

Auditor General's Department Annual Report

2021

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL TRANSACTIONS AND FINANCIAL STATEMENTS OF THE GOVERNMENT OF JAMAICA FOR THE FINANCIAL YEAR ENDED MARCH 31 2021 AND PERFORMANCE REPORT OF THE AUDITOR GENERAL'S DEPARTMENT.

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ABBREVIATIONS

ACCA	Association of Certified Chartered Accountants
AMANDA	Application Management and Data Automation Software
AuGD	Auditor General's Department
BFO	Bunker Fuel Operator
BIGEE	Boosting Innovation, Growth and Entrepreneurship Ecosystems
CAD	Court Administration Division
CARE	COVID-19 Allocation of Resources for Employees
CAROSAI	Caribbean Organisation of Supreme of Supreme Audit Institutions
CMU	Caribbean Maritime University
COVID	Corona Virus Disease
DBJ	Development Bank of Jamaica
DVRP	Disaster Vulnerability Reduction Project
EAU	Economic Assessment Unit
EMC	Executive Management Committee
FAA	Financial Administration and Audit
FCA	Fellow Chartered Accountant
FCCA	Fellow Chartered Certified Accountant
FCGP	Foundations For Competitiveness and Growth Project
FPP	Fiscal Policy Paper
FRS	Fiscal Risk Statement
GCT	General Consumption Tax
GOJ	Government of Jamaica
GRIT	General Review of Information Technology
HOP	Houses of Parliament
IAU	Internal Audit Unit
IBRD	International Bank for Reconstruction and Development
ICDP	Integrated Community Development Project
IDB	Inter-American Development Bank
IDI	INTOSAI Development Initiative
IFRS	International Financial Reporting Standards
IMER	Internal Monthly Economic Report
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISAE	International Standard on Assurance Engagements
ISO	International Organization for Standardization
ISSAI	International Standards of Supreme Audit Institutions
JCTE	Joint Committee for Tertiary Education
JCA	Jamaica Customs Agency

JDIP	Jamaica Development Infrastructure Project
JIS	Jamaica Information Service
JLS	Jamaica Library Service
JSIF	Jamaica Social Investment Fund
KPI	Key Performance Indicator
MDA	Ministry/Department/Agency
MEGJC	Ministry of Economic Growth and Job Creation
MIND	Management Institute for National Development
MOFPS	Ministry of Finance and the Public Service
MSME	Micro, Small and Medium Enterprises
NDP	National Development Plan
NPL	Nutrition Products Limited
NSWMA	National Solid Waste Management Agency
NWA	National Works Agency
OPD	Office of the Public Defender
PAC	Public Accounts Committee
PATH	Programme of Advancement Through Health and Education
PAU	Performance Audit Unit
PBMA	Public Bodies Management and Accountability
PICA	Passport, Immigration and Citizenship Agency
PMF	Performance Management Framework
QAU	Quality Assurance Unit
REDI	Rural Economic Development Initiative
RGD	Registrar General's Department
RMF	Road Maintenance Fund
SAI	Supreme Audit Institution
SAP	Strategic Audit Plan
SOP	Standard Operating Procedures
TPDCO	Tourism Product Development Company
UDC	Urban Development Corporation
UNDESA	United Nations Department of Economic and Social Affairs
USF	Universal Service Fund
WGBD	Working Group on Big Data
WGEA	Working Group on Environmental Auditing
WGFMR	Working Group on Financial Modernization and Regulatory Reform
WGISTA	Working Group on Impact of Science and Technology on Auditing
WGITA	Working Group on Internal Audit
WGPD	Working Group on Public Debt
WGPPA	Working Group on Public Procurement Audit
WGS DG KSDI	Working Group on SDGs and Key Sustainable Development Indicators
WGVBS	Working Group on Values and Benefits of SAIs
YEDAIP	Youth Employment in the Digital and Animation Industries Project

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ANY REPLY OR SUBSEQUENT REFERENCE TO THIS COMMUNICATION SHOULD BE ADDRESSED TO THE AUDITOR GENERAL AND **NOT TO ANY OFFICER BY NAME** AND THE FOLLOWING REFERENCE QUOTED:-

AUDITOR GENERAL'S DEPARTMENT
40 KNUTSFORD BOULEVARD
P.O. BOX 455
KINGSTON 10
JAMAICA

Tel. No.: 926-8309/926-5963/926-5846
Fax Number: 968-4690

Email: audgen@auditorgeneral.gov.jm

December 28, 2021

*The Honourable Speaker
House of Representatives
Gordon House
81 Duke Street
Kingston*

Dear Madam,

Pursuant to the provision of Section 112 (2) of the Jamaican Constitution, I have the honour to submit my report on the results of my examination of the accounts of the Island for the year ended 31st March 2021 for tabling in the House of Representatives.

The report is a compendium of the performance of the Auditor General's Department for the period December 2020-November 2021 and all audits conducted up to November 2021.

Yours faithfully,

**Pamela Monroe Ellis (Mrs.)
Auditor General**

THE AUDITOR GENERAL'S OVERVIEW

I hereby present to you my annual report for the 2020/2021 financial year. As customary, this report is comprised of three (3) sections: section 1 provides a snapshot of our internal operations and established governance mechanisms; section 2 highlights key achievements and reports produced by our information technology, performance, economic assessment and special audit units; and lastly, section 3 underscores major findings derived from our assurance based audits (namely-appropriation accounts, financial statements and compliance audits), for the period under review that were not presented to Parliament as individual reports.

Over the past year, COVID-19 as we know it, has upended lives, proving to be a challenge to governments, businesses, and communities. This however, provided us with an opportunity to further tap into our spirit of innovation and creativity in unearthing viable solutions to ensure that our vision “a better country through effective audit scrutiny” can be attained. At the same time, given our earlier investment in business continuity, in particular, virtual private network (VPN), we were able to pivot seamlessly through work-from-home arrangements and temporary mandatory COVID lockdowns, to effectively strategize with our auditees to access most of the information required to execute our audits remotely.


