



# *EIGHTH REPORT OF THE* **PUBLIC ACCOUNTS**

C O M M I T T E E

*SECOND SESSION OF THE 11<sup>TH</sup> PARLIAMENT*

*Inquiry* Examination of the Report of the Auditor General of the Republic of Trinidad and Tobago on a Special Audit of the Public Transport Service Corporation (PTSC).



## Public Accounts Committee<sup>1</sup>

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

|                          |                       |
|--------------------------|-----------------------|
| Dr. Bhoendradatt Tewarie | Chairman <sup>2</sup> |
| Mr. Rodger Samuel        | Vice- Chairman        |
| Mrs. Ayanna Webster-Roy  | Member                |
| Mr. Randall Mitchell     | Member                |
| Dr. Lester Henry         | Member                |
| Mrs. Paula Gopee-Scoon   | Member                |
| Ms. Marlene McDonald     | Member                |
| Ms. Jennifer Raffoul     | 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 |
| Mr Darien Buckmire | Parliamentary Intern                 |

### Publication

An electronic copy of this report can be found on the Parliament website: [www.ttparliament.org](http://www.ttparliament.org)

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<sup>1</sup> The PAC of the Eleventh Republican Parliament was established by resolutions of the House of Representatives and the Senate at sittings held on Friday November 13, 2015 and Tuesday November 17, 2015 respectively.

<sup>2</sup> The Committee held its first meeting on Wednesday December 2, 2015. At this meeting the Committee elected Dr. Bhoendradatt Tewarie as Chairman, in accordance with Section 119(2) of the Constitution of the Republic of Trinidad and Tobago. At that same meeting, the Committee resolved that its quorum should comprise of three (3) Members, inclusive of the Chairman and any other Opposition Member.

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## MEMBERS OF THE PUBLIC ACCOUNTS COMMITTEE

ELEVENTH PARLIAMENT,  
REPUBLIC OF TRINIDAD AND TOBAGO



Dr. Bhoendradatt Tewarie  
**Chairman**



Mr. Rodger Samuel  
**Vice-Chairman**



Mrs. Ayanna Webster-Roy  
**Member**



Mr. Randall Mitchell  
**Member**



Dr. Lester Henry  
**Member**



Mrs. Paula Gopee-Scoon  
**Member**



Ms. Marlene McDonald  
**Member**



Ms. Jennifer Raffoul  
**Member**

## EXECUTIVE SUMMARY

The PAC presents its Eighth Report of the Eleventh Parliament which details its examination of the ***Report of the Auditor General of the Republic of Trinidad and Tobago on a Special Audit of the Public Transport Service Corporation***. A Special Audit refers to an assessment that is based on an auditor's report that asks for further analysis of a business practice. Special audits are required when laws or regulations have been violated in the financial management of an organization. The Special Audit of the Public Transport Service Corporation had been prepared under Section 116 of the Constitution of the Republic of Trinidad and Tobago and Section 9(2) (C) of the Exchequer and Audit Act Chapter 69:01.<sup>3</sup> This report highlights the issues, endorsements and recommendations made by the Committee in an attempt to assist the PTSC in better performing its duties while also commending their initiatives.

**During this examination, the following issues arose:**

- **PTSC's performance was neither monitored nor evaluated by the Ministry of Works and Transport;**
- **PTSC has been operating without an approved Strategic Plan for the periods 2010 - 2011 and 2012 - 2016;**
- **PTSC's operations were incapable of generating sufficient income to cover its capital expenditure;**
- **The number of passengers transported by PTSC was continuously falling;**
- **PTSC's management was incapable of improving PTSC's performance;**
- **PTSC does not have a defined policy for the establishment of new bus routes;**
- **PTSC does not adhere to international best practices regarding the replacement of buses;**
- **PTSC's diverse bus fleet creates many service and maintenance challenges;**
- **PTSC has not implemented the other phases of the GPS data generation project;**

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<sup>3</sup> Special Purpose Audit website accessed on 10 February, 2017: <https://www.bdo.fi/en-gb/services/audit-assurance/special-audits>

- PTSC had no fare increase since 1990;
- PTSC does not have a defined accident policy;
- PTSC's wages and salaries are nearly half its total operational costs; and
- PTSC buses were not equipped with surveillance recording cameras.

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

- PTSC should adopt international best practices in bus procurement, bus replacement and route establishment and should do this within a framework of rationality and transparency;
- The Ministry of Works and Transport (MOWT) should develop clearly defined objectives and key performance indicators to monitor PTSC operational achievements;
- PTSC should establish a Fleet Safety Committee that works;
- PTSC's management needs to re-evaluate and review its organizational structure working backwards from customer service and service delivery to establish managerial structures and systems that enhance efficiency effectiveness and value for money across its operations;
- PTSC should establish a system for the monitoring and evaluation of its routes on a regular basis to be more responsive to demand and genuine community challenges;
- PTSC should develop a detailed plan to increase revenue generation and profit maximization;
- PTSC must develop and implement a clear strategy aimed at increasing passenger ridership;
- PTSC needs to implement the other phases of the Global Positioning System (GPS) Project; and

- **PTSC must address the question of what would make people choose public transportation rather than use their cars and the infrastructure that needs to be in place to make such a shift feasible and desirable.**

## INTRODUCTION

The PAC of the Eleventh Republican Parliament was established by resolution of the House of Representatives and the Senate at the sittings held on Friday November 13, 2015 and Tuesday November 17, 2015 respectively.

The Constitution of the Republic of Trinidad and Tobago mandates that the Committee shall consider and report to the House appropriation accounts of moneys 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, the Standing Orders of the House of Representatives also empower the Committee (but is not limited) to:

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

### 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 December 2, 2015 Dr. Bhoendradatt Tewarie was elected Chairman of the Committee. On Wednesday December 16, 2016, Mr. Rodger Samuel 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 both Houses was agreed to by the Committee at its First Meeting.

## **DETERMINATION OF THE COMMITTEE'S WORK PROGRAMME**

The Committee agreed to an (15) entity second session work programme during its second meeting on Wednesday December 16, 2016. After reviewing the proposed Work Schedule for the 2<sup>nd</sup> Session which was prepared by the Secretariat, the Committee agreed to examine the following entities in the following order:

1. Ministry of Education;
2. Public Transport Service Corporation (PTSC);
3. Ministry of Health;
4. Regional Health Authorities (RHA); and
5. Land Settlement Agency (LSA).

Subsequent to the submission of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2016 to the parliament, The Committee agreed to invite the Auditor General's Department to a public hearing to discuss the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2016 and postpone the examination of the 3 entities listed below. This public hearing was held on June 14 2017.

1. Judiciary of Trinidad and Tobago;
2. Ministry of Attorney General and Legal Affairs; and
3. Ministry of Public Administration and Communications.

Following the public hearing held on June 14 2017 with the Auditor General's Department, the Committee agreed to examine the next Ministry – the Ministry of Finance.

## The Inquiry Process

The Inquiry Process outlines the steps taken by the Committee when conducting the inquiry into the operations of PTSC. The following steps outline the Inquiry Process agreed to by the PAC:

- I. Identification of issues in the Report of the Auditor General of the Republic of Trinidad and Tobago on a Special Audit of The Public Transport Service Corporation;
- II. Preparation of Inquiry Proposal for the selected Corporation. The Inquiry Proposal outlines:
  - a. Background;
  - b. Objective of Inquiry; and
  - c. Proposed Questions.
- III. Consideration and approval of Inquiry Proposal by the Committee and when approved, questions are forwarded to the PTSC for written responses;
- IV. Preparation of an Issues Paper by the Secretariat for the Committee's consideration, based on written responses received from the Corporation. The Issues Paper identifies and summarizes any matters of concern in the responses provided by the PTSC or received from stakeholders and the general public;
- V. Review of the responses provided and the Issues Paper by the Committee;
- VI. Determination of the need for a Public Hearing based on the analysis of written submissions and the site visit (if required). If there is need for a public hearing, the relevant witnesses will be invited to attend and provide evidence. In this instance, a public hearing was held on Wednesday February 8, 2017.
- VII. Issue of written request to the entity for further details.
- VIII. Report Committee's findings and recommendations to Parliament upon conclusion of the inquiry.

# PUBLIC TRANSPORT SERVICE CORPORATION PROFILE

## **Background**

The Public Transport Service Corporation (PTSC) is a statutory body governed by the Public Transport Service Act Chapter 48:02.<sup>4</sup> Under section 8 of the Act, the Corporation is mandated inter alia "to provide a safe, adequate and economic public transportation system, adapted to the needs of the country".<sup>5</sup> The establishment of the Public Transport Service Corporation (P.T.S.C.) arose out of the report of a working party on bus transport in Trinidad and Tobago appointed by Government on November 21st 1964. It was comprised of Senior Government officials and representatives of the Trade Unions concerned. As a result of their findings on December 2nd 1964, Government decided that public (or state) ownership of the bus transport industry should take effect from January 1st 1965. The Public Transport Service Corporation, sole-operator of the country's commercial bus service, came into being on May 1st 1965 as a result of the Transport Service Act Number II of that year.

## **Vision:**

A customer-driven profitable transport company, providing a mix of environmentally friendly services by empowered employees who are results oriented.<sup>6</sup>

## **Mission:**

To be totally committed towards providing a public transportation service that is efficient and effective in servicing the needs of the wider cross section of the national community, in a manner

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<sup>4</sup> Public Transport Service Act Chapter 48:02. Ministry of Legal Affairs. Web. 10 February 2017. [http://rgd.legalaffairs.gov.tt/laws2/alphabetical\\_list/lawspdfs/48.02.pdf](http://rgd.legalaffairs.gov.tt/laws2/alphabetical_list/lawspdfs/48.02.pdf)

<sup>5</sup> Background. PTSC. Web. 10 February 2017. <http://www.ptsc.co.tt/about-us.html>

<sup>6</sup> Vision. PTSC. Web. 17 March 2017. <http://www.ptsc.co.tt/mission-and-vision-.html>

<sup>7</sup> Mission. PTSC. Web. 17 March 2017. <http://www.ptsc.co.tt/mission-and-vision-.html>

that is affordable to all, and which is fully supportive of all aspects of economic development at the national level.<sup>7</sup>

#### **Services Provided:**

- City Service
- Charter Services
- Rural Transport Service (RTS) - Chaguanas
- Know Your Country Tours (KYCT)
- Travel Cards
- Platform Rental<sup>8</sup>

#### **PTSC Executive Team**

- General Manager: Ronald Forde
- Corporate Secretary – Ms. Cerone Bailey
- Deputy General Manager (Properties) – Mr. Shawn Edwards
- Deputy General Manager - Marketing and Communications - Mr. Carl Ramdeo
- Deputy General Manager - Operations - Mr. Brian Juanette
- Deputy General Manager - Engineering - Mr. Garth Alexander
- Deputy General Manager - Human Resource - Mr. Keith Johnson
- Deputy General Manager - Finance and Accounting - Ms. Roxanne Cox
- Assistant Deputy General Manager - Operations - Ms. Lalitha Bala Cetty
- Assistant Deputy General Manager - Information Technology - Mr. Rishi Ramlogan
- Assistant Deputy General Manager - Operations & Engineering(Tobago) - Mr. Henry Cook <sup>9</sup>

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<sup>8</sup> Services Provided. Web. 10 February 2017. <http://www.ptsc.co.tt/>

<sup>9</sup> PTSC Executive Team. Web. 17 March 2017. [http://www.ptsc.co.tt/Board\\_and\\_Management\\_.html](http://www.ptsc.co.tt/Board_and_Management_.html)

### **Members of the Management and Supervisory Team**

- Manager- Health and Safety - Mr. Keith Castor
- Manager - Service planning, scheduling and research - Mr. Ronald Jagessar
- Manager - Para Transit - Mr. Shawn Harris
- Assistant Operations Manager (Sangre Grande) - Mr. Kishore Satram
- Assistant Operations Manager (San Fernando) - Mr. Anthony Thompson
- Manager, Security Services - Mr. Kenrick Edwards
- Senior Human Resource Officer - Ms. Jennifer Martin-Moses<sup>10</sup>

### **Background: Auditor General**

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
- Economy, efficiency and effectiveness in the collection, disbursement and use of funds and other resources.

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<sup>10</sup> PTSC Management and Supervisory Team Web. 17 March 2017.  
[http://www.ptsc.co.tt/Board\\_and\\_Management\\_.html](http://www.ptsc.co.tt/Board_and_Management_.html)

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.<sup>11</sup>

Auditor General - Mr. Majeed Ali

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<sup>11</sup> Exchequer and Audit Act Chapter 69:01  
<http://www.auditorgeneral.gov.tt/sites/default/files/Exchequer%20and%20Audit%20Act-69.01.pdf>

## ISSUES AND RECOMMENDATIONS

### I. The lack of monitoring and evaluation of PTSC's performance by the line Ministry

During the period 2010-2014 there was no evidence of PTSC's performances being monitored or evaluated by the Ministry of Works & Transport (MOWT). At the time, the MOWT failed to establish benchmarks and key performance indicators to measure PTSC's performance. PTSC was in the process of collaborating with the MOWT to develop a system to monitor and evaluate the performance of PTSC including measurable targets for performance measurement and reporting.

#### **Recommendation:**

- **The Ministry should immediately identify Key Performance Indicators to gauge PTSC's performances; and**
- **The Ministry should immediately set clear indicators and steps for the monitoring and evaluating the performance of PTSC.**

### II. Lack of Strategic Plan

PTSC had no Strategic Plan for the period 2010 - 2011 and the 2012 - 2016 plan was not fully implemented because it failed to gain approval from the MOWT. With no defined objectives, PTSC's strategic direction was stymied. PTSC's Strategic Plan for 2012-2016 was initially approved by the Board which was subsequently submitted to the then Minister of Works & Transport in 2012 for approval. However, upon review several amendments were made by the then Ministers. Consequently, upon the change in government in 2015, the duration of the then proposed plan had expired.

PTSC's Strategic Plan is a basis for public transport planning and action. However more can be achieved to provide adequate and effective public transport such as:

- the adoption of best practice in its bus procurement and route planning;
- the up skilling of its Engineering labour force to meet the challenges of new technology;

- robust data acquisition methods and utilization which are incorporated into policy and decision making;
- decisions on spending priorities which are related to strategic objectives; and
- utilization of information technology in major areas of operations.

