We do also set minimum, maximum reorder levels for the stores so that procurement will be able to adjust the parts and supply. So we had made significant improvement in those, especially for the older fleet.

Secondly, we did have—over the years with the older fleet, we would have had trainees coming into PTSC. We had some NESCA trainees, we also had some UWI graduates working within the department. And now with the introduction and hopefully with the electric buses, we have already engaged local training bodies like UTT to formulate a programme that will run in conjunction with PTSC to provide trainees for us to train up for when the new fleet comes in. Also incorporated into that, the new buses will have a programme that will involve in-house training by the manufacturer and also training that will be done at their location.

Mrs. Gopee-Scoon: Good. Well, I mean that sounds quite good. I am pleased to know that the youths are involved and that there is a training programme for them as you seek to have upskilled maintenance crews available at all times. Thank you very much. Chairman, I will hand over—I have another question but I will hand over to my colleagues.

Mr. Chairman: Thank you. I want to engage the second round now. I think member Munroe has just stepped out, so I will engage Ms. John.

Ms. John: Thank you, Chairman. Thank you, members. I saw that: The 60 per cent and over group accounts for 13 per cent of your ridership.

This money you are reimbursed from the Ministry of Social Development and Family Services? Right, it is Social Development and Family Services, not so?

Mr. Gomez: Social Development and Family Services, yes.

Ms. John: Do you get this money back on time?

Mr. Gomez: Yes.

Ms. John: Very good. All right. What about—

Mr. Gomez: At this point in time. [*Laughter*]

Ms. John: Well no, the on time is good, once you get it back in time. In terms of the rural transport services, I know at one time, there was specific dedicated rural transport service. How are you doing with that and your Tobago service, particularly from rural end? I am from Charlotteville and basically without public transport, PTSC, I would not have gone to school. So that is why I am so fond of you all. [*Laughter*] So basically, what is happening with transportation on the Tobago end and particularly in the rural areas that are so dependent, whether it is Trinidad or Tobago, on your services, please?

Mr. Gomez: Well, thank you, member. Let me start with Tobago. In terms of—at this present time, we would have had some challenges maybe late last year on the route primarily because of the road conditions at Belle Garden. That has been since been restarted and I can assure you that L'Anse Fourmi and Charlotteville, those services are running very consistently and we have been having very good responses to it.

We also had a contingency in place, should we not be able to run the routes with our buses that we will have independent contractors on that route. But at this point in time, we have not had to invoke that.

The buses are running there at this point in time.

Ms. John: And the school bus services, you still have that? Like for Roxborough Sec and—

Mr. Gomez: Well, we have the maxi-taxi services, concessionaires that service the schools, so that process is also running both in Trinidad and in Tobago.

Ms. John: So you have no PTSC buses now running those routes as prior in terms of the secondary schools, only the contracted maxis?

Mr. Gomez: No, we have the contracted maxis taking up that issue.

Ms. John: Okay. One last question. With respect to your repair services and the spare parts, you said you have a system in place but is that like “a just in time”? You really have parts there on time for buses?

Mr. Gomez: We have an inventory of parts that we have in stock that are utilized. We have reorder levels that we would set. Of course—

Ms. John: Okay. But you satisfy those reorder levels on time to get that roll-out consistent?

Mr. Gomez: One of the disadvantages we have had from what I call the COVID years is that the supply chain has proven to be extremely difficult over the last three years and although we are outside of COVID now, we continue to experience challenges in terms of the lead time to get parts, but the system is triggered and we order. We have a number of agents for the bus manufacturers in Trinidad and we work with them closely in order to get the parts in on time as best as possible.

Ms. John: So that does not affect your ability in terms of down in that, what you call it?—the warehouse, the ability to get the buses out? You do not think that—

Mr. Gomez: Yeah, definitely it does have an impact. If we do not get the parts in on time and if we have a lead time stating that it is 16 weeks or 14 weeks and it does not come in that time, yes, it would affect the bus run out.

Ms. John: But you all use any local—outside of your maintenance area in the back there, do you all use any local contractors in terms of repairs—for repairs and so on?

Mr. Gomez: Yes, we use them for repairs, we use them for some engine repairs and so on.