Consistent with the Auditor General's Department's (AuGD's) Strategic Objective three (3), “The AuGD is a model public entity with an inclusive and engaging culture”, the Department continued to strengthen its internal processes through capacity building initiatives that enabled an agile and sustainable human resource cohort. We also ensured through our quality management team and in maintaining our International Organization for Standardization (ISO)-9001 Certification, that our processes, policies, and procedures were subjected to consistent reviews for increased operational efficiencies. Additionally, we noted an increase in traffic on our social media platforms, in part to the various feedback mechanisms in place, following the publication of our audit reports.

As stipulated by the Constitution, one hundred and sixty-five (165) audits were commissioned up to November 2021; with ninety-five (95) being completed (reports issued/and or certificates issued) and seventy (70) being work in progress. The presentation of findings of audits executed is aligned to our thematic framework (developed in 2016) covering governance, procurement management, project management, resource management and information communication technology (ICT). Once again for this year, resource management continued to be the dominant theme, followed by project management, governance, and procurement and contracts management respectively.

The scope of the audits executed presented in this report was limited to entities selected for review during the period. With this in mind, I cannot guarantee that all deficiencies, errors, and irregularities have been identified. For audits primarily aligned to management of resources, a number of the issues and concerns raised due to weak internal controls would result in financial exposures/implications. We

hope that with the recommendations provided, these said entities will be better able to mitigate the risks in order to improve public financial management, accountability, and transparency.

As we move toward a post-COVID 19 future, we look with renewed focus in accelerating growth in a new and increasingly digital environment. I must extend my appreciation to the heads of entities for accommodating my staff. I also take this opportunity to commend my team for the strength and resilience that they have displayed in overcoming barriers and hurdles that seemed otherwise impossible. We eagerly await the year 2022, where we can further build on the existing relationships we have maintained with our stakeholders, partners, and clients, and continue to provide impactful audit reports whilst maintaining relevance to the citizens of Jamaica.

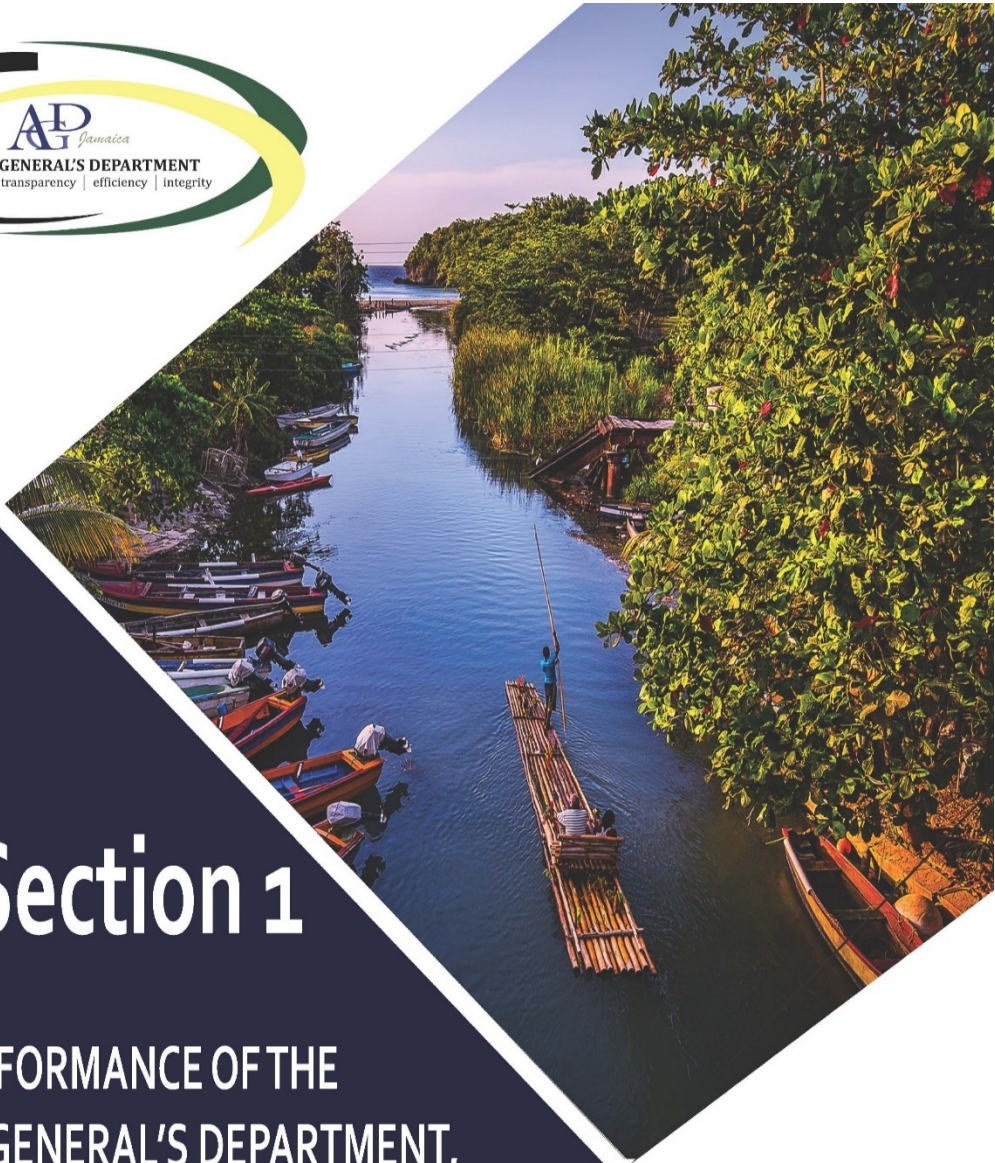


Pamela Monroe Ellis (Mrs.), F.C.C.A, F.C.A
Auditor General
December 2021



Section 1

PERFORMANCE OF THE
AUDITOR GENERAL'S DEPARTMENT,
DECEMBER 2020 - NOVEMBER 2021



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ABOUT US

VISION

A better country through effective audit scrutiny.