There is scope for the MOWT to develop clearly defined objectives and performance measures to monitor PTSC's achievement of outcomes. Public transport should be given a much higher profile than at present. In drafting the 2017 -2019 Strategic Plan, information was collected from commuters in terms of quality and effectiveness.

**Recommendations:**

- **PTSC should take urgent step to submit its Strategic Plan for the period 2017 – 2019 to the MOWT for approval immediately;**
- **The Ministry of Works and Transport (MOWT) should develop clearly defined objectives and key performance indicators to monitor PTSC's operational achievements;**
- **The Minister of Works and Transport should approve PTSC's 2017-2019 Strategic Plan by August 2017;**
- **PTSC should submit its annual administrative report no later than June 30 each year, in accordance with Section 66D of the Constitution. This report should include an annual update on the implementation of the Strategic Plan;**
- **The Committee adopts and endorses the Auditor General's recommendations that PTSC should measure performance by the adoption of best practice in its bus procurement and route planning, the up skilling of its Engineering labour force to meet the challenges of new technology, robust data acquisition methods and utilization which are incorporated into policy and decision making, decisions on spending priorities which are related to strategic objectives; and utilization of information technology in major areas of operations;**
- **PTSC should:**
  - **Define measurable Performance Indicators that fit with the to be approved Strategic Plan 2017-2019 and compare performance annually;**

- Explore the scope for using international benchmarking to inform these indicators; and
- Implement a robust financial management plan focus on generating a surplus and reducing the Corporation reliance on the Government.
- The Government of Trinidad and Tobago should implement a strategy for the management of motor vehicles on the road in an attempt to reduce carbon emissions, promote the use of CNG buses and convert State owned vehicles away from fossil fuel consumption.

### III. Management of Income and Expenditure

The Public Transport Service Act, Chapter 48:02 states that PTSC is required to ensure that its *“revenues are sufficient to cover operating expenses, including taxes, if any, and to provide adequate maintenance and depreciation, and interest payments on borrowings”*. Based on the Report of the Auditor General for the period 2010 – 2014, PTSC’s income totalled \$1.689 billion while expenditure totalled \$1.727 billion. Funds allocated by the Government increased from \$149 million in 2010 to \$289 million in 2014, an increase of \$140 million or 94 percent. However, income earned from operations over the same period showed a continuous decline, from \$105 million in 2010 to \$81 million in 2014 a decrease of \$24 million or 23 percent. For the period 2010 – 2014, PTSC’s total expenditure was \$1.727 billion. Expenditure increased from \$258 million in 2010 to \$384 million in 2014, an increase of \$126 million or 49 percent. Of the \$1.727 billion spent by PTSC, the major item of expenditure was wages and salaries totalling \$800 million or 46 percent. PTSC has recorded consistent losses for the period under review where both numbers of passengers transported and income generated have declined. PTSC has not met its legislative requirement to generate sufficient revenues to cover expenditure.

PTSC informed the Committee that the main issue was the fall in ridership and inability to serve routes which led to decreases in revenue generation. There were a number of other reasons which contributed to the decreases in income generation and passenger revenue such as the free ridership to citizens over 60 years and school children as well as two major work stoppages. With this in mind, a programme was implemented to resuscitate a number of buses to increase the

number of routes being served to increase revenue. PTSC plans to enhance its services through the following measures:

- i. Injection of 35 new buses by end of 2017.
- ii. Enhancing maintenance by retooling and upgrading our garage facilities thereby providing a more reliable daily vehicle availability.
- iii. Increasing of advertising and other alternative revenue streams such as Tours and Charters. In the past there were challenges from advertisers complaining about “wrapped” buses being down for lengthy maintenance periods resulting in loss of clients and earnings.

**Recommendation:**

- **PTSC must develop and implement a clear strategy aimed at increasing revenue generation, profit maximization and ticket sales revenue;**
- **PTSC should establish a robust system for monitoring actual cost.**
- **The MOWT should conduct monthly checks to monitor the operations of the PTSC especially in light of its current situation of not generating sufficient revenue to cover its expenditure;**
- **The MOWT should also be able to work closely with the PTSC to assist them with increasing revenue and proper management of its finances; and**
- **PTSC should be alert to the risks and pressures on its budget and report regularly and transparently to the MOWT and Parliament about how it is managing them.**

#### **IV. Falling Passenger Ridership**

PTSC’s Strategic Plan for the period 2012 – 2016, proposed increasing passenger ridership and income whilst aligning to its strategic goal of improving the efficiency and effectiveness of public transportation service. Targets were set to increase passengers transported and income by 10 percent in 2011, 30 percent in 2013 and 50 percent in 2015, but were not met as PTSC failed to meet any of its established objectives. Passengers transported declined from 12.6 million in 2010 to 7.6 million in 2014, a decrease of five million passengers or 39 percent. In 2011 a recorded high of 14 million passengers were transported followed by a continuous decline of 6.7 million

or 47 percent from 2012 to 2014. Ticket sales steadily declined from \$34 million in 2011 to \$23 million in 2014 or 33 percent.

PTSC's sale of bus tickets is its main source of income generation. Fares at different rates were charged for accessing bus services. There has been no adjustment to its established fares since the 1990's although section 27(1) of the Act states *"The fares and other charges to be charged by the Corporation for the carriage of passengers and goods and other services shall be in accordance with such fares and charges as may, from time to time, be fixed by or under this Act or any other enactment..."*. To date PTSC has not made any adjustments to its fares. Although PTSC increased the number of routes serviced, it failed to increase its passenger numbers or income generated.

PTSC informed the Committee that the declining ridership was based due to the lack of buses which hampered the Corporation ability to provide services to thirty percent (30%) of its routes.

**Recommendations:**

- **PTSC must develop, set out and implement a clear strategy for increasing ridership since the main source of income generation is from the sale of bus tickets;**
- **PTSC should report to Parliament on the measures taken to increase passengers transported;**
- **PTSC, MOWT in collaboration with the Ministry of Attorney General and Legal Affairs should review section 27 (1) of the Act;**
- **PTSC should set out clear plan on achieving its strategic objectives; and**
- **PTSC should specifically address the question of what would attract new customers to choose PTSC as the mode of transportation rather than the use of passenger's cars or other vehicles, and the infrastructure arrangements needed to be in place to make this feasible and desirable to the customer.**

**V. Effectiveness of PTSC's Management Team**

The board of directors are the individuals who were supposed to provide direction for an organization. The board has a strategic function in providing the vision, mission and goals of the organization. The General Manager and senior executives manage the day-to-day

operations of PTSC and were responsible for implementing policies and directives set by the Board. Several issues were raised in the Auditor General's Report such as the poor management of records and the lack of documented evidence of PTSC's workers attaining training in new technology and methods of repairs and maintenance of buses. It was noted that the Management team meets once a month to discuss key objectives.

#### **Recommendations**

- **The Board of Directors must conduct greater oversight over PTSC's executive management's achievement of PTSC's objectives;**
- **PTSC's management team needs to take urgent action to address the areas of deficiencies in the shortest time frame as a group through regular and frequent meetings;**
- **PTSC's management should follow the proper procedures that govern the timely submission of documents for effective decision making; and**
- **PTSC should maintain proper documents and develop a handover procedure to facilitate a proper and effective change in Executive Leadership.**

#### **VI. Route Establishment Policy**

PTSC did not have a documented method for the setting of new routes to ensure that bus services were well distributed throughout the country to meet the needs of the travelling public. In addition, PTSC's Strategic Plan for the period 2012 - 2016 did not include objectives for the establishment of new routes yet it added an average of eight routes per year from 2010 onwards. PTSC's management stated that population density, road conditions, bus stop locations and traffic conditions as well as the occupancy of the Housing Development Corporation homes were determinants in the establishment of new bus routes.

PTSC was in the process of developing and documenting a service policy which will guide the evaluation, justification, implementation and performance monitoring of new routes and would be part of the 2017-2019 strategic plan.

Also, PTSC was in the process of drafting a route evaluation policy in which measures such as the ones listed below will be used every six (6) months to measure the performance of routes with a

benchmark of 85%:

- passengers per revenue hour (off peak and peak)
- Monthly revenue/ Total route cost

**Recommendations:**

- **PTSC should conduct an analysis on performing and non-performing routes before assigning new routes;**
- **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; and**
- **PTSC should adopt international best practices in route establishment and should do this within a framework of rationality and transparency in determining this issue and improving the credibility of PTSC.**

**VII. Bus Replacement Policy.**

The absence of a bus replacement policy resulted in bus purchasing decisions that were not aligned to international best practices exhibited in the transport industry. A bus replacement policy outlines factors such as maintenance costs, age and mileage which were used in making replacement decisions. The absence of a bus replacement policy meant there was no guide used to determine how long buses should be kept. PTSC stated that buses were used until they were no longer operational.

PTSC spent huge sums on the repairs and maintenance of buses some of which were 24 years old. During the period 2010 - 2014 repair and maintenance costs increased from \$24 million in 2010 to \$30 million in 2013; however this declined to \$20 million in 2014. In 2012 - 2013, approximately \$3 million was spent to refurbish six Marco Polo buses that were 14 years old.

PTSC indicated this was a one-time project done to extend the service life of its fleet. There was no evidence of an evaluation being done on whether the buses should have been replaced or restored.

At present, PTSC is in the process of developing a bus replacement policy document. In this regard, a technical team has been established to draft a bus replacement policy document for approval of the PTSC Board.

Consideration will be given to parameters such as those listed below:

- a. vehicle purchase cost,
- b. cost of money or interest rate,
- c. maintenance and repair expenses,
- d. amount of miles travelled or hours used per year,
- e. downtime costs,
- f. fuel expenses,
- g. annual depreciation expenses,
- h. obsolescence costs, and
- i. salvage value.

**Recommendation:**

- **PTSC should develop and implement a schedule for evaluations to be conducted on whether buses be replaced or restored, before engaging in further maintenance and procurement of buses; and**
- **PTSC should adopt best practices in bus replacement and should do this within a framework of rationality and transparency appropriate to Trinidad and Tobago situation and context that will help enhance efficiency, effectiveness and reputation of PTSC.**

**VIII. Global Positioning System (GPS)**

PTSC failed to utilize data generated from the Global Positioning System (GPS) to manage fuel cost. At the end of 2014, PTSC installed GPS units on 372 buses and these generated data about idle time, speeding and bus location. PTSC did not utilize this data in the management of its fuel consumption. PTSC could have saved approximately \$5 million in fuel cost over the period 2010 - 2014 due to excessive idling of buses. The installation of GPS devices was the first phase of the GPS project. However to date the other phases have not been implemented.

PTSC informed the Committee that there has been no success in moving the project beyond the initial phase, despite numerous attempts being made for funding through the PSIP from 2012 to Present.

**Recommendations:**

- PTSC should liaise with the MOWT to determine the status of this project in terms of PSIP funding and any other funding mechanisms;
- PTSC should also involve relevant stakeholders fully in the decision-making process, and ensure adequate testing of the feasibility for proposed actions; and
- PTSC should, as a matter of urgency, produce a revised coherent plan addressing the required funding and the purpose of this project in reducing maintenance cost.

## **IX. Fare Policy**

PTSC's main source of income comes from the sale of bus tickets. Varied fares were charged to access the bus services. PTSC stated that there has been no adjustment to its established fares since the 1990's. Section 27(1) of the Act states, *"The fares and other charges to be charged by the Corporation for the carriage of passengers and goods and other services shall be in accordance with such fares and charges as may, from time to time, be fixed by or under this Act or any other enactment..."* PTSC, however, increased its fares on special occasions such as Carnival. While the fares of PTSC services remained stagnant for the last 27 years, the cost of all the inputs into PTSC's operation increased significantly over that time period. PTSC mentioned that consideration of a fare increase will be brought to the attention of the policy makers, but this request would have to be tempered by the current economic environment.

### **Recommendations:**

- Due to the subsidy and inefficiencies in its services, which affords the low fares that PTSC charges its commuters, the Corporation will be in a terrible position if it increases its fares. The probable solution to the outdated fares policy would involve the Corporation optimizing its operations and reducing total costs by eliminating the unnecessary overheads it incurs. This calls for rationalization, reorientation and restructuring of PTSC to enhance customer service, service delivery efficiency, effectiveness and value for money.

## **X. Cost of Staff**

As at January 1, 2010 PTSC's staff complement stood at 1,111 employees and expanded to 1,959 employees as at December 31, 2014 an increase of 848 employees or 76 percent. For the period 2010 – 2014, expenditure on wages and salaries was an estimated \$800 million when compared to the \$1.727 billion spent in the same period. PTSC noted that the increase in the number of employees was as a result of the following reasons:

- Bus maintenance personnel from VMCOTT returned to PTSC;
- The establishment of a Para-transit unit based on Cabinet minute no. 263 of February 3rd, 2011;
- PTSC established the bus simulator training facility located at the VMCOTT compound;
- A cadre of in-house ticketing clerks were employed by the PTSC to replace ticket traders;
- The recruitment of Property Protection Officer's to protect Corporation's buses from vandalism from the travelling public;
- The transfer of the management of the Transit Malls from the Ministry of Community Development to the PTSC in 2011; and
- Expansion of PTSC's operational activities at various depots.

The Corporation is now cognizant that value for money was not being achieved in some of the areas listed above and has started taking corrective action.

**Recommendation:**

- **To achieve value for money, PTSC's management needs to re-evaluate and review its organizational structure and conduct a job analysis where areas that are highly saturated with personnel. The objective should be not to write or rewrite job descriptions but to define what work needs to be done at what level to create a customer responsive, route sensitive, efficient, effective and business oriented organization run according to clear business principles.**

## **XI. Accident Policy**

Based on the monthly Operations Division's reports, 1,942 accidents occurred during the period 2010 - 2014. The Strategic Plan 2012 - 2016 identified targets for a reduction in accidents of 25 percent by 2011 and 50 percent by 2013 when compared to its base year 2010. PTSC failed to

meet any of its targeted accident reduction rates. In 2011 the actual number of accidents was 457, surpassing the projected rate of 306 accidents by 50 percent. In 2014, the actual number of accidents was 316, which exceeded the projected rate of 102 accidents by 200 percent.