Ms. John: So then my last week question will have to do with the new procurement legislation. I saw it here where it has become a challenge because you have a lot of repairs and demands that will come up just unexpectedly. How is that impacting you? Are you registered and—

Mr. Gomez: Yeah, we are actually quite advanced in the process. I would say we have been working with the OPR, we have our handbook and guidelines in place. Those have been approved by the OPR. We continue to work with them because we had a lot of preparatory work but when we finally implemented the system, you would have seen some teething problems and we engaged with them when we encountered those problems, but generally it has not affected us in any significant way. We also would have put out advertisements in the papers for our suppliers and so on to register because we can only use registered suppliers from the depository. So I would rate that as pretty advanced and we have seen no significant fall out from the public procurement Act.

Ms. John: Just the last comment because I really saw you flagged it here in your Strategic Plan 2021 and you talked about proprietary work. You have gone to the procurement administrator and explained that you have work that is specific to PTSC so you will not be inadvertently held up with your—

Mr. Gomez: Yes, and it provides for that. The Act provides for those instances.

Ms. John: Okay. Thank you, Chairman.

Mr. Chairman: Before I turn over to member Dr. Browne again, just to follow up on a question that you have raised and members raised, something similar that was raised before but from the opposite side. We have spoken quite a bit about the amount of moneys being owed to the PTSC. I am very curious, based on your training and so on, about the amount of money owed by PTSC to various suppliers and institutions, the length of time that those debts have been incurred before repayment, et cetera. Can you provide any kind of

assistance to that?

Mr. Gomez: Well, my finance officer may be able to provide specifics but as the General Manager, I would indicate that I have not had any significant claims coming across my desk. I have had some aged ones coming from the 2011, 2010, but in terms of our payment to our suppliers and so on, we are pretty much up to scratch on those and we maintain our payment timelines but my finance officer could probably shed some more light on that.

Ms. Corneal-Boyce: Okay. So that is correct. We have cleared up all those old issues that existed with outstanding payments and we are more or less up to date and on time with our payments. We—currently, it is only about 588,000 and that would include—that would be because we would have registered in the system those activities that you would have down payments on and not yet completed to make final payments. Some of them are PSIP payments. Yeah? So we are in good standing.

Mr. Chairman: Thank you very much. I turn over to member Dr. Browne again.

Dr. Browne: Thank you, Chair. I just want to say that I appreciate the interaction that we have been having or we have had this morning. Like member John, many of us would have grown up depending on the PTSC service and understand how vital it is. To this day, many persons' lives revolve around the movement of a bus, access to a bus, school, work, going to the beach, as you yourself have said. But there is another part of the population who may not really appreciate the vital importance of having this public transport service available and for them, the main calamity would be if a bus breaks down on the road, it causes traffic, et cetera, et cetera.

I was very pleased to see that you had or have two recovery utility vehicles, which from the documentation are equipped or were equipped, I am used the tense guardedly, to respond if there is a breakdown and to be able to get that bus serviceable and moving as quickly as possible for the benefit of the passengers as well as the other users of the road. Can you give an update on that, those assets, the recovery utility vehicles? Are they in play at this time? Is that an asset that you would have like to expand and acquire more? What is the status of that service?

Mr. Gomez: Currently, we do not have any recovery vehicles that are serviceable on the fleet. We have some for disposal. But we have service arrangements with third party providers to recover buses and we also have a response mechanism when a bus breaks down. So, for example, I will use one—we had one yesterday and the bus to Sangre Grande broke down in San Juan. One of the buses that was passing going to Arima picked up the passengers and we arranged for a bus from Sangre Grande to meet those passengers. It was fuelling in Arima and environs, and they took them the second leg and then we dispatched another bus.

So we would normally, when there is shut down, dispatch an alternate vehicle where possible. And to recover, engineering would go on site, they would either be able to troubleshoot the bus there and if it cannot be “troubleshooted” and started at that point, we would engage our service providers at that point to bring the buses back into the depot.