MISSION

To conduct and make public, high-quality audits and produce recommendations that are relevant to our Auditees, the Parliament, and the Citizens.

QUALITY POLICY

The Auditor General's Department (AuGD) is committed to producing independent high-quality assurance and performance audit reports of public sector entities and economic assessments of the Government's fiscal policy papers, consistent with legislative requirements and international auditing standards. The AuGD is committed to continual improvement in meeting or exceeding customer expectations through a highly efficient, motivated, diverse, and performance-driven team.



Source : <https://dobusinessjamaica.com/blog/invest/2018/11/1642/>

CORE VALUES



Independence-We will audit independently of the Executive and Legislative branches, thereby helping to ensure accountability and transparency of Government activities in an objective and impartial way.



Professionalism-We will undertake our work in accordance with the requirements of international auditing standards.



Objectivity-We shall act in an impartial way. Audit conclusions and opinions are based exclusively on evidence.



Credibility-We work to constantly build and maintain trust with the general citizenry. We sustain credible, reliable, and trusted professional teams in each respective field within our areas of responsibility.



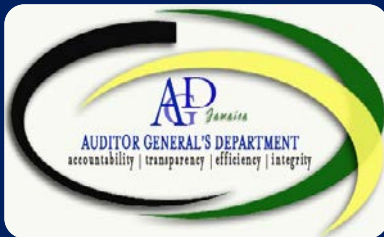
Integrity-We meet our professional responsibilities in an ethical and fair manner.



Transparency-We operate in the spirit of full openness to the Jamaican society about the way in which we use public resources and about the impact of our audits.



Collaboration and Involvement-We seek to collaborate with and involve all stakeholders in the fulfilment of our responsibilities in a constructive manner.



OUR STRATEGIC OBJECTIVES

The AuGD in September 2021 at its annual strategic retreat, conducted a review of its strategic objectives, by incorporating the views of its key stakeholders; in so doing, three (3) new strategic objectives were developed-two (2) being outward focused, and the third inward focused.

Strategic Objective 1

Independent and high-quality audits to improve Public Financial Management & Governance

Sub-components- 1. Execution of Assurance and Non-Assurance Audits to strengthen accountability and promote transparency in the public sector; 2. Provision of actionable recommendations beneficial to citizens of Jamaica; 3. Keeping in mind the complexity of government efforts needed to support the achievement of national priorities (NDP-Vision 2030) and Sustainable Development Goals (SDGs).

Strategic Objective 2

Promote and engender change in the public service through effective stakeholder engagement

Sub-components 1. Taking into consideration emerging risks and stakeholder concerns to maximize the impact of our work; 2. Enhanced partnerships with key stakeholders to improve use of public resources; 3. AuGD can increase its positive impact by establishing productive interactions with auditees and enhancing cooperation and communication with stakeholders.

Strategic Objective 3

AuGD is a model public entity with an inclusive and engaging culture

Sub-components- 1. Our staff act in accordance with our core values and demonstrate strong professional and ethical conduct; 2. A multifunctional and adaptable human resource cohort; 3. Responding effectively to opportunities brought by technological advancement.



Source : <https://mdamericas.com/en/kingstone-jamaica>

ROLE OF THE AUDITOR GENERAL

The AuGD through the relevant legal framework and guiding principles is mandated to execute/conduct assurance audits of government Ministries, Departments and Agencies (MDAs) on an annual basis, as prescribed in our Strategic Audit Plan (SAP). Additionally, the Department is entrusted with independently reviewing the Government of Jamaica's Fiscal Policy Papers (FPP), twice per year.

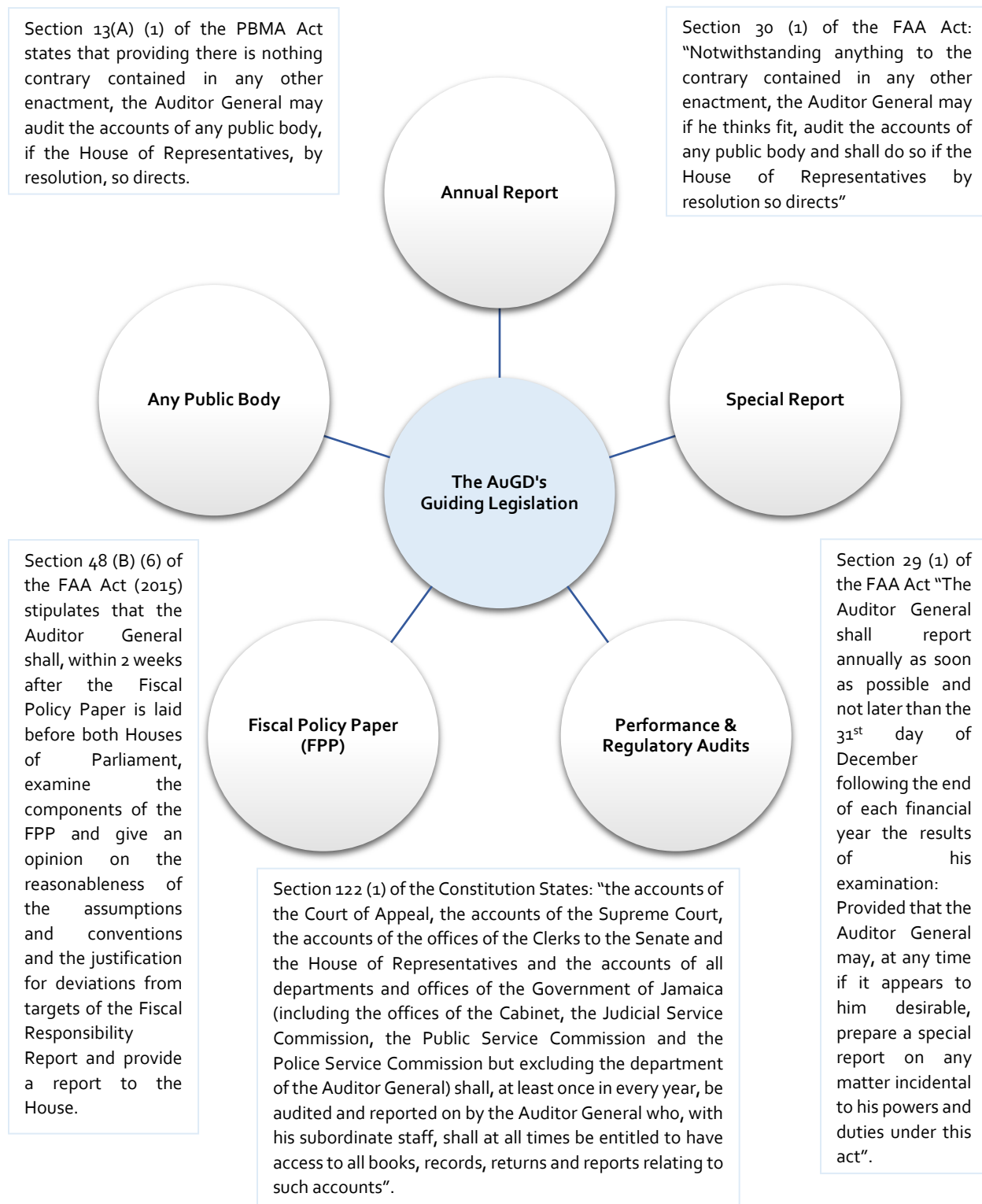
The following non-mandatory activities are conducted by the AuGD:

- Financial Audits - upon request of public bodies and international development partners
- Performance audits are selected using a risk-based thematic approach and undertaken in accordance with International Standards for Supreme Audit Institutions (ISSAIs)
- Special audits - upon the request of the stakeholders; based on areas of high-risk that are identified in audit reports; or through information provided by whistle-blowers.

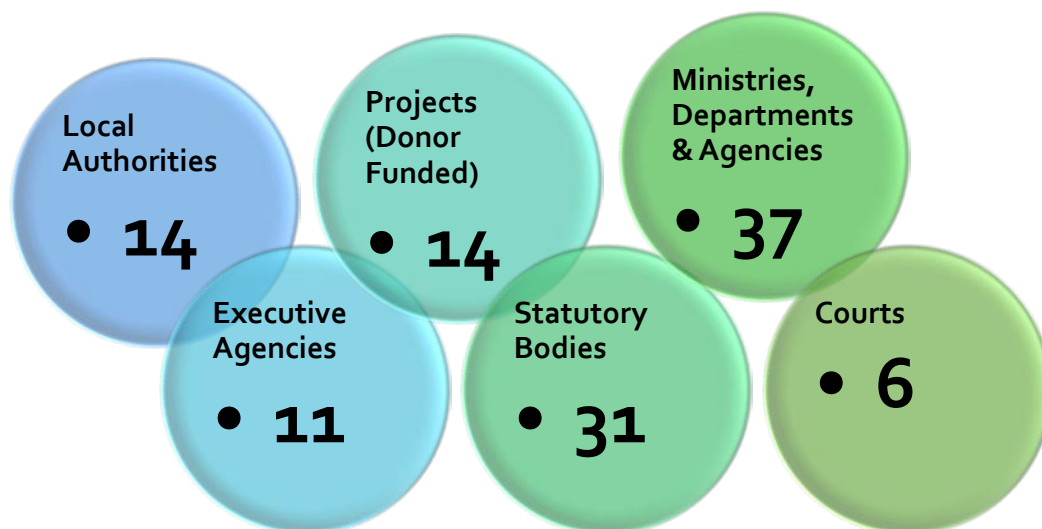
The Department continues to keep at the forefront the GoJ's National Development Plan (NDP), with keen focus on national outcome number six (6)-Effective Governance, along with the United Nations' Sustainable Development Goals (SDG)-2030, to increase the accountability and transparency mechanisms across MDAs.