A documented accident policy is necessary to ensure the safety of the individuals who drive PTSC buses as well as it provides guidance on the proper use of the buses. Management noted that when any accident occurs, whether at the bus depot or on the road, an investigation ensues. A team of experienced investigators, take the reins of the investigation and reports generated after all evidence has been compiled. If the situation requires the assistance of external authorities such as the police or the Licensing Authority, the relevant authority will be called upon. After the reports compiled, the General Manager, if necessary, will engage the insurance companies involved and if a tribunal is needed to hear the matter, a tribunal will be set up. The driver is allowed to bring a representative from the union and the matter will be taken to the full length.

**Recommendations:**

- **PTSC should develop and implement an accident assessment policy.**
- **PTSC should establish a Fleet Safety Committee comprised of the Director of Operations, the Fleet Coordinator, a Security representative, and a Human Resources representative. The committee should be responsible for:**
  - **Reviewing accidents to determine if there should be changes in policy or procedure; or if other corrective action (such as training, equipment changes, etc.), should be implemented to enhance the safe operation of public buses, and**
  - **Reviewing the individual health and driving records of each bus driver and making recommendations to Executive Management when driving privileges should be suspended or retracted.**

## **XII. The Process of Fleet Rationalization**

Buses acquired during the period 2010 to 2014 were of different makes and models when compared to prior years, which contributed to the increase in the number of makes and models of buses in PTSC's fleet. PTSC recognized the challenges in maintaining a fleet comprising of various makes and models of buses and in June 2014, through the MOWT, established a

Committee to make recommendations on the rationalization of its fleet. The Committee finalized its report in December 2014 which was subsequently approved by the then Cabinet. With no policy as to the composition of its fleet, over the years, buses were procured from numerous and varied manufacturers. Based on a review of the Fixed Asset Register by the Auditor General's Department, it was determined that PTSC's fleet of 548 at the time comprised twenty-one (21) different makes and models of buses averaging twenty-six (26) buses per make and model. The maintenance of a fleet of various makes and models of buses has impacted on PTSC's ability to source replacement parts in a timely manner. PTSC noted that this contributes to the downtime of buses. PTSC's management mentioned that steps be taken to ensure that the major components of the fleet were of a particular brand or a particular quality. Also different methods of procurement such as sole selective and open tendering will be administered transparently.

**Recommendations:**

- **The Committee should review and assess the recommendations made on fleet rationalization and submit a report to the Parliament;**
- **PTSC should adopt international best practices in bus procurement and should do this within a framework of rationality and transparency;**
- **PTSC should implement robust and stringent measures with respect to the procurement of buses to ensure value for money and transparency; and**
- **All new procurement should focus on buses which use clean energy.**

**XIII. Lack of operational security camera systems at the bus depots and on the buses**

PTSC's stated that while the cameras were installed on 120 buses, the cameras were not used for security surveillance, but rather, for the driver to monitor the activities on the bus in real time. As a result, the cameras were not storing information for retrieval and review. PTSC informed the Committee, that thirty five (35) new buses inclusive of already installed internal surveillance cameras were procured and also mentioned that all future buses purchased be outfitted with internal surveillance camera systems that will facilitate the storage of information to monitor activities on the new units. Management stated that it was in the process of resuscitating the surveillance camera infrastructure that was installed at the PTSC Port of Spain compound to

facilitate the security infrastructure for the hosting of the Summit of America/CHOGM held in 2009. In addition, PTSC is proposing the installation of surveillance cameras in all its depots, transit hubs and other facilities as part of its holistic infrastructure development.

**Recommendations:**

- **PTSC, should review its oversight mechanisms for internal surveillance systems to ensure it has an appropriate level of visibility of operational matters, sound financial controls are in place and money is appropriately spent; and**
- **PTSC should immediately move to enhance and make more effective its internal control, compliance and internal audit functions.**

## Public Service Transport Corporation – Concluding Remarks

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PTSC has an important role to play in the efficacy of the national public transportation service. However, with the MOWT not implementing a monitoring and evaluation system to measure the achievements of predetermined targets, significant inadequacies in PTSC's service delivery have developed. It is difficult to judge performance and to identify improvements in the absence of clear targets to be achieved.

The effective management of PTSC's bus fleet is required to fulfill its role as the nation's largest public transport provider. Operating without an established bus replacement/procurement policy, combined with the failure to perform planned maintenance, there has been low fleet availability, inadequate service deliveries, and ultimately, falling ridership and ticket sales. It cannot be condoned that a Statutory Body offering such an essential service to so many would operate in this way.

To improve its position as the oldest public transportation service provider in the country, PTSC should really reassess its operations and determine the cause of the problems at hand in an attempt to address all the areas of concern raised in the Special Audit Report that would have contributed to PTSC's services becoming unreliable, inefficient and long delayed. This should be done rationally and transparently in order to make good decisions that result in meaningful change for better results.

Government's main objective is to initiate substantial improvements in PTSC's service delivery and as such, continuous investments have been made into PTSC. The reason for this is to foster significant improvements in the services that PTSC provides to the travelling public. But to date, that objective has not been achieved despite all the Government subventions it receives. It has been concluded that PTSC lacks a sense of urgency when dealing with its problems and despite knowing these problems exist, PTSC has not laid any ground work to show that they are interested in change.

The status quo cannot be allowed to continue. PTSC needs to be rationalized and restructured to purpose with staff well trained. The first order in of business for PTSC is that it be run like a business according to clear business principles. It must formulate its strategic plan within a framework of national transportation policy built around core principles. These may include the reduction of traffic pile ups, reduced carbon emissions, a reduced number of vehicles on the road, an enhanced role that in customer service rationalized routes, an increased customer base and making the choice of public transportation desirable.

The synergy between a national transportation policy and a more effective role of PTSC is essential.

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

Sgd.  
Dr. Bhoendradatt Tewarie  
**Chairman**

Sgd.  
Mr. Rodger Samuel  
**Vice-Chairman**

Sgd.  
Mrs. Ayanna Webster-Roy  
**Member**

Sgd.  
Mr Randall Mitchell  
**Member**

Sgd.  
Dr. Lester Henry  
**Member**

Sgd.  
Mrs. Paula Gopee-Scoon  
**Member**

Sgd.  
Ms. Marlene McDonald  
**Member**

Sgd.  
Ms. Jennifer Raffoul  
**Member**

**THE PUBLIC ACCOUNTS COMMITTEE –  
SECOND SESSION, ELEVENTH PARLIAMENT**

**MINUTES OF THE FOURTEENTH MEETING HELD ON WEDNESDAY, FEBRUARY 08,  
2017 AT 10:08 A.M.  
IN THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR, OFFICE OF THE  
PARLIAMENT, TOWER D, THE PORT OF SPAIN INTERNATIONAL WATERFRONT  
CENTRE, 1A WRIGHTSON ROAD, PORT-OF-SPAIN.**

Present were:

|                          |   |                     |
|--------------------------|---|---------------------|
| Dr. Bhoendradatt Tewarie | - | Chairman            |
| Mr. Rodger Samuel        | - | Vice- Chairman      |
| Ms. Jennifer Raffoul     | - | Member              |
| Mrs. Ayanna Webster-Roy  | - | Member              |
| Mrs. Paula Gopee-Scoon   | - | Member              |
| Mr. Randall Mitchell     | - | Member              |
|                          |   |                     |
| Ms. Keiba Jacob          | - | Secretary           |
| Ms. Hema Bhagaloo        | - | Assistant Secretary |

Excused was:

|                      |   |        |
|----------------------|---|--------|
| Ms. Marlene McDonald | - | Member |
|----------------------|---|--------|

Absent was:

|                  |   |        |
|------------------|---|--------|
| Dr. Lester Henry | - | Member |
|------------------|---|--------|

**COMMENCEMENT**

- 1.1 At 10:08 a.m. the Chairman called the meeting to order and welcomed those present. Ms. Marlene McDonald was excused from the meeting.

**THE EXAMINATION OF THE MINUTES OF THE THIRTEENTH MEETING**

- 2.1 The Committee examined the Minutes of the Thirteenth (13<sup>th</sup>) Meeting held on Wednesday January 25, 2017.
- 2.2 There being no further omissions or corrections, Minutes were confirmed on a motion moved by Mrs. Ayanna Webster-Roy and seconded by Mr. Rodger Samuel.

- 2.3 The Minutes of the Twelfth (12<sup>th</sup>) Meeting held on Wednesday January 11, 2017 were confirmed on a motion moved by Mrs. Ayanna Webster-Roy and seconded by Mr. Rodger Samuel.

**PRE-HEARING DISCUSSION RE: THE PUBLIC TRANSPORT SERVICE CORPORATION (PTSC)**

- 3.1 The Committee agreed on the focus of the meeting which were the concerns raised in the Report of the Auditor General of the Republic of Trinidad and Tobago on a Special Audit of the Public Transport Service Corporation (PTSC).
- 3.2 There being no further business for discussion *in camera*, the Chairman suspended the meeting at 10:29 a.m.

**EXAMINATION OF THE PUBLIC TRANSPORT SERVICE CORPORATION (PTSC)**

- 4.1 The Chairman called the public meeting to order at 10:35 a.m.
- 4.2 The Chairman welcomed officials from the Ministry of Works and Transport (MOWT), Auditor General's Department (AGD), the Public Transport Service Corporation (PTSC), members of the media and the public to the Fourteenth (14<sup>th</sup>) public hearing with the PAC and introductions were exchanged.
- 4.3 The following officials joined the meeting:

**Public Transport Service Corporation (PTSC)**

- |                          |                                              |
|--------------------------|----------------------------------------------|
| • Mr. Edwin Gooding      | -Chairman                                    |
| • Ms. Sharon Ashman-John | -Vice Chairman                               |
| • Mr. Ronald Forde       | - General Manager                            |
| • Mr. Brian Juanette     | - Deputy General Manager Operations          |
| • Mr. Carl Ramdeo        | - Deputy General Manager Marketing           |
| • Mr. Keith Johnson      | -Deputy General Manager Human Resources      |
| • Mr. Garth Alexander    | - Deputy General Manager Engineering         |
| • Ms. Roxanne Cox        | - Deputy General Manager Finance             |
| • Ms. Gemma Bowen        | -Assistant Deputy General Manager Finance    |
| • Ms. Lalitha Bala Cetty | -Assistant Deputy General Manager Operations |
| • Ms. Kathy-Ann Yeates   | - Auditing Assistant                         |

**Ministry of Works and Transport**

- |                          |                           |
|--------------------------|---------------------------|
| • Ms. Dhanmattee Ramdath | - Permanent Secretary(Ag) |
| • Ms. Marisa Chattergoon | - Auditor III             |

### **Auditor General's Department**

- Ms. Jaiwantie Ramdass - Assistant Auditor General
- Mr. Theodora Lewis-Johnncilla - Assistant Auditor Director (Ag.)
- Ms. Sally Persad -Assistant Auditor Director (Ag.)
- Ms. Dianne Ragoonath - Auditor Executive (Ag.)
- Ms. Nicole Cockburn -Legal Officer

#### **4.4 The following issues arose from the examination with the officials from the PTSC:**

- The reasons for the PTSC Special Audit conducted by the Auditor General's Department;
- The main areas of concern highlighted in the Special Report of Auditor General;
- The status of the implementation of the recommendations provided by the Auditor General's Department in the Special Report;
- The number of personnel employed at PTSC;
- The status of the 2017-2019 Strategic Plan;
- The inability to generate sufficient income to meet its capital expenditure;
- The failure to provide adequate service to all its established routes;
- The status of the storage of documents;
- The lack of a monitoring and evaluation system;
- The failure to adhere to international transport best practices;
- The oversight mechanisms used by PTSC to monitor and measure its service despite the disapproval of a strategic plan;
- The establishment of a Monitoring and Evaluation Unit;
- The measures in place to improve revenue generation;
- The relationship between PTSC management, the Board of Directors and the Ministry of Works and Transport;
- The ability of PTSC to implement structural improvements;
- The frequency of drug and alcohol testing on employees;
- The frequency of management meetings;
- The policy in place to deal with accidents and fatalities involving PTSC buses;
- The lack of security surveillance on buses;
- The selection process for maxi taxi concessionaires for the school transport services;
- The safety standards in place to safeguard the transportation of school children;
- The level of transparency in the tendering process of goods and services;
- The usage of buses that are no longer in service;
- The benefits of purchasing the CNG buses;

- The international recognition of certifications awarded to drivers;
- The status of transit malls; and
- The lack of urgency to address the key inefficiencies at PTSC.

**Please see the attached verbatim notes for the detailed oral submission by the witnesses.**

### **SUSPENSION**

5.1 At 12:37 p.m., the Chairman suspended the *public* meeting.

### **ADJOURNMENT**

6.1 The Committee agreed to examine the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago with specific reference to the Ministry of Health at the next meeting.