Dr. Browne: Well, I stumbled on to something I did not expect to because these recovery utility vehicles were not that old. What happened to them? Is it a case of ironically poor maintenance? What became of those vehicles? And is it that the PTSC has made a determination that there is a better business case to utilize these third parties for a rapid response when there is a breakdown as opposed to having a team with vehicles that would respond from within the corporation?

Mr. Gomez: I would say that—well, those vehicles would have served their life so that is what would have been assessed. But in terms of the future, do we have a requirement for recovery vehicles? Yes, we do and there is discussion to acquire recovery vehicles organic to the PTSC. But at times, one vehicle may not be enough, you may have—[Inaudible]—breakdowns, so that having that hybrid of third party providers is also acceptable to us. It is about building a resilience within the system and a redundancy to be able to provide the best for customers. When there is a shutdown, the first thing you want to do is get the commuters off

the road and then you want to recover the vehicle back into the depot as fast as possible.

Dr. Browne: All right. And finally, can the General Manager indicate when those two recovery vehicles were purchased and when they came out of service? Can the Committee be informed of that, please?

Mr. Gomez: Yes, member. I will inform in writing.

Mr. Chairman: Back to member John.

Ms. John: I know we are coming to the end. But, Chairman, CEO, you would have spoken about the disposal of old buses, a significant number of these buses and I mean, I congratulate you on getting from end to end. At least you have gone to the board who has approved. But in terms of actually getting rid of these old buses, that was the hardest thing I know for PTSC, because the process is so long-winded and involved and maybe part of your Act, I am not sure, or the tender process. You have gone to the end of it, what are you going to do now in terms of getting them off your hands, off the compound? What do you do?

Mr. Gomez: All right. So we have the 187 that have already been approved by the board. We have 31 that have been decommissioned and deregistered by licensing because they are part of the process. So those 31 will go forward to auction off in accordance with the Public Procurement and Disposal of Public Property Act. Once we have that first set, we will again identify chassis numbers because that is a part of it and licensing will decommission and deregister. So we will go through that process over the next couple of months to have those vehicles properly disposed of and accounted for within the government system.

Ms. John: And off your compound?

Mr. Gomez: Well, we have a number of them stationed in our Tanteak Compound which is off the compound. As we dispose from that compound, those that you may see around maybe the Port of Spain depot will move to that disposal compound.

Ms. John: Okay. Well, just follow your rules very carefully, eh, especially with the procurement coming into it. You not only have your own laws, your own rules and regulations but—

Mr. Gomez: I will, Ma'am.

Ms. John: All right, please. Thank you.

Mr. Chairman: Thank you very much. I have a few questions that I would like to raise at this point in time as well. In your submissions, PTSC—this is to PTSC. In your submissions to the Committee, you indicated that:

The PTSC used a management accounting to make short-term decisions and develop strategies for long-term growth. These include monitoring and managing overtime.

Can you advise what is PTSC's annual spend on overtime between the period 2014 to as recent as you could pass on?

Mr. Gomez: Thank you, Chairman. I do not have the spend on overtime from 2014 but I can give you from 2018.

Mr. Chairman: Well, what we are trying to do is a comparison but I will take 2018 and then move forward.

Mr. Gomez: All right. So in 2018, it was approximately 6 million. In 2019, following some stringent internal adjustment, it would have gone down to 3.6—3.7 million. In 2020 and 2021: 2020, it was 1.9 million and in 2021, 1.8—I would say, 1.9 million. Now, those two years would have also been affected by the fact that they were COVID years so they would have been impacted by that. In 2022, it was 2.4 million. That was where we were coming out of COVID.

So over the years, we have trended more or less down in terms of overtime and we have a stringent internal process in place where all overtime has to be approved by the General Manager in advance. So I will ask the questions of: Why is the overtime to be incurred and what I am getting out of it, in terms of what is the deliverable. So that is more or less centralized and my Deputy General Managers are tasked to control that overtime and to account to the finance and account committee every month with regard to overtime spend, so that is how we control that overtime spend.

Mr. Chairman: Thank you. Further questions. In the last Committee report, the Committee had recommended the rationalization and reorientation and restructuring of PTSC to enhance customer service, et cetera. In your submission to the Committee here based on our enquiry dated May 15, 2023, you indicated, and I want to quote just for the purpose of asking the question:

PTSC through a tender process engaged consultant services for the organisational transformation of PTSC. The final report of the consultant which includes recommendations for the restructuring of PTSC has been submitted to the Ministry of Works and Transport for its review and recommendation to Cabinet for approvals. The questions, Sir, are: What was the cost of engaging the consultant and who was this consultant?