GUIDING LEGISLATIONS

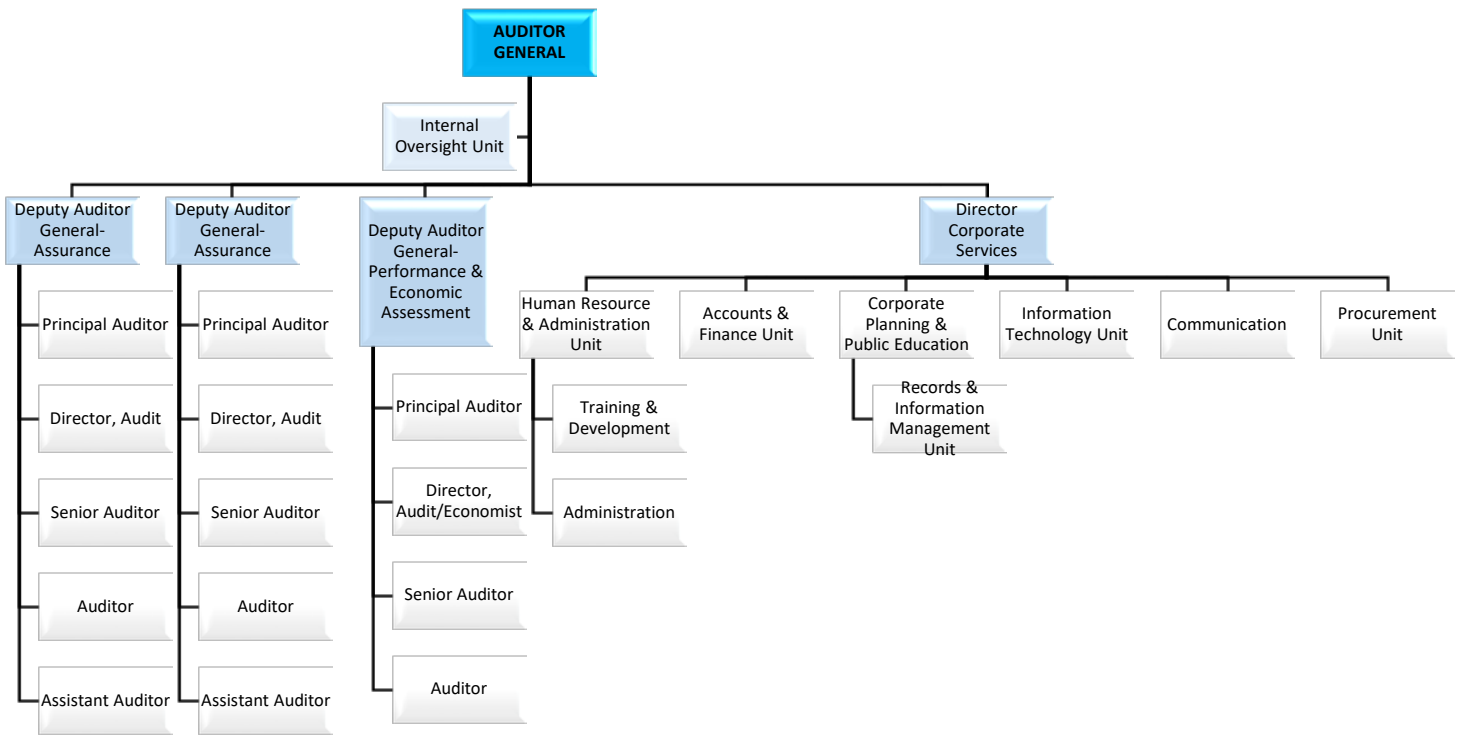


OUR AUDIT UNIVERSE - Assurance Audits



The AuGD's audit universe is comprised of all GoJ entities. However, statutory audits that are prescribed by legislation are included in the AuGD's strategic audit plan. Audits for donor-funded programmes/projects are also executed, where government funds were either utilized or the AuGD has been identified as the donor's preferred auditor.

ORGANIZATIONAL STRUCTURE



ACCOUNTABILITY AND GOVERNANCE MECHANISMS

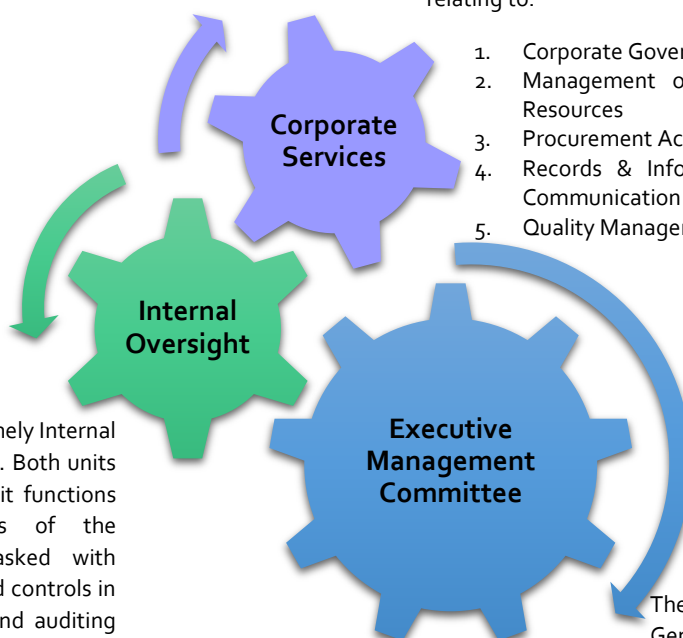
A successful organization depends on three critical yet interdependent components:

1. Operational excellence
2. Stakeholder engagement and communication
3. Efficient and effective financial management

The AuGD in recognizing this, has over the years committed to improving its governance framework through the establishment of various committees and units, centred on enabling the AuGD in achieving its intended strategic objectives.

The Corporate Service Division (CSD) has specific responsibility for monitoring operational activities relating to:

1. Corporate Governance
2. Management of Human & Financial Resources
3. Procurement Activities
4. Records & Information Management, Communication & Technology Systems
5. Quality Management System



Made up of two (2) units, namely Internal Audit and Quality Assurance. Both units are independent of the audit functions and operational activities of the Department. They are tasked with assessing our procedures and controls in executing our operational and auditing functions.

The EMC is chaired by the Auditor General and is responsible for the provision of strategic leadership and direction for the operations of the AuGD.

Other Key Supporting Committees:

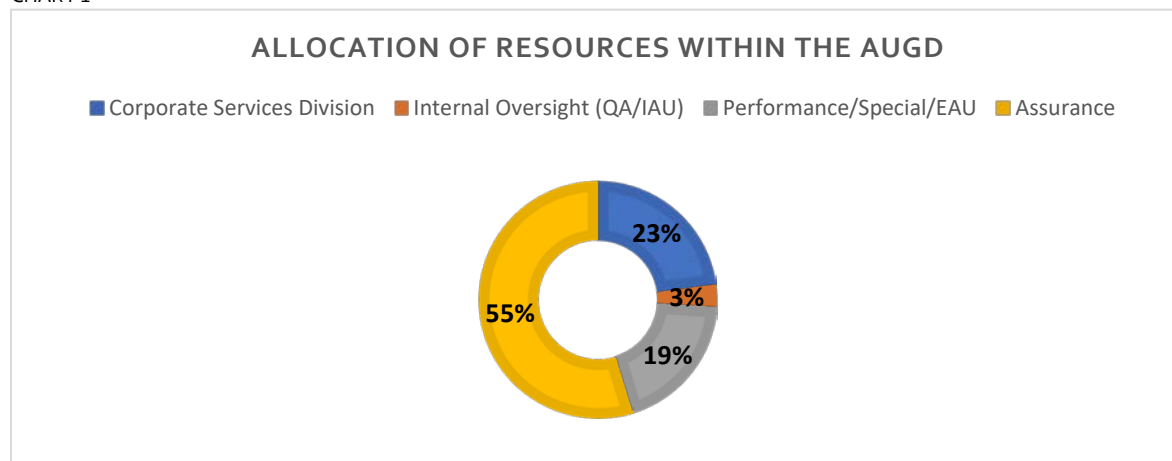
- Human Resource Executive Committee (HREC)
- Policy Review Committee (PRC)
- Information Communication Technology & Enterprise Risk Management Steering Committee
- Surcharge Review Committee (SRC)
- Asset Management Committee (AMC)
- Quality System Management (QSM) Team
- Procurement Committee