6.2 The Chairman thanked Members for their attendance and the meeting was adjourned to **Wednesday March 8, 2017.**

6.3 The adjournment was taken at 12:37 p.m.

**We certify that these Minutes are true and correct.**

CHAIRMAN

SECRETARY

***February 10, 2017***

**VERBATIM NOTES OF THE FOURTEENTH MEETING OF THE PUBLIC ACCOUNTS COMMITTEE  
HELD IN THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR (IN PUBLIC) TOWER D, THE  
PORT OF SPAIN INTERNATIONAL WATERFRONT CENTRE, 1A WRIGHTSON ROAD, PORT OF  
SPAIN, ON WEDNESDAY, FEBRUARY 08, 2017, AT 10.35 A.M.**

**PRESENT**

|                          |                     |
|--------------------------|---------------------|
| Dr. Bhoendradatt Tewarie | Chairman            |
| Mr. Rodger Samuel        | Vice-Chairman       |
| Mrs. Paula Gopee-Scoon   | Member              |
| Mr. Randall Mitchell     | Member              |
| Mrs. Ayanna Webster-Roy  | Member              |
| Ms. Jennifer Raffoul     | Member              |
| Ms. Keiba Jacob          | Secretary           |
| Ms. Hema Bhagalloo       | Assistant Secretary |

**ABSENT**

|                       |        |
|-----------------------|--------|
| Dr. Lester Henry      | Member |
| Ms. Marlene Mc Donald | Member |

**AUDITOR GENERAL'S DEPARTMENT**

|                               |                                |
|-------------------------------|--------------------------------|
| Ms. Jaiwantie Ramdass         | Assistant Auditor General      |
| Mrs. Theodora Lewis-Johncilla | Assistant Audit Director (Ag.) |
| Ms. Sally Persad              | Assistant Audit Director (Ag.) |
| Ms. Diane Ragoonath           | Audit Executive I (Ag.)        |
| Ms. Nicole Cockburn           | Legal Officer                  |

**MINISTRY OF WORKS AND TRANSPORT**

|                         |             |
|-------------------------|-------------|
| Ms. Marissa Chattergoon | Auditor III |
|-------------------------|-------------|

## PUBLIC TRANSPORT SERVICE CORPORATION (PTSC)

|                        |                                               |
|------------------------|-----------------------------------------------|
| Mr. Edwin Gooding      | Chairman                                      |
| Ms. Joann Felix        | Vice Chairman                                 |
| Mr. Ronald Forde       | General Manager                               |
| Ms. Dhanmattee Ramdath | Permanent Secretary (Ag.)                     |
| Mr. Garth Alexander    | Deputy General Manager - Engineering          |
| Mr. Brian Juanette     | Deputy General Manager - Operations           |
| Mr. Carl Ramdeo        | Deputy General Manager - Marketing            |
| Mr. Keith Johnson      | Deputy General Manager - Human Resources      |
| Ms. Gemma Bowen        | Assistant Deputy General Manager - Finance    |
| Ms. Roxanne Cox        | Deputy General Manager - Finance              |
| Ms. Lalitha Bala Cetty | Assistant Deputy General Manager - Operations |
| Ms. Kathy-Ann Yeates   | Auditing Assistant                            |

**Mr. Chairman:** Good morning everybody. I want to take this opportunity to welcome all officials from the Auditor General's Department. I see we have a full complement this morning, from the Ministry of Works and Transport, from the Public Transport Service Corporation (PTSC) and, of course, members of the media and members who are here in the public gallery. All of you a warm welcome. We thank you for coming and making it possible to proceed with what is really an important meeting here this morning.

This meeting is held in public, so we are live now and it is being broadcast live on the Parliament Channel 11 and on Radio 105FM and it is also on the Parliament's YouTube channel called *ParlView*. So listeners can send their comments related to this. It is not only that you view or you hear. You can send your comments on today's examination of the PTSC to [parl101@ttparliament.org](mailto:parl101@ttparliament.org). You can send it to [Facebook.com/ttparliament](https://www.facebook.com/ttparliament) and you can send it by Twitter @ttparliament.

Now, the purpose of this meeting of the Public Accounts Committee is to examine concerns raised in the report of the Auditor General of the Republic of Trinidad and Tobago on a special audit of the Public Transport Service Corporation (PTSC), which is the corporation that manages all the publicly supported buses in the fleet of the corporation.

This Committee is desirous of hearing from all of you, officials of the PTSC about the challenges that you face, to determine some of the possible solutions to these challenges, if we can work them out, and the role of the committee is to help the PTSC to improve its delivery of services in an efficient, effective and economic manner.

What I will do now is to have the Committee introduce itself starting with myself and then I will ask representatives of the PTSC to introduce themselves and members of the Ministry of

Works and Transport—you have members here right?—and, of course, the members of the Auditor General’s office and then we will begin to ask questions. All right?

So, I will start with myself. I chair this Public Accounts Committee and my name, of course, is Bhoe Tewarie. I am the Member for Caroni Central in the House of Representatives.

*[Members of PAC introduce themselves]*

**Mr. Chairman:** Okay. Could we start with the members of the Ministry of Works and Transport and then the PTSC members can introduce themselves.

*[Introductions made]*

**Mr. Chairman:** Anybody else? No? Okay. Thank you very much. Could I ask the members of the Auditor General’s Department if they would introduce themselves so you know who they are?

*[Introductions made]*

**Mr. Chairman:** Okay. Thank you all very much. I want to thank the members of the Ministry of Works and Transport and PTSC for coming again. We begin the questions. I would start with some general questions. Now this audit report is, in a way, it must be troubling for you as it is for us in looking at the report. But before I go into the report itself I wonder if the—would the PS be making a statement or is it the Chair? Who is making the statement?

**Mr. Gooding:** Chairman, I will be making an opening statement.

**Mr. Chairman:** You will make an opening statement? Yes, I would appreciate the opening statement and then we would follow that with some questions.

**Mr. Gooding:** Once again good morning, 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 status of implementation of each recommendation in the special audit report issued by the Auditor General and to respond to questions detailed in your correspondence dated 27<sup>th</sup> January, 2017. Of course, we are also prepared to respond to any other questions or provide clarification to any issues or concerns the Committee may have.

As the new Chairman recently appointed to the board, I welcome this opportunity to be part of the team this morning, as I had to study the report of the Auditor General and I found that it has provided keen and deep insights into the operations of the PTSC and it also gave a diagnostic of the improvement areas to be addressed and in many instances identified a prescription of the key initiatives to be pursued to begin the turnaround of the PTSC.

The report at a high level speaks to the following realities being experienced at the PTSC: reducing passenger loads carried, reducing revenue streams, increasing cost of operations, inadequate bus fleet and low fleet availability, inadequate service to the public; and inability to service all our established routes.

All of these are symptomatic of more fundamental issues at the corporation. But I am happy to say that from the answers that you will receive this morning, you will note that many

of the corrective measures have been already put in place by the management team and will be key elements in our 2017 to 2019 strategic plan, when it is finalized.

As Chairman, I am heartened by the fact that the PTSC's financial statements up to and including 2015 have already been submitted to the Auditor General's Department for its review. Thank you.

**Mr. Chairman:** Thank you very much, Mr. Gooding, Chair of PTSC. Before we go on, I think it is important—remember the public engages us in this—for the public to understand and for us to understand: what is a special audit conducted by the Auditor General and when and why is a special audit initiated? Could I ask the representative of the Auditor General's Office to respond to that? Thanks.

**Ms. Ramdass:** If we look at page 2, Report of the Auditor General of the Republic of Trinidad and Tobago on a Special Audit of the Public Transport Service Corporation (PTSC), this report has been prepared under section 116 of the Constitution of the Republic of Trinidad and Tobago and section 9(2) (c) of the Exchequer and Audit Act, Chap. 69:01.

Section 116 of the Constitution states, and I shall read:

"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."

Section 9(2) (c) of the Exchequer and Audit Act states:

"The Auditor General shall satisfy himself that—

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;"

The avoidance of waste and extravagance; that was our focus on this examination of the PTSC.

A special audit, which is another name also for value for money audit is an independent and objective examination of government undertakings, programmes or organizations relating to one or more of the three aspects of economy, efficiency and effectiveness with the aim of leading to improvements. The aim of leading to improvements is extremely important, and at this point I really would like to thank the General Manager of the PTSC, officials, the PS of the Ministry of Works and Transport for the cooperation to do this audit, otherwise it would not have come to fruition.

Now, before we do a special audit we do have certain criteria that we follow to decide which entity to examine. International standards of performance auditing or value for money auditing outlines certain criteria to be used when selecting a study topic. These criteria are as follows: expenditure. We looked at the fact that the study covers high expenditure. With the PTSC, we saw on average that Government subventions to the value of quarter billion dollars per year goes to recurrent expenditure to the PTSC.

We also looked at the second criteria which is impact. Does the study have a large impact on citizens of Trinidad and Tobago? With the PTSC, we saw, for example, in the year 2010, ridership totalled 12.5 million passengers. It did drop to 7.6 million in the year 2014. That is the period of our coverage.

Another criteria that we decided to look at was whether Parliament and media interests or other interests, we had other interest groups in relation to PTSC and it showed that where, in Parliament they had to special joint select committees that previously would have looked at the operations of PTSC. Also, we had, from our reviewing of newspaper articles and other sources, we saw where it had a high interest in the operations of PTSC.

We also had input from the financial auditors of our department where, at times, they would highlight certain issues and warrant that a special audit is required at this entity.

We also looked at—all audit is about risk—the risk. We assessed the risk. There was a risk assessment done that highlighted PTSC and its accomplishments of its objective, whether there were challenges posed to PTSC that might have hindered their achievements of these objectives.

Lastly, we looked at whether the report would identify recommendations that could be implemented by PTSC to lead to further improvements in the running of their operations and we also have to consider in-house our audibility, in that did we have the capacity and the capability to be able to conduct this audit.

So, after we gather all that initial preliminary assessments we sent the proposal to our Auditor General and this was the end product, the report.

**Mr. Chairman:** Okay. Can I make the assumption from what you have said is that basically you had some concerns about PTSC, because the subventions were increasing, the passenger usage was decreasing, objectives identified for the corporation were not being achieved and there was public concern in certain quarters, from interest groups, about what was happening with it and you felt the need to look carefully at this so that you could find out what was wrong and what could be done to fix it?

**Ms. Ramdass:** It is exactly so, Chair.

**Mr. Chairman:** All right, thanks. It is important that people understand clearly what is involved because it is their money. It is their taxpayers' money and it is important that they understand that.

I looked at the audit report, of course, and some aspects of the report, many aspects, really, were quite troubling. And I would like to ask of the PTSC now, a simple question to start, which is that we are now in 2017 and I got the impression from the initial statement from Mr. Gooding, the Chairman, that you had up-to-date audited accounts up to 2015. Is that correct?

**Mr. Gooding:** Yes, Sir.

**Mr. Chairman:** That you have submitted—

**Mr. Gooding:** We have submitted.

**Mr. Chairman:**—to the Auditor General. Would it be a reasonable assumption for me to make that, at the end of, let us say 2017, that PTSC would be able to manage income and expenditure in a more positive way, than has been done in the past? Can I say that and how would that be achieved?

**Mr. Gooding:** Chairman, I think that is a reasonable expectation, given the fact that we recognize where we have shortcomings and the main issue is our ridership has been reducing, which means our revenue has also been reducing. Our routes that we serve, we are now serving somewhere around 65 percent of our routes. But the basic problem that we have is the fact that we do not have the buses. And as we speak we are finalizing our approach to the Ministry to get approval to acquire 35 new buses, and that would give us a great fillip immediately, as these buses are expected to arrive somewhere around November of this year.

So, I am saying that, while we are waiting for these buses, we also have a programme to resuscitate a number of buses that now need repairs. So in the interim we will be bringing out more buses and attempting to increase the number of routes that we are serving and the impact of that will be increasing revenues from that source.

**Mr. Chairman:** All right. At the end of 2017, let us say, are you going to be asking your Ministry and the State for less money and do you anticipate that you are going to be generating more income from increased passenger usage or an increase in the number of routes or the better management of the existing routes? Is that how you are going to do it, a reduction of subvention and an increase in revenue because of either routes or passenger usage?

**Mr. Gooding:** Fortunately, Chairman, I would not be able to say that we would be reducing subventions by the end of 2017. I could say that in the short to medium term this is the objective. But by the end of 2017, we will now be poised to begin the process of turning around the PTSC.

**Mr. Chairman:** Okay, I will stop at this point and I will go to Mrs. Webster-Roy who will follow with questions.

**Mrs. Webster-Roy:** Thank you, Mr. Chair. Mr. Chair, through you, Mr. General Manager, you just mentioned that 35 new buses would be coming on stream soon. The Chairman would have indicated that, sorry; 35 new buses. What type of buses? That is one, and two, how many of those will be going to Tobago please?

**Mr. Forde:** In the 35 buses that we are about to procure, 15 would be allocated to Tobago. We are buying medium and small buses. The Tobago buses would be specially designed buses for the Tobago terrain with a higher torqued engine and that sort of thing. So there are less seats also because the 33-seater does not work well in Tobago because of the curvatures of the narrow roads and the curvatures of the road. Right, so we have put together a team that has sat together to design these buses, come up with the specifications of the buses, that Tobago will have special buses that suit the terrain of Tobago.

**Mrs. Webster-Roy:** Thank you. I am quite happy to hear that. In terms of coming up with the specifications, did you have any consultation with the end-users, the people of Tobago and

particularly people of north-eastern Tobago who would require the PTSC service quite frequently?

**Mr. Forde:** We did engage the competencies and knowledge of the PTSC drivers, PTSC mechanics and some of the actual commuters in that process to develop what we need to get for Tobago.

**Mrs. Webster-Roy:** Could you indicate when you had those consultations, please?

**Mr. Forde:** Those consultations were held in late 2016, and we are revising them as we go along right now, to develop the RFP.

**Mrs. Webster-Roy:** Just one more question, Mr. Chair. You indicated that 15 would come to Tobago and that you are looking at some time later down in 2017 for this to happen. In the short-term, what measures do you have to improve the efficiency of the service for Tobago, particularly on the north-eastern side of Tobago, areas like Parlatuvier, Castara, L'anse Fourmi, and Charlotteville? I know you commissioned two maxi-type buses recently. But that is not adequate. What are your short-term plans to bring some measure of relief to the travelling public in Tobago?

**Mr. Forde:** We have four additional 25-seater maxi-taxi type on contract, servicing the Charlotteville area, L'anse Fourmi, Parlatuvier area, together with the two that we just commissioned on Monday. All right?

We are also conducting a very aggressive repair programme as we speak. When I checked yesterday afternoon, the run out in Tobago was 16. I was assured by my people over there that by today we should have 20 buses on the run out, the normal buses, and we are hoping to take it up to about 30 by the end of the week. That is the target. So we are getting parts to Tobago. We have sent a technician from Trinidad to lead the process and the process is producing. We are getting some good yields out of the process.

**Mrs. Webster-Roy:** Thank you.

**Mr. Samuel:** Good morning to everyone. I recognize that in the report and questions to you that you submitted, you have hinted that you are following some international best practices, and I am quite concerned about that, because I am very careful, as we look at international best practices, how are we able to now deal with it from a Trinidad and Tobago perspective, because we need to now zero it down to how it fits in to Trinidad and Tobago.