Mr. Gomez: Thank you, Chairman, for the question. The cost was \$700,000. The consultant was EY and it was done through an open tendering system, a RFP.

Mr. Chairman: Can you advise when the consultant's report was actually submitted from you to the Ministry of Works and Transport?

Mr. Gomez: In December 2022.

Mr. Chairman: Question to the Ministry of Works and Transport then: Have you all been able to review the proposals with the submissions by the consultants?

Mrs. Francis-Yearwood: Thank you, Chair. The document did come to the Ministry, we have had an initial review, we have requested a presentation from the consultant which occurred I think it was approximately say two months ago, a month ago. Subsequent to that, we also asked that a review be made in conjunction with the proposed transition programme that must come into place with the addition of the new buses and that is to be submitted to the Ministry.

Mr. Chairman: So you, at this point, would not be able to advise if there is a progression from—well, when we will move from Ministry of Works and Transport to actual Cabinet for review and then revision?

Mrs. Francis-Yearwood: Not at this time.

Mr. Chairman: Can I ask if you would have consulted at all or raised the—this may be for both PTSC and Ministry of Works and Transport—whether you would have raised the issues contained in the submission with any relevant trade unions, et cetera, or is this too early for that purpose? Do you have to wait until you go to Cabinet and then make policy decisions and guidance?

Mrs. Francis-Yearwood: It is too early for that. We have not in the Ministry itself consolidated the final document, so we are awaiting the resubmission and it is when we come to some measure of agreement then.

Mr. Chairman: Do you have any idea of a timeline for when that can happen, when we can see this transformation of PTSC based on the report that was submitted?

Mrs. Francis-Yearwood: Thank you. So I believe PTSC is to return to the Ministry within one month's time and based on that, we will then take it from there, Chair.

Mr. Chairman: Thank you. I have a couple more questions. The Auditor General issued an adverse opinion on each of the PTSC's financial statements for the period 2014 to 2018 and basically said, and I quote:

The financial statements do not present fairly the financial position of PTSC as at September 30th. Now—of the year in question, so that will be 2014 to 2018. My question is, either PTSC or the Auditor General, could provide a little bit of clarification for me please as to exactly what does that mean. What does it mean that it does not fairly present the financial position of PTSC? And further to that, when you give an adverse opinion, what then follows from that?

Mr. Peters: Okay. We follow ISA, International Standard on Accounting 705 which details modified audit opinions. So the definition of an "adverse opinion" is:

"The auditor shall express an adverse opinion when the auditor, having obtained sufficient audit evidence, concludes that misstatements, individually or in the aggregate, are both material and pervasive to the financial statements."

So in this case, we would have detailed on the face of the audit report, the misstated items on the financial

statement.

Mr. Chairman: So you would have actually raised those issues with PTSC?

Mr. Peters: Yes, we would have. At the end of the audit, we have what is called within the audit world “exit meeting” where the unresolved matters are discussed, brought to the attention of the finance people.

Mr. Chairman: All right. So that is fair. My question then is whether PTSC would have taken any actions to treat with the issues that would have led to such an adverse report. Prior to submission or subsequent from submission from 2018 being the last year I think that you would have reviewed to date that we would have been examining. So my question is whether PTSC has engaged in any actions to treat with some these issues that you would have raised in this adverse report and whether actions have been taken to ensure that we no longer have a recurrence of such an activity.

Ms. Corneal-Boyce: Okay. So yes, we have taken most of the concerns raised into account. We have two main ones that are still outstanding that we are treating with within this financial year. One is the valuation of the property and plant. We have engaged the Valuation Division, Ministry of Finance, to assist in this effort. The other one is the treatment of a brought forward of government grants from 2017, which we are currently working to resolve in this financial year.