WORKFORCE CAPACITY

TOTAL RESOURCE ALLOCATION

The AuGD has a staff establishment of 214 and currently has one hundred and sixty-six (166) employees of staff (as at November 31, 2021). Five (5) employees are employed on a part-time basis.

CHART 1

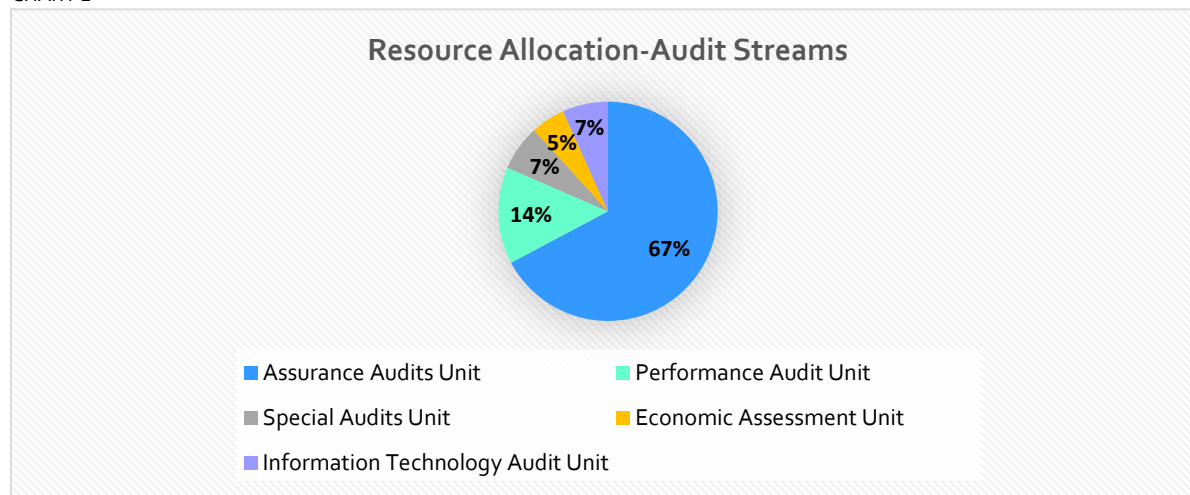


RESOURCE ALLOCATION-AUDIT STREAMS

Employees within the AuGD are assigned across various units in accordance with the Department's Strategic Business Plan and Strategic Audit Plan by means of a risk-based approach.

The diagram below outlines the resource allocation for audit streams specifically:

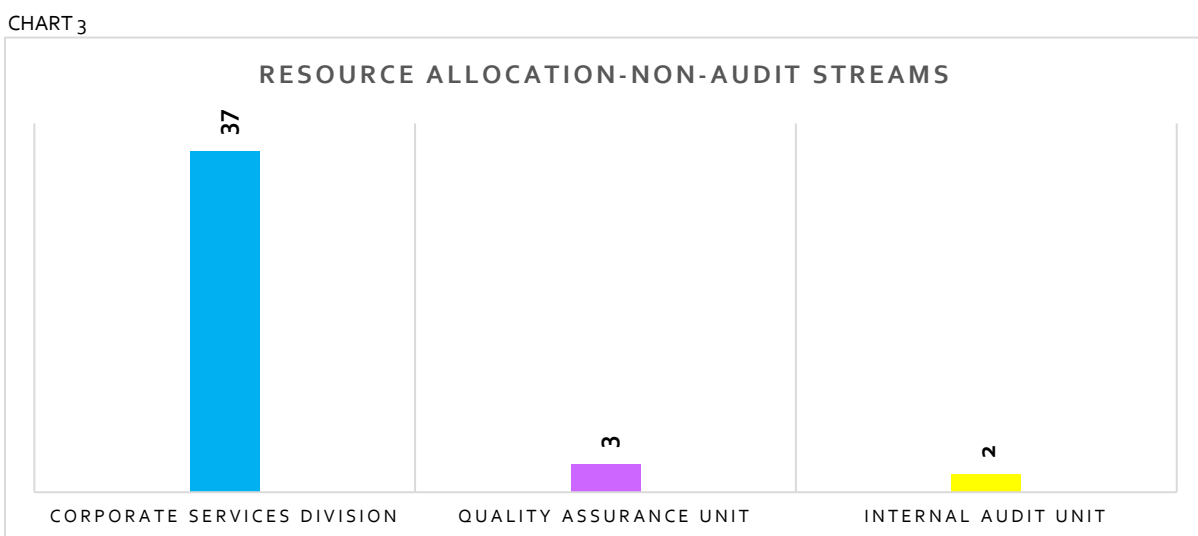
CHART 2



The Assurance unit accounts for more than half (67%) of the audit population in the AuGD. This can be attributed to the high-risk, high-volume nature of financial statements and appropriation accounts audits.

RESOURCE ALLOCATION NON-AUDIT STREAMS

The remainder of the AuGD's staff population are members of the Quality Assurance Unit, Internal Audit Unit and Corporate Services Division respectively.