Part of the resource that you have hinted is that you have looked at the American transportation model, the Canadian transit model, and those areas. But have you ever conducted any kind of survey in Trinidad and Tobago? Because you need to look at the transportation demand management system to determine how the citizens of Trinidad and Tobago feel about PTSC. I believe that a survey of this nature should have been conducted in the east. It should be conducted in zones all around the country, as well as Tobago. And then out of that survey, I would have hoped that the information would then inform your strategy and your development plan. So, have you ever done such a survey? Because you are saying that your clientele has significantly reduced. What kind of surveys have you conducted, literal surveys? And what were

the outcomes of these surveys and how have you utilized the information from those surveys to inform your strategy and development? If a survey was done, how long ago was it done, and what was the outcome?

**Mr. Gooding:** Okay, through you Chairman, in preparation for the next strategic plan for the corporation, surveys were done and they were done within the last part of 2016. I am going to ask the General Manager to provide some details of what that survey entails and how we are going to be using that to inform the strategic plan that we are going to have for 2017 to 2019.

**Mr. Forde:** In the development of the 2017-2019 strategic plan, we engaged a number of commuters from different locations to get feedback on how they feel about the PTSC service and what they demand from PTSC, in terms of a quality service and an efficient service. So we engage commuters in Tobago. There was a session in Tobago. There was one in the northern part of Trinidad and Tobago, in San Fernando, and also the east of Trinidad, where we engage commuters to get their feedback, with reference to the quality of service they are receiving presently and how we could improve the service and make it more efficient for them.

But the best practices that you are talking about, in terms of international best practices, is not linked to surveys really. It is best practices that bus companies engage and maintain to ensure that the efficiencies and the reliability of the service is maintained. I could give you one. Bus companies globally try to maintain an average age of the bus fleet not below five to eight years. As we speak, the PTSC's average age of a fleet of 16 years. So we look at these best practices and try our best to get there and if we get there we are sure that we will improve the quality of service we have to deliver.

**Mr. Samuel:** I have a follow-up question. The service that you have completed thus far, you said they were done based on some of the present commuters that you have. What kind of survey is necessary to attract people who do not use your system? See, to expand your problems or to expand your present fleet and expand your present "commutership" and your clientele you have got to be able to attract people who do not use your system or have fallen off your system. You have to be able to determine why they have felt the system. And for those who are not using the system, why are they not using the system? Have you been able to conduct such surveys? Because you are saying that you have conducted surveys on commuters who use the system and what they feel. But I am going beyond the commuters who use the system. I am looking at the people who do not use the system or those who have fallen off the system and it means that a wider survey probably needs to be conducted. What are your approaches?

**Mr. Gooding:** Chairman, the issue of falling off of ridership is based on the fact that we do not have buses and we are unable to service 30-something percent of the routes that we have established. We recognize, and it came out in the report that the quality of service that we provide leaves a lot to be desired. The demand for the service is there. It is just that we are unable to satisfy. And the bad part about it is that where the service is needed the most that is where we are unable to satisfy the need. And that is in the rural areas.

A place like Tobago, where we had a run out of two buses out of a fleet of 37 and surely it is not because Tobagonians do not want the service. They want the service but we cannot provide it. Now, the General Manager just spoke about a plan where we have increased the number of buses on route in Tobago and that was up to 16 yesterday; 16 buses. That will make a great impact. As a matter of fact, when we started turning out the buses there was an immediate increase in revenue from the Tobago market.

So, I know that surveys inform actions that we would take but I think at this point in time it is a straightforward position that we cannot satisfy the demand for the service because we do not have the buses and we are unable to service the routes.

**Miss Raffoul:** Thank you. My main question is: in the absence of a strategic plan, how do you measure your impact and your effectiveness?

**Mr. Gooding:** That is a very interesting question. Right now, I think we all sitting up here understand that we are not satisfying the needs of our commuters. Our strategic plan, in terms of monitoring the plan, it also came out in the Auditor General's report that the performance is not being measured as it should. So, I will be the first to say that we are not doing a good job right now of monitoring the plan. But where I think we have taken up the mantle, I am speaking now with respect to the management team, is that we recognize that we are not going to get buses before the end of the year in the first instalment and we are concentrating very heavily on the buses that can be resuscitated, that we are developing a programme to bring those buses back on stream.

Right now, the run out yesterday was 195 buses. We need something like 350 buses to serve our present clientele and routes. All right? So we need to bring that up significantly and while our strategic plan is being developed, we know what we have to do now to satisfy that demand for our service in the areas that need it most.

**Mr. Chairman:** Sen. Raffoul, do you have something you want to say?

**Miss Raffoul:** I do, but I would but I would wait until later on. I think it would be related to other questions coming.

**Mr. Mitchell:** Thank very much, Mr. Chairman. Firstly, do you agree that the absence of a strategic plan from 2011 till now, equates to by analogy, the PTSC as a rudderless boat in the middle of an ocean? I am asking that question because you just said that you are buying buses and repairing buses. But what informs the purchase of buses? What informs the repair of buses? That is just—I would hold that.

Let me go to revenue generation and expenditure. Now, according to the Act, the legislative mandate is that PTSC must ensure that revenue is sufficient to cover operating expenses, including taxes, if any, and to provide adequate maintenance and depreciation and interest payments on borrowings. Now, since 2011 to date the PTSC the deficit between your revenue and expenditure has widened. What is the reason? What is the main reason for that widening? Your revenue has gone down and your expenditure has gone up. What is the reason

for that?

**Mr. Gooding:** Chairman, the position is that over those last years that you have mentioned we have experienced the problems with respect to our fleet, the diminution of our fleet and our inability to serve our routes. Part of the report that was given by the Auditor General is that our ridership reduced from \$12.5 million to \$7.6 million. And while during that interim period, there was some industrial unrest during a number of those years, the main thing is the fact that our buses, we do not have the buses, and our ability to replace buses was not there. I would like to ask the General Manager to give a little more detail to the questions that you have asked.

**Mr. Forde:** Member, while the Auditor General's report speaks to the reduction of revenue between 2010 and 2014, I do not think it took into consideration that in 2010, that was a one-off year for the PTSC, in terms of revenue that came into the PTSC. That did not occur in the ensuing years.

In 2010, the PTSC would have collected \$14 million from the Ministry of Education for the purchase of scholar tickets. Right? That was a revenue stream for the PTSC, annual revenue stream of \$14 million in the purchase of scholar tickets from the Ministry of Education. That was truncated, that was stopped in 2011. So that revenue was no longer there because all school children were now using the buses free of charge.

In 2010, that was an election year and the PTSC generated tremendous revenue from the chartering of buses. There are a number of one-offs that, in terms of revenue in 2010, that did not occur and was not available to the PTSC in 2011, 2012, 2013 leading to 2014. So it does not give the true picture in terms of the revenue inflows into the PTSC.

In 2011, all citizens over 60 years were allowed to use the buses free, between 60 and 65. While we are paid by the Ministry of Social Development for citizens 65 years and over, citizens between 60 and 65 travel on the PTSC buses free of charge. So that means a decrease in revenue. Right?

The cost of the operations at the PTSC would have gone up, due to inflation. The cost of PTSC services remains stagnant. The cost of a bus ticket is the same from 26 years ago and the cost of all the inputs into PTSC's operation would have gone up probably by 100 percent in inflation over the period. So we need to look at all these factors before we come up with a good picture.

**Mr. Mitchell:** Thank you. In 2013, it was also an election year that was heavily fought. 2015 was also an election year, but your income was still at \$85 million. Now, I am seeing that the major item of expenditure was wages and salaries, totalling \$800 million between the years. Did you all increase the amount of employees?

**Mr. Forde:** I came to the PTSC in November 2011 and the PTSC had a complementary of employees that totalled about 2,000-plus. As we speak, the employee population is 1,700. So we have done some streamlining of the manpower to suit the operation. Some people have gone on by attrition and that sort of thing. So we now have a reduced workforce from 2,000-plus to

1,700 as we speak. But we have also had increases in salaries and negotiations. We had two for the fortnightly paid and two for the monthly paid within those periods.

**Mr. Mitchell:** Okay, so in light of all these new things that you have just described, what are the ideas from the PTSC to decrease the deficit so that you can follow your legislative mandate to reduce your deficit so that your revenue is now able to cover all your costs?

**Mr. Forde:** As we speak, we are looking at the cost of the operations and how we could reduce the cost of the operations across the board in all aspects of the operations.

We are looking at purchasing, as we speak, in terms of cutting out that middleman. I was talking to my purchasing and logistics manager yesterday and he was showing me some parts that we purchase and what we are paying for it and what we could get it at if we go directly to suppliers.

**Mr. Mitchell:** You said middleman?

**Mr. Forde:** Well, we buy sometimes from, not directly from the manufacturers of the parts. As a matter of fact, recently we bought 50 new engines out of China. Right? And we were going to the manufacturers of the bus and one of the technicians came to me and said: "General Manager, the manufacturer of the bus does not make the engines. There is a company in China who makes the engine" and I went online, contacted the company and we were able to save about US \$2,000 per engine. If we had bought it from the manufacturer of the bus, which is Yutong, we would have paid \$2,000 more for each engine. So went to Dongfeng who are the manufacturers of the engine and we were able to save US \$30,000 on that purchase. So that is part of the strategy that we are employing right now.

**Mr. Chairman:** Okay, has the PTSC, since 1965, when it was established, ever made a profit in any year?

**Ms. Bowen:** No, the PTSC never made a profit. PTSC depends on Government subvention.

**Mr. Chairman:** Okay. So, in the strategic plan going forward from 2017 to 2019, is the profit motive at work at all, in terms of PTSC? Is that part of the strategic planning exercise to try to generate a surplus?

**Mr. Gooding:** Chairman, I think that is a worthy objective but it would take us some time before we reach to profitability. I think our more immediate objective is to slowly wean ourselves away from that by doing the kinds of things that we plan to do, in terms of the fleet that we are going to acquire, the routes that we are going to cover, the new revenue streams that we are contemplating, and so on. But within the near future, I do not see that happening, where we are going to really turn into profit.

**Mr. Chairman:** Okay. I saw, based on the 2010, the response that you gave on the issue of 2010, and why you were able to generate more income. I saw, for instance, that in addition to the things like the school tickets, et cetera, there were also opportunities like the conferences that took place here, that you had contracts with NESC for the transportation of people. You used advertising strategies in order to generate income. Are those things possible for you, as you

move into the future? I mean, can you have an entrepreneurial approach to certain things in which income generation is the top priority, other than simply from the passenger who is using the bus as a means of transportation?

**Mr. Gooding:** Chairman, that is one of the key things that we are looking at. However, there is a case in point right now where we are being asked to supply one of our Deluxe Coaches for such an event and you would not believe that we have to juggle to see how we can take a bus out—  
[Interruption]

**Mr. Chairman:** Out of the system.

**Mr. Gooding:** Yes, to do that. So all our problems, all the troubles that we are seeing now should be dealt with as we go forward with the new plan to acquire the buses to get, the optimal fleet, in terms of also maintenance and so on, so that we are able.

Even our Know Your Country Tours. That places a burden on buses that we want to use to transport passengers. So, yes, the strategic plan is pointing us in that direction but we need to have the support of the fleet to enable us to do that in one way. And the other way is what other new revenue streams that we can develop as we go forward. But we are very keen on, if not going into profit but at least reducing our significant reliance on the central government.

**Mr. Chairman:** I mean, public transportation in any city hardly operates on a pure profit motive. Generally, there is some subsidization, either by Federal Government, State Government, city government, et cetera. But they are also able to operate in a very business-like manner and generate streams of income in order to, just as you are suggesting, limit the amount that you actually get from the State or some government agency. And, I think it is important going forward to try and address that issue.

But I want to follow-up with one thing. In the report, the audit report, it is clear that there were some tensions between PTSC and the PTSC board and the Ministry during the period under review here, and in some of your responses it is also clear too that there have been some challenges between management and the board. All right? I would not go into the details of it but I think you know what you wrote and you know what is in the Auditor General's report. Are these things, I mean are these relationships now better, that you have a management that is more responsive to the board and you have a ministry that is more responsive to the strategic direction of the PTSC as a corporate entity?

**Mr. Gooding:** Chairman, I will start with the interest of our line Minister, and you would have seen recently in the newspapers that we were encouraged, I used the word encouraged, to turn around the performance of the PTSC, in terms of delivery of service and that he was holding the board accountable to achieve that.

As I said in my opening remarks, I am recently appointed, but the board is also a new board, just around eight months and in my short time there I am seeing the synergies between the board and management. I am seeing where management, and I do not know if it is with this particular report, is very anxious to address issues raised. They have been identified, and I am

seeing where the management is eager to correct the issues identified inside of there. So I could only think at this point in time that I am very optimistic, that in terms of the management and the board and the level of interest and support being provided by the line ministry, I think we are on the way to recovery.

**Mr. Chairman:** Okay, I would ask Mrs. Paula Gopee-Scoon to ask questions.

**Mrs. Gopee-Scoon:** Thank you very much. Chairman, I am encouraged by the fact that you see so much light down the road and that the board has a good sense of where it wants to go, and even so in the absence of a strategic plan.

But even before you go forward, has the board done any analysis of whether the management, which the PTSC now has, is really effective enough to take it where your vision takes you? So the board may have a vision, but I am asking you if the management in the current structure, in the way in which it has been operating in the last five years, would you say that the management is aligned to the board's vision? Have you done any audit of the management?

For instance, it might be one little detail but I saw a picture of where PTSC stores its documents, which is on VMCOTT's compound and it is really disastrous and if it is that we cannot get a little thing right, like document storage, I am going to ask the question: have we really looked at the management and have we seriously looked at whether they are effective and whether they are the ones who can be aligned to the vision of the board?

We have to be serious because you got to look to the past before you look to the future. When I see the deplorable state in which a simple matter like how documents are stored, you know, somebody has to be responsible for that. I mean, that is your management. So you have to start looking at the—you have to start questioning in my mind to the efficacy and efficiency and those kinds of areas of your management and capacity and capability, and so on, before you move forward. Has that been done?

**Mr. Gooding:** Member, when we look at the management team, there is room for improvement. The strategic plan will address some of those issues. The new strategies that will be developed and implemented will call for a different type of structure, and this will be part of the strategic planning and the execution of the plan.