Mr. Chairman: Thank you. I am glad you raised that specific issue because in your submission you also indicated that the major challenge encountered each year is the valuation of assets, that is the property and plant, and that the last valuation was done in 1973. Now that is a very, very, very long time ago and therefore we would have been carrying these figures on our books which are not truly reflective of reality. My question then, because PTSC has been around for quite a while is: Why has there not been an evaluation from as far back as '73 to now?—1973 to now, that is quite a lot of time. That is half a decade.

Dr. Browne: 1973?

Mr. Chairman: 1973, yes.

Dr. Browne: [*Inaudible*]

Mr. Chairman: Okay. So maybe it is not half a century but it is in excess of—

Dr. Browne: You said half a decade.

Mr. Chairman: All right. Sorry, my apologies, half a century.

Ms. Bynoe: The challenges we would have had with regard to this is the cost of the valuations. All right? So the value of land and buildings is in the millions of dollars which PTSC does not have. Since the Auditor General has raised it over the past few years, we have been trying to engage Ministry of Finance’s Valuation Division. They have sent a list of requirements that we are trying to work on and to provide to them so hopefully that should be starting soon.

Mr. Chairman: All right. So some just some basic housekeeping as well. PTSC, there are two different estimates. In your audited financial statements, they advised that you had five transit malls and your website indicates that the corporation actually has three. Can you clear up which it is?

Mr. Gomez: All right. For clarification, we will refer to the transit malls as three. They are San Juan, Curepe and Tunapuna as the transit malls. We would differentiate those from the depots which are Port of Spain, Arima, Sangre Grande, Chaguanas, San Fernando, Point Fortin and Tobago. The depots are where we have buses domiciled and the trips would normally start at those locations. Transit Malls, the ones in Curepe, San Juan are where buses would just stop and drop off persons and proceed on. So the correct amount is three.

Mr. Chairman: Yeah. So there is a different function and therefore a different terminology used to ascribe to the each of the entities.

Mr. Gomez: Yeah.

Mr. Chairman: Another bit of house cleaning. In some of your correspondence to us, you referenced a development plan 2017 to 2022. In other communications, we have seen a PTSC Strategic Plan 2018 to 2020. Again, it is either one or the other. Which is it?

Mr. Gomez: Well, we have the strategic plan which is the overarching plan that we have with two main

objectives of 90 per cent customer satisfaction and 30 per cent internally generated revenue. Now, out of that strategic plan would fall a number of activities, specific developmental activities that are to be undertaken and that is where the development plan comes in. So the development plan, I would say, is a subset of the strategic plan and it is really the action plan going forward to bring the fruition of your goals in your strategic plan.

Mr. Chairman: Excellent. Based on your strategic plan then, you had a situation where 21 per cent of the strategic activities that were actually implemented fully, 54 per cent were at various stages of implementation and 25 per cent not implemented at all. Can you advise on is that related to specific types of activities: operational efficiency, employee satisfaction and engagement, et cetera, et cetera, et cetera, et cetera? What I am trying to get from you, Sir, is this 25 per cent—what is that 25 per cent that was not implemented and why?

Mr. Gomez: Thank you, Chairman, for the question again. The 25 per cent—one of the pillars of the strategic plan is the fleet modernization. So the acquisition of the buses is a key activity that has not as yet taken place. It is ongoing but it has not reached to the level that we anticipated at that point in time.

Mr. Chairman: So would that not be in the various phases of implementation, so that is the other part, it is just the 25 per cent not yet implemented?

Mr. Gomez: Well, when we look at the strategic plan, that would have been the part that would not have been implemented and those have a number of other follow-on things from it. We also have some infrastructural development that has to take place. Again, that has issues with regard to the Commissioner of State Lands that we are working through to get those accelerated.

Mr. Chairman: Thank you. Question to the Ministry of Works and Transport. The Ministry of Works and Transport explained in your submissions to us, to the Committee, that:

The National Performance Framework established key indicators for the bus transport sector under the area/theme: Improving Productivity through Quality Infrastructure and Transport.

This NPF, this National Performance Framework, covers the period 2017 to 2020. However, to date, as far as the information we have in front of us, there has been no new framework developed after 2020. Madam PS, can you advise why no such updated framework was put in place?