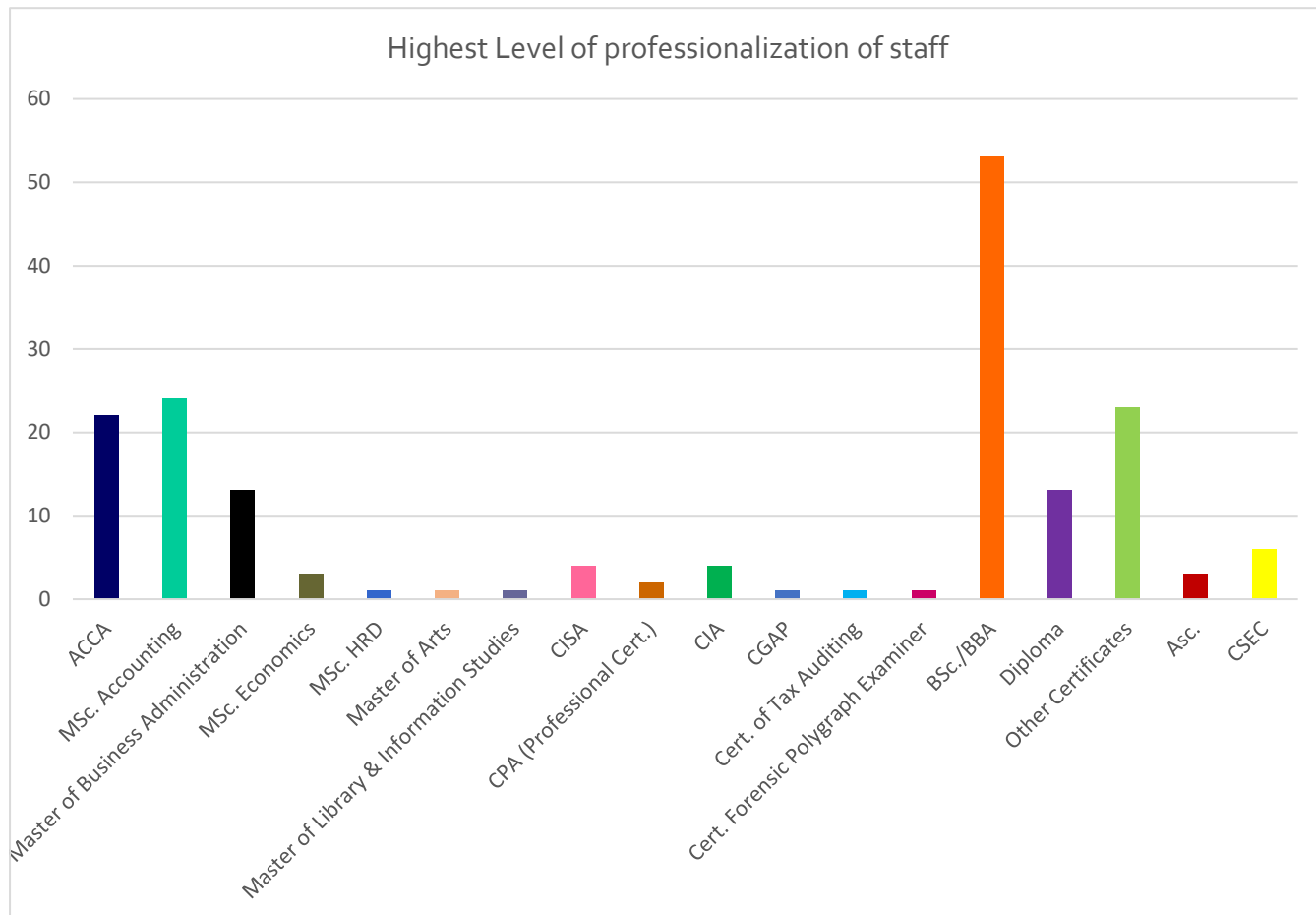
The Corporate Services Division is the largest non-audit unit, followed by the Quality Assurance Unit and lastly, the Internal Audit Unit.

The Auditor General is supported by four (4) Deputy Auditors General, with primary responsibility for the following areas.

- Assurance Audits-2
- Economic Assessment, Performance and Special Audits-1
- Corporate Services Division-1

PROFESSIONALIZATION LEVEL OF EMPLOYEES

CHART 4



The AuGD is committed to continual improvement, similarly, its employees are always striving to do the same. Having a fully competent and highly skilled workforce is integral to realizing and achieving the strategic objectives of the organization.

All employees of the AuGD are in possession of basic level qualification.

- Bachelor's Degrees-**32.31%**
- Master's Degrees-**26.21%**
- ACCA-**12.80%**



STRENGTHENING OUR HUMAN CAPITAL

TRAINING AND DEVELOPMENT HIGHLIGHTS



At least
160 team
members
exposed to
training



Minimum of
6012
hours spent
on training and
development



A Continuing
Professional
Development-
CPD
Policy was
developed and
approved

For the period December 1, 2020, to November 30, 2021, approximately twenty-four (24) capacity building programmes were executed. With the onset of the COVID-19 pandemic, programmes that would have normally been administered via face-to-face modality, had to be conducted online to ensure the safety of our employees. This heightened the risk of cybersecurity attacks and therefore the Department saw the need to invest in strengthening its defences, by enrolling all staff in a cybersecurity awareness development programme.

Most of the training and development programmes delivered were aimed at increasing the skill sets of audit streams specifically in the area of collecting and analysing audit evidence, assessing internal controls, root cause analysis and forensic auditing. The pandemic also contributed to delays in the execution of planned training.