The issue that was raised with respect to the record keeping, that was also raised in the Auditor General's report and that is already being addressed. Again, it is symptomatic of critical things that were not—well, that we took our eyes off the ball.

I am a strong believer in what gets measured gets done and I think the strong board oversight is required to get the management on board. But there will be areas, new areas, where we will be looking to strengthen the management team for sure. And what I found to be missing is a strong succession plan, which we intend to put in place, so that we can provide for succession down the road.

**Mrs. Gopee-Scoon:** Just one other question, Chairman. In the absence of the strategic plan, if I were to ask you what your four or five key objectives were, would you be able to name them for

me?

**Mr. Gooding:** Before I answer that, member, I just want to put the record straight. In terms of the strategic plan, we do have strategic plans. The latest plan was not finally approved. Okay? Let me ask the General Manager to just explain that aspect.

**Mr. Forde:** Member, there is a strategic plan. While it is dated, there are objectives in the plan that are yet to be achieved. So some of the objectives in that plan will also roll over into the '17-'19 plan but that plan was not approved by the Ministry because in the Ministry of Transport there were changes of Ministers. There were about three different Ministers. Every time the plan goes, a Minister would change. There were three changes. The Ministry collapsed back to, it went from Ministry of Works and Transport to Ministry of Transport and Works by themselves and then it came back.

**Mrs. Gopee-Scoon:** But that has nothing to do with the organization of the PTSC. When I say so, I can understand that there is bearing because you are responding to and reporting to different structures. But separate and apart from that you are responsible for the management of a company, which is the PTSC. So the reporting, yes, I understand that there were issues there and going forward I can see that all of that would be streamlined. But I am speaking to management. You are responsible for an organization, and I am asking, and maybe you are the right one, with the absence of a plan which has been accepted by the Ministry, what are your key objectives at this time?

**Mr. Forde:** The key objectives of the—I might not be able to roll them off the top of my tongue here now. I do not have the plan in front of me. But we were working with the plan, although it was not approved by the Ministry. Right?

The renewal of the bus fleet is one of the objectives. The renewal of the public transportation infrastructure, which is key; the retooling of the PTSC. These are some of the key objectives; the rationalization of the bus fleets, which is very, very key to the PTSC. PTSC has 27 makes and models of buses. No bus company in the world operates with that.

**Mrs. Gopee-Scoon:** Say again.

**Mr. Forde:** With 27 makes and models of buses. Our neighbours in Jamaica, they have four models of buses. Our neighbours in Barbados, they have four models of buses. I visited a bus company in Texas, Fort Worth Texas. They have 350 buses, one type. How PTSC got to that? The story will be told. I cannot get tell the story, but presently there are 27 makes and models of buses. You could never get efficiencies coming out of that. It is an inventory management nightmare. It is a procurement nightmare. To procure parts for 27 makes and models of buses? You cannot develop experts. Because if I am working on this phone every day, I would become an expert in two weeks or a week. If I have to fix 27 phones—

**Mrs. Gopee-Scoon:** So you speak about a fleet of new buses but do you have a proper maintenance programme in place? I am just asking the question.

**Mr. Forde:** There is a proper maintenance programme in place that is well developed, even

before my time. It is developed; a planned maintenance programme, a routine maintenance programme, running repairs, the first line. It is all in place. But because of the state of the fleet and the age of the fleet and the demand of the public, you cannot get the buses in time to get to the different programmes. That is part of the challenge.

So, sometimes we try to do the planned maintenance on Sundays when demand is slow or Saturdays when demand is reduced. Right? But you need to get—when the manufacturer says every 5,000 kilometres you need to change these parts, right, if you want the bus to realize its economic use for life, you have got to live by that. But sometimes because of the demand, we cannot all the time keep to the schedules. That is the problem.

**Miss Raffoul:** Thanks. My question next is on, going forward. How does the organization see itself stepping into 2018? How do you think the structural issues can be addressed and improved? Do you think it is about greater revenue generation? Do you think it is about structural reform, privatization? What do you think structurally can be done to improve the provision of public transportation for the population?

**11.35 p.m.**

**Mr. Gooding:** In terms of our vision for the future, we recognize that we do not use enabling technology to support the kind of work that we need to do on the buses. The member asked just now about the maintenance programme, and those things are automated. I believe we are still working to a large extent on a manual system. One of the things that we will be doing, and I think we will be going out for tender now, is a new fleet management system. In terms of the rationalization of the bus fleet, the General Manager spoke about 20-something different types of buses, we are aiming to get that down to maybe four or five types of buses in the fleet.

In terms of scheduling, we also want to modernize how we interface with our commuters. For argument's sake, right now somebody will call and say that they are waiting for a bus for an hour—I am being generous here—sometimes two hours, but the other communication with the commuter at the time to say, well, listen, we are having a problem and bus will be running late and so on, giving you an opportunity to make alternative arrangements. Simple things like that. And, again, starting with the commuter and working backwards.

One strong thing about the PTSC is that we have been doing this business for many, many years and we recognize what we need to fix and what are the priorities and how we are going to fix, because as everything else right now, we are looking at scarce resources and we are hoping to get as much as we can get from the shrinking pie. As I said earlier, our line Minister recognizes that we need to replenish our fleet. We are getting 35 buses before the end of this year, and we expect that we would get a larger number—we are being optimistic now—to add to the fleet next year, 2018.

The record keeping, all those need to be automated. We do not need to be storing bulky, bulky material all over the place. We lose control of it, it gets messy. Automation is what we are

looking. So we want to come into the future by using the technology that is available to us that, perhaps, given our lack of resources, we have not been able to focus on acquiring those. Well, again, in terms of the management, I want to say that it is not for lack of foresight, it is more lack of resources to implement and execute some of the work that we need to do.

**Mr. Samuel:** I want to piggyback on the Minister, Paula Gopee-Scoon's question and her thoughts. Chairman, when the question was raised about a photo with regard to the storage of your data in the most deplorable conditions, you said that is being rectified. The Auditor General's report, 2013—so we are four years down the road—stated that that is what they found then. What is the present status of what was found at VMCOTT's compound? What is the present status if we are to go there now? Is it that we will find the same thing? What do you mean by it is being rectified four years after? First question.

In the Auditor General's report they have found a great deal of inconsistencies in the operations of PTSC.

"PTSC's performance has not been monitored nor evaluated. During the period 2010-2014 we saw no evidence of PTSC's performance being monitored or evaluated by the Ministry of Transport. The Ministry of Transport has failed to establish benchmarks and key performance indicators to measure PTSC's performance...

Inconsistencies in recording PTSC's fleet size."

There have been inconsistencies. Another failure:

"PTSC did not have a policy for the establishment of routes"

According to the Auditor General's report:

"We were informed by PTSC that it takes into account factors such as population density, road conditions, bus stop locations and traffic conditions in the determination of new routes. We examined the establishment of six routes during the period 2010—2014; however we saw no evidence of the above criteria being used to establish these routes."

Another problem that PTSC faced:

"PTSC did not provide continuous training for the workers of its Engineering Division."

I am looking at deficiencies and it is a managerial situation.

"There was no documentary evidence of PTSC's training of workers in new technology and methods in the repairs and maintenance of buses. Workers indicated that they had received no training and had limited exposure in the repair of the different types of buses in PTSC's fleet."

Another deficiency. Well, that goes back to the poor management of the record situation. So if we were to go on the compound today, what would we find? I would love to go there today. What we would find?

**Mr. Forde:** You will see this. [*Picture in hand*]

**Mr. Samuel:** Beautiful.

**Mr. Forde:** You will see this if you go today.

**Mr. Samuel:** Good. That is what we want to see.

**Mr. Forde:** So we did take the recommendations from the Auditor General's office, and we put manpower and resources into it and you will see this today. [*Picture in hand*] We are in the process of engaging the Ministry of Public Administration, the Archives Division, because there are a lot of documents there that are extremely aged and need to be disposed of. So we are in that process of engaging that division to tell us sign off and say, these could be disposed of now.

**Mr. Chairman:** Can I jump in here? Just a follow up. The pictures that you just showed up, you have actually achieved that? I just want to confirm.

**Mr. Forde:** A picture speaks a 1,000 words [*Laughter*] and this speaks 1,000 and more.

**Mr. Chairman:** Have you achieved that?

**Mr. Forde:** Yes, definitely.

**Mr. Chairman:** The second thing is that—

**Mr. Forde:** And we have continued, we have not stopped.

**Mr. Chairman:** How are you now with automation? The Chairman talked about automation as being a way to deal with this. Are you better off as far as that is concerned?

**Mr. Forde:** We will make requests in the 2017/2018 budget in the PSIP to be able to access funding for that automation.

**Mr. Chairman:** I will leave it now to Sen. Samuel.

**Mr. Forde:** I wanted to respond to the member in terms of training. When we brought 35 new CNG buses to the PTSC in November 2014, I took a note to the board, the then board of directors, requesting that we send three technicians to China to actually work with the manufacturers and we trained in a “train the trainer” programme. So they saw every aspect of the bus being assembled. They were trained by the manufacturers and they came back to PTSC and trained the technicians in what training they got in China to be able to—this same team, they conduct the plan maintenance of these buses every time it is required.

Recently, PTSC, we acquired new technology in terms of diagnostic technology to diagnose all our electronic engines. I brought in a technician from abroad and 13 technicians in PTSC were trained to use the diagnostic equipment. It is Bluetooth technology, all the buses do is just drive past. You do not need a laptop. It drives past and comes out on the computer, all the defects on the bus. So there is tremendous training. I could list it and make it available to the members of this Committee, all the training that we have engaged, not only technicians, but across the board. My Marketing Manager right here, he is on training right now at Arthur Lok Jack.

**Mr. Samuel:** The reason my questions were asked is because of the 2013/2014 report. It is good to know that PTSC has come a long way since then, because what the Auditor General found then, and what you are saying now says that you have advanced tremendously. But what was the issue with the policy of establishment of routes that the Auditor General's department found? When they examined they found no evidence of the above criteria being used to establish

routes. They said they found no evidence. I am just questioning from that the report they published. I just wanted to find out that. There was another issue that:

“PTSC failed to utilize data generated from the Global Positioning System...to manage fuel cost.”

That was in the Auditor General’s report then. I want to know what has happened since then.

**Mr. Forde:** The GPS that we have installed in all our buses is the first phase of the GPS, only the first phase. The GPS has been installed since 2011. We have made numerous requests in various PSIP submissions for funding to take the GPS to the other phases where it could be fully utilized to assist in the whole operations of the bus company, things like electronic ticketing, electronic counting. Even the numbers that we are quoting there, I am not sure that the numbers are totally correct.

So you have a driver who is driving a bus, he is driving an articulated bus with over 100 and something passengers on this bus. The bus stops in San Juan—we are trying to make the driver an accountant—so four people come off, five come on, but he has the responsibility of the safety of these people’s lives behind. We need to take the technology to electronic counting. So as you come off the bus, it is tabulated. You get on, it is tabulated. So I could say on every route in real time how many passengers use the bus. The platform is there, the GPS platform is there. We just need to buy the additional phases: electronic scheduling, electronic counting and electronic ticketing.

We need to take the ticketing across all public modes of transportation. So it should be one generic ticket to use the Water Taxi, to use the bus—you can use the boat to Tobago—and to use the air bridge. So you have one ticket. I swipe my ticket. I go down by the boat, I swipe. I go by the Water Taxi, I swipe. I go by PTSC, I swipe. That is where the technology is at and we need to take it there.

**Mr. Mitchell:** This is to the General Manager. I cannot ignore the Auditor General’s report where it said that the cost of staff increased by 76 percent over the period of time. We cannot ignore that. I know you said that it stood at 2,000 and something and then it came down. Can you please provide in writing the number of persons who were recruited and dismissed over the period? I would also like to know what is PTSC’s recruitment and selection policy, and the contracts of the employees inclusive of persons on the executive team. I would like to know that. Let me ask you this: what is the ratio—you have said that there are just about 100 and something buses in service—of drivers to buses?

**Mr. Forde:** 2.5 drivers to one bus.

**Mr. Mitchell:** Right now, as it stands, because I am reading that your account in your inventory for about 468 buses but 100 and something buses are in service. So how many drivers do you have on staff right now?

**Mr. Juanette:** At the present time member we have 666 drivers on staff.

**Mr. Mitchell:** So is it that there are a lot of drivers who do nothing, who come to work and just

sit? How does that work?

**Mr. Juanette:** Member, we do have drivers who report to work and we have to literally shift around buses to ensure that they get a piece of work each day. We do not have the sufficient amount of buses to assign buses to drivers as we would like to.

**Mr. Mitchell:** Can we assign drivers to different responsibilities? I am just trying to get a visual as to what happens. Is it that a person who is paid for a full eight-hour day comes to work and does one hour per day?

**Mr. Juanette:** And yes, member, we can assign drivers and we have been doing that to other responsibilities to ensure that we get some activity out of the drivers that are surplus.

**Mr. Mitchell:** All right. Let me just piggyback on Mr. Samuel's question. In terms of the establishment of bus routes, you do not have a strategic plan, so what was the basis of the establishment of the bus routes? Was it a political directive? What was it? Can you tell me on these routes—the Auditor General in their reports, they stated that a lot of these routes are unprofitable, there are a lot of dead kilometres. What was the basis upon which you all decided on some of these new routes?

**Mr. Juanette:** Member, we would have gotten requests from the residents of some of these communities and also we would have received requests from the Housing Development Corporation for some of these housing developments as well as members of the regional corporations and parliamentary representatives.

**Mr. Mitchell:** Okay. But you have a duty to do some sort of analysis to ensure that these things are cost effective. Was that done? Do you have documentary proof that there is some analysis done to assign new routes or is it just based on residents coming in groups of four or five or 10 and saying we want a bus here?

**Mr. Juanette:** Member, we did not complete that cost analysis. Essentially, we would have recognized as well, outside of the request we would have received that the PTSC had a social responsibility to provide those services because, in some instances, there was the absence of no organized form of public transport in those areas.

**Mr. Mitchell:** But you also have a fiduciary responsibility to the taxpayers of Trinidad and Tobago to operate in a cost-effective way. How do you balance that?

**Mr. Juanette:** There is a measure of difficulty in balancing that at times, and we are hoping that in the policy that we have developed for route introduction and evaluation, that we will take that into consideration.