Mrs. Francis-Yearwood: Chairman, of course the challenge would be that the framework is not developed by the Ministry of Works and Transport. This is an overall national strategic framework undertaken by the Ministry of Planning and Development. However, I can say that what has been in train is the revised National Development Strategy which is the 2016—2030 document that is being developed by the Ministry of Planning and Development, as well as in the interim there was the Road to Recovery document which was developed, which also spoke to the question of national transportation.

Mr. Chairman: All right. So this may be my last question for now anyway unless my colleagues have others that I could piggyback off to. What we have found is the Constitution provides that the statutory authorities should submit to the President before 1st of July in every year a report of the exercise of its functions, et cetera, and it describes the procedures to be followed and the President shall cause the reports to be laid within 60 days thereafter in each House.

The question when raised, the Ministry would have explained, that is Ministry of Works and Transport, that:

The quarterly financial statements are not submitted to the Ministry of Works and Transport but rather to the Investments Division of Ministry of Finance.

My question, Ma'am, is that the Ministry of Works and Transport shares oversight of the PTSC with the Investments Division of Ministry of Finance, is it a shared responsibility or is it that the PTSC now responds directly to the Ministry of Finance?

Mrs. Francis-Yearwood: It is a shared responsibility because the Ministry of Finance as corporation sole would have certain requirements and they would have certain oversight over the entities. And the Ministry of Works and Transport in the same vein would have certain oversight of the entities, so it is a shared

responsibility.

Mr. Chairman: Thank you. I have no further questions that I could say at this point. I want to find out from my colleagues at the Committee level if you have any additional questions and if we have any further questions for Ministry. Ms. Seepersad, over to you, Ma'am.

Ms. Seepersad: Thank you, Chairman. I just have two quick questions. One concerns the route evaluation policy, because I was listening to comments and questions about the efficient provision of services and I am wondering what is the PTSC's policy on your route evaluations and what is the status of the acquisition of the technology required to implement more efficient route evaluation policies.

Mr. Gomez: Thank you, member, for your question. In terms of the technology for route evaluation exercises, that is part of the tender. The tender has a heavy IT support system called an Intelligent Public Transportation System and that will allow us to have the data more accurately recorded in terms of ridership, in terms of a number of issues that will then feed into route evaluations. So that is part of the tender process as we speak.

Ms. Seepersad: And could you just remind me what is the timeline for acquiring the technology?

Mr. Gomez: Well, the tender process is ongoing at this point in time. It will close probably in about a month. After that, there is a valuation and, of course, implementation. We are looking at the second quarter to the third quarter of 2024 for introduction of that technology.

Ms. Seepersad: Okay. And a last observation following Minister Gopee-Scoon's questions, have you ever considered an app, having a PTSC app where you could pay for your transport and you could have messages blasted out to your customers with service disruptions, new routes, et cetera?

Mr. Gomez: Well, in terms of the app, yes, that is part of the plan and it is also part of that IPTS system, that is one component of it. In terms of paying for services, over the last year, we have the payment portal that has been implemented on the PTSC website. So that that allows even commuters going to our "Bus it to the Beach" charters to the beach, they can pay—a year ago, they had to come into PTSC with a receipt or go into a bank and so on, they are now paying online for those services.

Ms. Seepersad: But, you know, the new way is everything is on your phone so that—I mean, apps are really to way to go.

Mr. Gomez: Yes, member. And the IPTS system has all that embedded in it, so that is where we are going.

Ms. Seepersad: Great. Thank you very much and thank you for your participation today. I am really quite impressed with the strides you are making.

Mr. Chairman: Thank you, member. Turn over to member John again, please.

Ms. John: Yes, Chairman. I should have had a follow-up question after I had noted the 13 per cent arm of your—you said the 60 and over age group constitutes 13 per cent of the population you carry and then there was the schoolchildren in uniform. They are non-paying passengers? But you did not seem to be able to pick up what was the percentage, so then you would not know what was the revenue loss, or is it that you are paid by the Government for this too?

Mr. Gomez: Well, we do track the schoolchildren in uniform. Finance will indicate whether we are paid for that service.

Ms. Corneal-Boyce: Okay.

Ms. John: Right. Are you paid? You recover this income the same way you recover from Social Development?

Ms. Corneal-Boyce: We are supposed to. We are having a challenge with collecting for the schoolchildren in uniform and that is engaging the attention of the General Manager and the PS of Ministry of Education at this time.

Ms. John: But they make an allocation for that in the budget, in the national budget?

Ms. Corneal-Boyce: Yeah, we have that in—

Ms. John: Not you, but the Government. Do you know if they do?

Mrs. Corneal-Boyce: Yes, it is part of a Cabinet Minute for the payment. It is the same Minute that speaks

to the Ministry of Social Development and Family Services paying us a certain amount of money for the elderly, 60 and over; it is the same Ministry that speaks to us being compensated from the Ministry of Education for transporting schoolchildren in uniform.

Ms. John: But you also had some small buses, independent providers who will transport schoolchildren. You still manage that service?

Ms. Corneal-Boyce: It is managed through the school maxi-taxi service which is paid for by the Ministry of Education and yes, we do get payment for that.

Ms. John: On time? Because I know at times there is a lag, a major lag, and they complained, you see it in the newspapers.

Mr. Gomez: Yeah. We have had some challenges in the past. Recently, we have done some tweaking internally and we communicate extensively with the Ministry of Education. So over the last couple of months, the payments have been pretty regular and we have been getting. We have also worked on the school maxi concessionaires to submit their claims on time.

Previously, we would probably hold back a group for a small number—we have a deadline and if that deadline passes, you will now go into a group for late payment and we go with the ones who have submitted on time.

Ms. John: [*Inaudible*—but in terms of your interaction with these independent providers, you have training and oversight and so on to ensure that children are safe when they are in their care?

Mr. Gomez: We have training and oversight, we also have a policy that guides the maxi-taxi concessionaires and we also have in their contract the dos and don'ts and if there are infringements on that, they are removed from the service.

Ms. John: Right. Thanks, Chairman. Thank you very much.

Dr. Browne: Thank you once again. One of the things we cannot take for granted is security and I recognize the corporation expends significantly on security. My question is—and I also observed that there are cameras in the hubs, et cetera. Do you have cameras on the vehicles themselves to allow for monitoring and viewing of what transpires, basically a security camera within buses? If so, to what extent does this apply and then do your security officers ever travel maybe anonymously on buses? Is there some sort of—you know about the air marshals programme that operates with airlines. Is there anything parallel with the buses or do we generally simply assume that the clientele would be safe on the bus?

Mr. Gomez: Well, let me start from the big picture. We do have CCTV coverage in all seven depots. So from my office, I am able to see what is going on in San Fernando, in Tobago and so on. We continue to expand that network in terms of the transit malls, that is the next phase, so that we can see what is going on in the transit malls. So generally, our compounds are heavily surveyed by those. We have also implemented our surveillance room which is covered 24/7, so the assets of the corporation are covered in that.

In terms of the newer buses, there is the capability but we have not been leveraging that and that is one of the areas we plan to leverage. The new buses will come and part of the specifications is for it to come with cameras, and that surveillance room will expand into an operations room which will be monitoring those buses on a real-time basis. Apart from that, our drivers have an SOP if there are issues on a bus with regard to unruly passengers, threats and so on, and they have a standard operating procedure with respect to stopping by a nearest policeman, going into a police station and requesting the unruly passenger to be removed, if necessary, from the bus. We treat that very seriously at the corporation.

Mr. Chairman: Another last, final question. With regard to fraud, I notice that in response to our question the PTSC advised that they have mechanisms in place to treat with issues of fraud but in your submission, under the issue “internal audit”, your page 17 of that submission, you also acknowledged that:

The internal auditor's assessment is that the internal controls were assessed to be weak during the financial years 2014 to 2018.

So I am just looking at the match that you have internal structures that you believe will treat with fraud but you admit that those internal structures are weak. Is it that you do not think it is advisable to have a specific fraud policy or is it that since 2018 to now changes have been made, maybe a development of a fraud policy but some of level of improvement so that we no longer have an assessment of internal controls being weak?