**Mr. Mitchell:** This is the last question. Monitoring and evaluation: is there a unit in the PTSC that does monitoring and evaluation? Has there been one and have they been reporting to the PTSC and to the Ministry?

**Mr. Juanette:** We have a Service Planning and Scheduling Department that is responsible for the monitoring and evaluation of the services that we provide. With respect to liaising with the central Government's monitoring and evaluation unit, we have established that relationship.

**Mrs. Webster-Roy:** Thank you, Mr. Chair. This is to the General Manager. You would have noted that even though the strategic plan was not approved that you would have worked towards the recommendations in the plan and the strategic objectives. How often does the management team meet? That is one. Do you involve senior officers from Tobago in your strategic meetings?

**Mr. Forde:** The management team meets once a month and Tobago is well represented, not only at those meetings, but at all other meetings involving the operations at TPSC and Tobago, in particular. We have started now—with the criticality of the fleet, we have started to meet every Monday morning. Our strategic team is meeting every Monday morning to map out strategy. We have set certain targets. We are looking a Carnival, and it is a high demand on PTSC on Carnival Tuesday night especially, Jouvert morning.

I come to the PTSC every Carnival Tuesday. After being in town, I walk to the PTSC, and there are droves and droves of people coming to the PTSC because the maxis are not working as much and the taxis are not working as much, so they depend on the PTSC along the main thoroughfares—the East-West Corridor, the south/central chunk and the west. We have set a target that we have to have a number of buses, a number of articulated buses too that take large volumes of people to and from and to be backed up by the coaches. So we meet quite regularly especially in this crisis mode we are in right now.

**Mrs. Webster-Roy:** Another question. I would have to assume that you have a policy in place as to how you treat with serious untoward incidents and how you would record them. In Tobago, and in Tobago East in particular, there have been a number of serious untoward incidents. We have had fatal accidents, near fatal accidents. What would have been your response to those incidents? How would you have documented them to find the way forward?

**Mr. Forde:** All the arms of the State that are to be engaged in doing investigations were requested to do so. We recently had the Licensing Authority completing their—they were the final body do complete the investigation. We were able to get the bus out of the workshop, the paint shop, because it was in the paint shop locked away there on the instructions of the Licensing Authority. The police were engaged.

**Mrs. Webster-Roy:** I do not want a response based on that particular incident. I want to understand what is the policy, not only for when that happens in Tobago. What is the policy? If you have a serious untoward incident, how would PTSC document it? How would you respond? I want to get what is your policy framework for treating with that.

**Mr. Forde:** Any accident that takes place, even if it is a small accident in the yard with a driver driving a bus in the yard and damages the bus, an investigation is ensued. So there is a team of investigators, very experienced investigators, who get on board and have the investigation done, and reports are generated. If it requires that we have to get external authorities to come in to assist, we do that with the police, Licensing Authority and that sort of thing. We do that. The reports, they come to my office, my desk, and what is required to be done, if it is to engage insurances, we engage the insurances. If we have to set up a tribunal, if a tribunal has to be set

up to hear the matter, tribunals are set up. The driver is allowed to bring a representative from the union and we take it to the full length. That is the process.

**Mrs. Webster-Roy:** Are all the drivers required to be certified in defensive driving?

**Mr. Forde:** The PTSC owns and operates a driving academy on the compound of VMCOTT with a state-of-the-art bus driving simulator. All drivers are required on their anniversary to go for retraining. So every year drivers are retained on their anniversary.

**Mrs. Webster-Roy:** Is that particular training certified and recognized by any international agency or any local agency? Because I can open a school and call it “Ayanna’s School for Excellence” and issue a certificate, but it is my school, my certificate. So what international agencies or what practices have you pegged to your training to ensure that we have not only due care on the road but best value?

**Mr. Forde:** The training is not certified as we speak, but we are working with NTA right now to get the training certified. We have done most of the work already. We will get it certified in the very short future because there are also requests from other agencies, because PTSC has one of the only bus simulators probably in the Caribbean apart from Jamaica. So we have requests from a number of agencies. The police, I got a request from the police just this week to use the simulator to train.

**Mrs. Webster-Roy:** So could I take it as an assurance that within the next year or so that PTSC would endeavour to have its training certified by some agency?

**Mr. Forde:** As I said member, we are in the process. We are engaged in the process. I even spoke to a consultant yesterday who was a former commissioner —

**Mrs. Webster-Roy:** How far down is the process, Sir?

**Mr. Forde:** All the curriculum and everything has been submitted to the NTA. We are waiting on final approval right now.

**Mrs. Webster-Roy:** From the National Training Agency?

**Mr. Forde:** Yes.

**Mrs. Webster-Roy:** Okay, excellent. One other question. You would have mentioned that you are in the process of rationalizing your fleet, what are some of the strategies you are going to employ?

**Mr. Forde:** Some of the strategies are to make sure that the component, the major components of the fleet that they are of a particular brand or a particular quality. So we are looking at the chassis, the engines and the transmissions. So we do not want to have like 10 different set of engines and 20 different types of transmissions and different chassis and axles and that sort of thing. So we are looking to have major those components.

We are also using a method of procurement that we do not go open tender. We look at the fleet and the buses that we have. The largest percentage in the fleet right now, these are the people we are asking to quote on the new purchases.

**Mrs. Webster-Roy:** Is that transparent?

**Mr. Forde:** It is transparent, because there are different methods. There is sole selective, there is open tendering and they are all transparent methods. As a matter of fact, the last tender that we did it was audited by the Ministry of Finance. The Ministry of Finance did that audit—I have that report also which we could make available to the Committee—and they endorsed that approach to ensure that we do not get a 28 and a 29 model coming in.

**Mrs. Webster-Roy:** One more question, and it goes back to the whole rationalizing. How then would you get rid of our excess stock? What do you intend to do? Because if you are going to be streamlining and have one particular set, you are going to have old vehicles from the fleet. How would you dispose of that?

**Mr. Forde:** There are some that we have right now that could come out of operations right now, because some of them are 26 years old. It does not make economic sense to have them back on the road, but because of the shortage we have to keep working with them. We have some that are domiciled right now in Tanteak. We have over about 50, 57 buses that are domiciled in Tanteak right now that will not come back on the road. The process that we have, some of the steel bands have applied to us for the chassis and we are working with the EMA to sink the bodies in the ocean to create artificial reefs to generate new fish life.

**Mr. Chairman:** Okay, we will move on now to someone else, but before I do, you know in the report it says that this simulator is not working, based on the 2014 report. Is it working now?

**Mr. Forde:** Yes, the simulator is working, I must report.

**Mr. Chairman:** Now?

**Mr. Forde:** As we speak. We can go to the simulator if you all want.

**Mr. Chairman:** So you all can actually do the training?

**Mr. Forde:** Yes, the simulator has been working a long time now. Minister Gopee-Scoon and then Sen. Raffoul will follow.

**Mrs Gopee-Scoon:** Mr. Forde, did I hear you say that management meets once a month?

**Mr. Forde:** Yes. Management has monthly meetings once a month, but there are other meetings. There are lots of meetings at the PTSC.

**Mrs. Gopee-Scoon:** I would imagine that there are a lot of meetings, and we only want PTSC to be the most efficient and effective public transportation system service but, at the same time, let us just recognize, not only based on the auditor's report, but based on public utterances and based on our own knowledge, we recognize that the organization—I do not want to use the word crisis—but it is an organization which is in dire need of transformation. If you have an organization that needs transformation, it tells you that there are many different areas—and this is why I asked you to give me five key objectives. But I know you are under fire and we were asking questions and so on, but I do not want to be hard on you at all. But if it is that you are an organization that needs to be transformed, management cannot meet—I know you said several meetings, but your key management cannot meet once a month. It is not enough, because whilst you wait on your bus fleet to come into place and so on, there are pockets of inefficiency in your

system and a lot of these to my mind would have to be “projectized” if that is a proper word, but you need to “projectize” the areas that need immediate attention.

I want to proffer the view that once a month is not enough, because there are areas that need immediate attention and, therefore, you have to be able to prioritize these key areas of deficiency. I would hope that you have a project management unit that could attend to these areas and set timelines for achieving a turnaround within the particularly areas.

And, again, when the Minister brought up the point about monitoring and evaluation, if you are going to set up the project management unit, you need an M & E unit as well to monitor these projects and to make sure that they are achieved and so on. So I come back to the question of management, you simply have to be able to list these areas of deficiency and as a group, as a management group, you need to be meeting regularly to ensure that you achieve in the shortest time frame those areas of deficiency which need to be corrected. These areas must be attended to and it is a core management function, and once a month is not enough. Your board may meet once a month and even board committees may meet more often than that. So, therefore, you ought to be doubling up at the level of management.

I want to come back also to the HR issue, because in order to operate efficiently, your HR function needs to be effective in terms of your reports on your drivers, and not only the drivers, all the other coordinators, every aspect. If you want to achieve efficiency, it is not just about having adequate buses, but your HR unit, your project management unit, your M & E units, those have to be functioning. And, again, I repeat, management has to be meeting more than once a month. You are not going to be able to achieve any successes. You must figure out those areas, and whilst you are working on the big plan, there are things that must stand out before you, and as you sit down you name these—you say these are key areas for the next six months and you have to meet regularly and attend to these areas, and you must have a proper functioning project management unit. Do you have that?

**Mr. Forde:** Yes, member, we have a project management unit. I said there is a sort of statutory once-a-month management meeting. As I said before, we are meeting right now every Monday morning, because of the critical situation and there are meetings that are called. When a situation arises, I would call management together. You understand me? So it is a standard once a month meeting, but if there is a need we meet as the need arises. Right now, we are meeting—every Monday morning we are meeting.

**Mrs. Gopee-Scoon:** Perfect. And that is the answer you should have given because that is what you ought to be doing now, weekly management meetings. That is what it comes down to—weekly management meetings, key areas of deficiency and repairing those while you wait on the bigger things the buses, et cetera; your service standards and your safety. You have it there in your mandate. It speaks to safety, adequacy, which is the buses; the economic aspect of it and the efficiency and so on. You have it there, you just have to work on those particular things and I would like to hear a better report from you from the auditors by the time they come around to

you. So I really would like you, Mr. Forde, to take that, and not only you alone. The key management of the organization really does have to be very focused at this time, and taking the responsibilities very seriously. The worst thing you would want is that in a year's time or two years the auditors come back and we see the same report. That is what we do not want. We do not want that for you.

**Mr. Gooding:** Chairman, if I may.

**Mr. Chairman:** Go ahead.

**Mr. Gooding:** One of the things that I find at the corporation is the lack of urgency to get things done. The board has spoken to management, and I think one of the reasons for the weekly meetings is that we realized—and also not to get into the cycle of the board—we do not have to wait a month to get certain things done. I must say that the General Manager has responded. The meetings are taking place and that meeting, we have all the key stakeholders sitting around a table. So at the end of that meeting on a Monday morning, they each know what each area is doing, where they need to double up and the kind of action they need to take. I think once you get that urgency that it has to be done, and it has to be done now, not when it has to be done it is going to be done tomorrow. The answer is now, because of where we are with our service.

When you have the average man on the street calling in or coming in or they meet you on the platform and they are complaining about a bus, and that is the only transport that they have, we cannot wait for next week; we have to do it now. And, again, what gets measured gets done. If nobody is watching to see why did you not do it now or you are walking around and you see certain things, get it done now. The answer is that they can do it now, but it is a kind of “it could be done tomorrow”, but the answer is no. The answer is it has to be done now. Those meetings, I would ensure that those meetings take place, continue to take place. It is not because we are in crisis, it should be done into the future to have that frequent meeting. Thank you, Chairman.

**Mr. Chairman:** Thank you very much. A couple of questions. When I looked at one of your responses here on page 3 of the report, not the report, but the preparation of responses to the questions that were asked on behalf of the Committee based on the report, you have a number of things— performance and service quality indicators that are really excellent. So you have passenger volumes: how many people you want to carry a day; fleet optimization: what percentage of the fleet you want to operate; vehicle kilometres: you have the mileage for each. Then you have breakdowns in service. You have a limit to that so that you can manage. Fuel consumption: you have that down to litres; staff ratios: in this case you say four per bus, so that depends on your fleet and the critical issue would be deployment, et cetera. You have accidents, keeping that to a minimum. You have dead kilometres, that is to say when you are not making money when you are driving the bus; then operating cost and then you have that basically on the basis of passenger per kilometre. These are tremendous measuring objectives that you have identified for yourself. Now, in terms of what you have outlined here, where are you in the

implementation of that? How does that fit with the operations management as opposed to the strategy issues, the operations management of the fleet of buses and the organization that you have? Did you find the page?

**Mr. Forde:** Chairman, we have listed these benchmarks that we need to strive to achieve. Some of them we are in the process of measuring.

**Mr. Chairman:** Let me stop you there. I just want to ask. Are these going to be part of your '17 to '19 plan?

**Mr. Forde:** Definitely.

**Mr. Chairman:** Is that what it is? And you are sort of moving towards that, because I do want you to be defensive about it. I just want to know that it is going to happen.

**Mr. Forde:** That is part of the plan moving forward.

**Mr. Chairman:** The other thing is that this really involves operations management and Mrs. Gopee-Scoon mentioned the issue of project management. Now, I looked at the list here with the Clerk and I saw project management listed, but I did not see a name against it. Do you have a Project Manager in the PTSC who actually fills the position?

**Mr. Forde:** The position is Deputy General Manager, Properties. That is where the project management remit lies within that division.

**Mr. Chairman:** So your Project Manager will be in that that unit?

**Mr. Forde:** Within that unit.

**Mr. Chairman:** Okay, I understand. Then the other thing, when you come to strategic planning—and the only reason I am raising this is because I sense that you are in the process of doing the plan—PTSC must take into account, and I am sure you are taking into account the fact that you need to figure out, well I mean, what is the State's strategy, what is the Government strategy for the management of vehicles on the road, for instance? So we know we have about 700,000, et cetera. We also know that there are certain international obligations we made in relation to carbon emissions, et cetera. That requires us to reduce the number of cars on the road that then has an implication for how PTSC would operate its strategy in order, let us say, to capture passengers who might be willing to leave their cars on the road. It has implications for what kind of buses you buy whether CNG or whatever the fleet and so on. Are these things being taken into account, I mean the big picture issues that would then define the role and function and reach of PTSC in relation to other transportation systems in the country?