Mr. Gomez: Chairman, it would be the latter. Since 2018 to now, there has been significant strengthening of our internal controls. We have on the roster 78 policies that are currently up to date or being reviewed for updates. So those 78 policies are what guide us. One of those policies is the code of conduct which has issues with regard to fraud. So we use our policies to guide the behaviour of employees internally. We also have our internal disciplinary system which deals with issues of fraud and we have taken action where—those very few instances that it has occurred, we have taken action against employees. Some of those are litigation matters that may be there. We are in the process of having an overarching fraud policy. That should come on stream within the next three to four months given our process of how it runs. It goes through a number of committees that would review it and then it would be implemented. So that where we are with regard to it.

But adherence to our policies would identify different areas, so finance has a number of policies that guide their areas. Marketing, operations and where there are found to be transgressions, it is forwarded to our investigations department who does an internal investigation and if necessary, it goes to HR for disciplinary action accordingly.

Mr. Chairman: Thank you. That is very welcomed news. I believe that member Gopee-Scoon has a couple of questions she wants to raise with you. Member Gopee-Scoon.

Mrs. Gopee-Scoon: Thank you very much. I am just curious about something. I would imagine that there are passengers who use the services of the PTSC 100 per cent so those would include persons heading to the airport or to the ferry station or a micro business person. And so confirm to me that you do have routes that would eventually get you, it might be via a hub, but to the Piarco airport and to the Scarborough airport and also to the ferry station in Port of Spain, and whether or not there is a luggage policy because I am sure that there are issues with regard to even the micro business persons wanting to come on with more than just a small bag. So in addition to do we do those routes, do we have a luggage policy. And with regard to the new buses, is it that they would come with booths that would be able to accommodate pieces of luggage and so on? Just curious. Thank you.

Mr. Gomez: Thank you for the question, member. Yes, we do have routes in Tobago. We have the Crown Point service which services the airport, runs from Scarborough to Crown Point. We have the Piarco service, that is a fairly reliable service that goes to the airport daily and we have recently started to run it on Saturdays to allow persons to use the bus to go to the airport.

In terms of the ferry, we have specific ferry services that on the morning when persons use the ferry, we call it the ferry—if you look down at the ferry mall there, you would see that — the ferry terminal, you would see buses lined up in the morning to take workers from the ferry into Port of Spain. Right? So we do have those services.

In terms of luggage, we are not very strict on the luggage once the luggage can fit under your seat. The new buses will have luggage compartments and overhead luggage areas so that they can carry the luggage.

Mrs. Gopee-Scoon: Good, very pleased about that. But I think you need to have a policy though because I would imagine as you have these new vehicles coming and so on, and customers understanding that they now can use the booth facilities and luggage and the compartments ahead, I would like to think that you should have a luggage policy so that you do not have abuse by any one person or so. Yeah? Thank you.

Mr. Gomez: Okay. I thank you for the recommendation, member.

Mrs. Gopee-Scoon: Yeah. Thank you very much. That is it for me, Chairman.

Mr. Chairman: Thank you. If there are no further questions from my colleagues on the Committee, then it falls upon me to thank you very much, representatives of the various agencies that are here today. Thank you for your forthright answers in providing information both to the Committee and to the members of the public.

I want to declare my interest, even though belatedly so, that like my colleagues here, I have also made extensive use during my youth, which was a while ago, of PTSC for both transport to the University of West Indies and transport to my first set of employment in Port of Spain. And therefore, I am very grateful for every step forward that PTSC makes and as a result of that, I am also very concerned when those steps are not as quickly made as possible. Because I see that PTSC has a phenomenal space and a phenomenal role, especially given the traffic situations we have in Trinidad and Tobago. I think a more efficient public transport service will in fact impact—not just a more efficient but an expanded public service transport function would in fact do a lot to ease the traffic congestion coming in and out of Port of Spain, and in and out of almost every city, town or village in Trinidad and Tobago.

So I thank you all very much. Members of the Ministry of Works and Transport, PTSC, and the Auditor General's Department, I thank you very much for your support here today. I also want to thank members of the listening and viewing audience for tuning in and we look forward to you all joining us again at some future point in time. Thank you all very much. We move forward from here. Thank you.

12.32 p.m.: *Meeting adjourned.*