**Mr. Forde:** Definitely, Chairman. The PTSC is committed to buying CNG buses to reduce the emissions and also to reduce the operation costs of the PTSC. I have a spreadsheet here that tells me that since we have procured the 35 CNG buses, our expenditure on fuel has reduced probably by about 20 percent. The next purchase we will also—

**Mr. Chairman:** That is significant.

**Mr. Forde:**—buy a number of CNG buses also, a large percentage. I think they have 35 also, which will further reduce the cost of fuel consumption. So in the future going forward, we are

looking at capturing large volumes of people on our buses. We are looking at the concept of park and ride. I was speaking to the Chairman up to this week of doing a model of the park and ride in Arima where we will start a coach service in Arima, and we have some capacity there in terms of parking.

**Mr. Chairman:** That is a good place to start.

**Mr. Forde:** So you could park there and you take the coach straight to Port of Spain. So we are looking to start that service probably in the next month or so that service will come on stream, the Arima coach service. We also have 15 acres of land next to the Tarouba Stadium. Right now, we are looking at, we had a concept of a multi-modal public transportation complex, something I saw in Texas also that is very, very profitable. It does not depend on the State. You have a lot of commercial spaces there and all modes of transportation are there and people could come there. It could be a rest stop on their way to say like you are going to Point, you could stop there. You could do some business there. You could go to the bank, you could get any mode you want—maxi, bus, taxi, you want to rent a scooter, you want to rent a bike. So that concept that big cities look at right now in terms of getting people to and from. So these are some of the concepts that we are going to be toeing with and hoping that we get the support for that kind of development.

**Mr. Chairman:** All right. Thank you. I will close at 12.30 and anyone who wants to ask one more question can do so.

**Mrs. Gopee-Scoon:** I want to ask you about something that I do not know very much about and which is I think it is a service which you do, which is the transport of school children. I want to ask you about the safety component, whether or not you have found that out of maxi-taxis and if that is so, what are your safety standards? Do you have standards where perhaps if you are picking up a child, a group of children from a particular village, does that driver know how many people that they are supposed to pick up? Would they, for instance, wait to ensure that they do pick up those children and/or wait there for 10 minutes, let us say, so that there is a little bit of a gap, so in case a child is late, especially the young ones, that they are taken to school and return to their area safely? What are the safety standards attached to the school bus programme especially as it is put in the hands of maxi-taxi operators in some cases, I believe? You can correct me, but it is a concern of all of us in this room.

**Mr. Forde:** The School Maxi-Taxi programme is a programme—and I would let Mr. Juanette come in after I am finished—that we administer and manage on behalf of the Ministry of Education. We have about 300 and something maxis on contract on behalf of the Ministry of Education. That programme has been ongoing for how many years?

**Mr. Juanette:** Since 1994.

**Mr. Forde:** Since 1994. I must knock on wood, we have not had one accident engaging in that programme. What PTSC does, after the buses are inspected by the licensing authority, we do a further inspection of the buses at our garages to ensure that the buses are roadworthy and also to ensure that we look at your licence to make sure that your licence is current, your insurances

are intact, and there are different measures.

**Mrs. Gopee-Scoon:** Police report?

**Mr. Juanette:** One of the requirements, you must produce a Certificate of Character and it is renewable. When you do the annual inspection, you have to renew all your documents which includes the Certificate of Character.

**Mrs. Gopee-Scoon:** Every year?

**Mr. Juanette:** Every year, every year.

**Mrs. Gopee-Scoon:** So when these children now—do you have a list of children that this driver picks up and do they wait for the children? Because, again, we had a case of a young girl who missed a bus. I do not know if that was a formal school transport bus or what, but she missed the bus and things went awry after that, but what I am saying is how close and how tightly knit is this programme to ensure that, you may have had a safe record in the past, but going forward, how tightly knit is this programme to ensure the safety of our school children?

**Mr. Juanette:** Hon. Member, the programme is extremely stringent in terms of maintenance of some sort of continuous liaison I should say with the school authorities. The schools have appointed different personnel within the school administration to ensure the students who are registered to travel with each of those maxis, and there is a liaison with the maxi-taxi operators to ensure that the list of persons are accounted for on the a.m. trips and the p.m. trips. In addition, we have field monitors that go out and visit and liaise with the schools and monitor the maxis out there to ensure that they confer. In fact, they pick up at the points that are designated and that they meet the requirements in terms of the number of students they need to transport, and that they return to the various points on the afternoon as well as ensure that the children are deposited at their various points of pick up and residences.

**Mr. Forde:** To add, member, we met—the association wrote to the Chairman and we had a meeting with the association last week, and they have made certain requests of the PTSC. As a matter, they requested that we train their drivers also annually at our simulator. We are in discussion right now with them to get that. They are also proposing to have for all the drivers, uniforms so they could be easily identified as part of that programme and they are also procuring the uniforms for themselves. They just want us to be there when they launch the uniform programme. So all the drivers in the future in that maxi-taxi programme will be fully uniformed so the public and the students could identify them.

**Mrs. Gopee-Scoon:** But the system must allow for ensuring that should a child not get on that bus because they chose not to go on the bus that day or a child not get on the bus in the morning or the afternoon that it is reported to this person in the school, but who is able to report to the parent that something has gone wrong here. That is the level of detail that you should have.

**Mr. Juanette:** I sincerely agree with you hon. member and to take it a bit further and tell you that the operators or the maxi taxi operators become so involved in the programme, they will get involved and ensure that the school authorities and PTSC, so we can get to find out what

might have gone wrong with either a group of children or an individual or individual child or so.

**Mr. Chairman:** Okay. These are important matters that have been raised here perhaps in a different context, and with a different institution with whom you had a contract, I think the Ministry of Education at the time, by Sen. Samuel—the accounting for these children as to whether they actually attend school, where they are, et cetera. It is an important issue, because I mean, children are at risk and you know what is happening in the country. I would go very quickly around and ask people if you could keep your questions pointed and sharp so we could complete by 12.30. I would ask the Auditor General’s office to make pointed closing remarks on what they have heard here today before we close the meeting.

**Miss Raffoul:** In terms of sustainability, has there been any consideration of electric vehicles? In terms of communication, the bus routes and times to citizens, I wanted to commend the comments before on the integrated transportation system using an app and online system to inform the public about exactly how to get from place to place and from what time and that is great. Thank you.

**Mr. Samuel:** I want to ask two simple questions on: what is the status of the transit malls? I know that years ago there was a big plan for the transit malls. When you pass by some of them, they are very dilapidated and terrible looking. Nobody wants to get in there. I mean, I myself, I will not walk in there. As well, how do you intend to develop the main hub at Port of Spain? It is really becoming dilapidated especially that public area.

Two, does PTSC carry out drug and alcohol testing on the drivers of their fleet as well as the drivers of the maxi-taxis that they contract? Do you have a drug and alcohol testing, breathalyser test? I mean, it is said that when drivers work in rural communities, you know, stopping and having a drink or two—I am not accusing anybody—but customs and practices seems to be there. How do you know that drivers are not beyond limits, they are not drinking? What kind of testing is put in place and assessments of alcohol blood testing from a medical standpoint?

**Mr. Forde:** First, the transit malls. We are in the process of looking at the transit malls, as we speak, in terms of the rehabilitation and bringing new life to them, because we also want to make proper use of the economic spaces, and to be able to generate revenues from the rent and to encourage the people who are there to pay their rent. Probably we need to accompany that with some business training so they could do better business and to be able to service their rents. So we are looking at the malls to generate some additional income.

What we do, we take our drivers for medical testing annually—annually there are testing—and if there is anything untoward in terms of alcohol and other diseases that show up, we take corrective action. In the testing recently a lot of drivers had a lot of issues in terms of high blood sugar, hypertension, sight problems and we had to pull some out because it was a disaster to have them on the road driving some of the buses. We have started some exercise programmes on the compound in the afternoons after work to encourage them to come and

better their health and do some exercise and that sort of thing. We want to do it a little more stringent, because there is some kickback too from some of the drivers who do not want you to draw the blood when they go, because they know probably they may have secrets. But we are working with the union to correct that to make sure that we have the best people on board.

**Mr. Samuel:** Do you have random testing for the maxi-taxi drivers?

**Mr. Juanette:** Hon. Member, we do not have any random testing of any of the maxi taxi operators who work on our behalf but, certainly, we demand that the renewal of—and when we do the annual inspection—all the documents, they are subjected to submitting a medical report.

**Mr. Mitchell:** Thank you. I am going to ask a number of questions, but I would like the answer to them in writing, but before I get into that I want to commend the Chairman. I am very encouraged by what you say. I know that you realize now that you are in charge of the turnaround of this corporation, and you should really explore turnaround principles in getting the corporation to turnaround.

With respect to bus replacement and your fleet matrix, you went on to say and to give examples. So my own example is Southwest Airlines. They have one type of plane and that for them causes them to achieve operational efficiencies. I want in writing, what informs—what is your policy of acquisition with a view to attaining operational efficiency? Because you also said you want to decrease the amount of types of buses, but in answer to member Webster-Roy, you said that in terms of going forward, you are going to invite companies that represent the majority of buses that you have. To me, I would put it to you that that is not fair and it is not strategic because those buses may not achieve or may not be as reliable as other buses. I mean, I would not—no offence to anybody—as a priority go and by a Chinese car. I would buy maybe a European or Japanese. So, I want to know what informs that.

In terms of security, what have you all put in place? There are newspaper reports about theft at your compound with respect to parts and other things. What security have you put in place? With respect to playing your part, in terms of minimizing crime and working with the police, do you have a policy of putting cameras on buses and cameras at the various transit hubs in terms of playing your part to reduce crime?

To the Ministry, I want to know what you have in place to monitor the corporation to ensure that we are getting value for money as taxpayers of Trinidad and Tobago, because something went wrong between the years 2010 to 2014 according to the Auditor General. Thank you. [Crosstalk] In writing.

**Mr. Chairman:** Thank you very much. Mrs. Webster-Roy.

**Mrs. Webster-Roy:** Thank you. Mr. Chairman, Tobago is marketed as clean, green, safe and serene. I notice that in Trinidad you have buses that run on CNG, I believe our fleet in Tobago is largely diesel. How soon do you intend to introduce CNG or a greener alternative to Tobago?

**Mr. Gooding:** Member, the new buses that would be acquired, the majority of them will be CNG buses. At the moment, there is no CNG filling station in Tobago. There is a plan to have a filling

station in Tobago which will enable us to support putting more CNG buses on the road. So that is something that is going to happen very shortly.

**Mrs. Webster-Roy:** How soon?

**Mr. Forde:** When the buses arrived in November and the CNG buses come to Tobago, NGC/CNG has assured us that their mobile stations we will operate to fill the buses until the permanent station is built somewhere opposite Cove. There is CNG to Cove, so we are building the station opposite Cove, so we would just take the line across, but in the mean time when the buses come, there will be mobile stations that we will use to fill the buses.

**Mrs. Webster-Roy:** That is a guarantee to the people of Tobago.

**Mr. Forde:** It is a guarantee.

**Mrs. Webster-Roy:** Thank you very much, Sir.

**Mr. Forde:** I am part Tobagonian, Mrs. Webster-Roy. *[Laughter]* My father from Trinidad, my mother from Tobago.

**Mr. Chairman:** Assistant Auditor General, would you like to make any comments on what has transpired so far?

**Miss Ramdass:** Hon. Chair, I just want to correct on page 17, paragraph 1.17. The photograph with all the documents shown on the floor that was taken in July 2015. So I am happy that the report provided a sense of urgency to get the records in order. That is the first thing. Secondly, as part of the audit process, we usually have a follow-up audit, so probably the next time we visit Mr. Forde and his team, we would see some positive changes. Thank you.

**Mr. Chairman:** We look forward to that too. What I would like to do at this point is to simply bring the meeting to a close. I want to thank everybody, including this Committee, the PAC Committee, for their very pointed and interested questions, questions that were really interested in the public welfare and the progress of PTSC as an institution. Could I ask the Auditor General, could you confirm that you are in receipt of all accounts from PTSC audited up to 2015?

**Miss Ramdass:** What I could tell you, we have financial statements up to 2015 inside, but when I confirmed with my Financial Audit Section, the last year audited was 2005, so we do have 10 years to be audited.

**Mr. Chairman:** All right. We are concerned about that. So I just want to emphasize that we have written from this Committee to every institution under which we have jurisdiction to indicate that they must bring their audited accounts up-to-date through submission to the Auditor General, and we are going to follow up to find out whether that has been done. I would like to ask the PTSC if they can comply with that request. I think it is a reasonable request. Whatever the problems which may have emerged or plagued the institution in the past, we have got to solve them. We have got to solve it across the system, and the minimum we must have submitted audited accounts on time to the Auditor General so that he can do his work and his team can do the necessary work. So I would like to ask for that.

**12.35 p.m.**

And I also want to indicate that we would also have an interest in finding out, let us say, within the next eight to 10 months, within the next year, certainly over the next 15 months or so, whether, in fact, significant progress has been made based on the things that you say. I imagine that within a short time, hopefully before September, you will be setting in motion a 2017—2019 plan. Is that right?

**Mr. Forde:** Yes, Chairman.

**Mr. Chairman:** And we look forward to the progress on that and to the achievements that you will be able to show.

I thank you very much for making yourselves available and for responding to the questions in a forthright manner, and I thank the Auditor General's Department for their role here this morning. I also thank the Ministry. Although the main responses came from the PTSC, as it should, the Ministry was here as the parent institution to answer any questions and the Acting Permanent Secretary has given the assurance of answering questions in writing that have been requested.

I also want to thank the media for being present and I want to say to the media that PTSC is a very important institution because of the number of people that it basically transports from day to day and who depend on this, not just for transport but for safety and to some extent, security, in going about their business. And for that reason, how this institution performs is of great interest to the public, and something that is important to the country.

So I thank you all and I wish you well as you go about your strategic planning and operations management exercise. Okay? Thank you very much, Chair.

**Mr. Gooding:** Thank you.

**12.37 p.m.:** *Meeting adjourned.*