The main programmes executed over the past year are highlighted below:

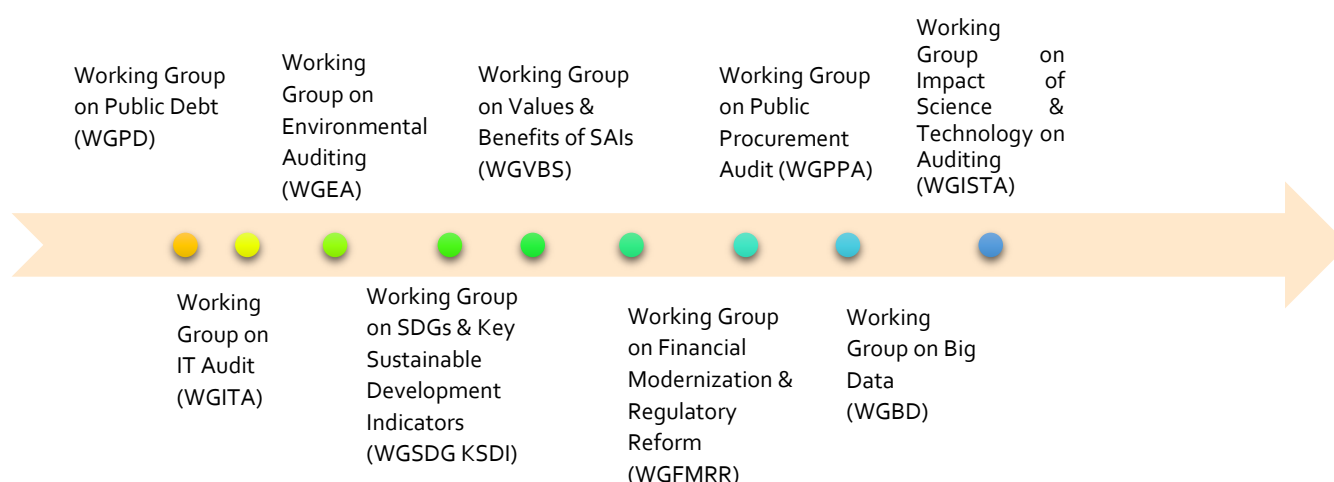
Table 1

AUDIT ENHANCING PROGRAMMES	CORPORATE GOVERNANCE/SOFT SKILLS PROGRAMMES	I.T SECURITY PROGRAMMES
<ul style="list-style-type: none"> Forensic Auditing Data Analytics (Excel) Evidence Collection and Analysis Root Cause Analysis PWC Jamaica's IFRS in Focus 2021 Understanding and Assessing Internal Control in Audits IDI-Transparency, Accountability, and Inclusiveness of the Use of Emergency Funding for COVID-19 IDI-Professional Education for SAI Auditors African Professionalisation Initiative (AFROSAI-E)- Learning Platform (pilot) Public Debt Dynamics and Debt Sustainability 	<ul style="list-style-type: none"> INPRI-Public Sector Procurement Certification Series Government Accounting (Level 1, Module 2) Orientation/Onboarding Enterprise Risk Management Service Skills for Ancillary Workers Supervisory Management Code of Ethics Training for Business Conduct Staff Wellness/Stress Management Continuing Professional Development Performance Management Telephone Techniques Records and Information Management 	<ul style="list-style-type: none"> Cybersecurity Awareness Fortigate Infrastructure

PARTNERSHIPS

The AuGD, through its membership to the Caribbean Organisation of Supreme Audit Institutions (CAROSAI), also operates under the umbrella for the external government audit community-INTOSAI (International Organization of Supreme Audit Institutions). The INTOSAI Development Initiative (IDI), Inter-American Development Bank (IDB) and the World Bank are other key partners of the Department. In maintaining these partnerships, knowledge and information sharing is widely supported and encouraged as a means of facilitating skill enhancement, professional development and improving the quality of our work and audit products.

Several of our employees serve as AuGD's representatives on various INTOSAI Working Groups:



- **Working Group on Public Debt (WGPD)**-focused on preparation and publication of guidelines and other materials for use by Supreme Audit Institutions (SAIs) to encourage proper reporting and sound management of public debt.
- **Working Group on IT Audit**-supported SAIs in developing their knowledge and skills in the use and audit of information technology by providing information and facilities for exchange of experiences and encouraging bilateral and regional cooperation.
- **Working Group on Environmental Auditing (WGEA)**-encouraged the use of audit mandates and audit methods in the field of environmental protection and sustainable development (improving quality of environment, management of natural resources, health, and prosperity).
- **Working Group on SDGs and Key Sustainable Development Indicators (WGSDG KSDI)**- seeks to enhance the role of SAIs in assessing the efficiency and effectiveness of national resources, facilitate information and knowledge sharing.
- **Working Group on Values and Benefits of SAIs (WGVBS)**-development of papers, guidelines, among other tools focused on exchange and access to knowledge, experiences, and best

practices on how audit contributes to improving both performance of government and quality of life of citizens.

- **Working Group on Financial Modernisation and Regulatory Reform (WGFMR)**-seeks to assist SAIs in addressing challenges that exist by developing tools and knowledge sharing opportunities for evaluating national reforms at national and international levels.
- **Working Group on Public Procurement Audit (WGPPA)**-geared towards the development of universally accepted common approaches and procedures of procurement contract audit, analysis of international procurement contract audit standards.
- **Working Group on Big Data**-its objective is to identify challenges and opportunities faced by SAIs in the era of big data; summarize knowledge and experience in field of big data audit; and strengthen relevant bilateral and multi-lateral technical cooperation.
- **Working Group on Impact of Science and Technology on Auditing (WGISTA)**-primarily focused on developments in areas such as artificial intelligence, blockchain technology, cybersecurity, data analytics, 5G cellular network technology among others, that will have an increasing impact on governments and their auditors.

At the XXIII International Organization of Supreme Audit Institutions (INTOSAI) Congress (INCOSAI), the Moscow Declaration (2020) was endorsed, which establishes key Congress outcomes, and comprises results from the comprehensive thematic discussions on “Information Technologies for the Development of Public Administration” and the “Role of Supreme Audit Institutions in the Achievement of National Priorities and Goals”.¹ The AuGD by virtue of its INTOSAI partnership, has committed to providing independent external oversight on achieving nationally agreed targets (including those linked to the SDGs), responding effectively to opportunities brought about by technological advancement as well as enhancing its impact in delivering its services.

The 2020 Moscow Declaration has been incorporated into the development of the AuGD’s Strategic Business Plan and Objectives. The Declaration specifically speaks on the need to:

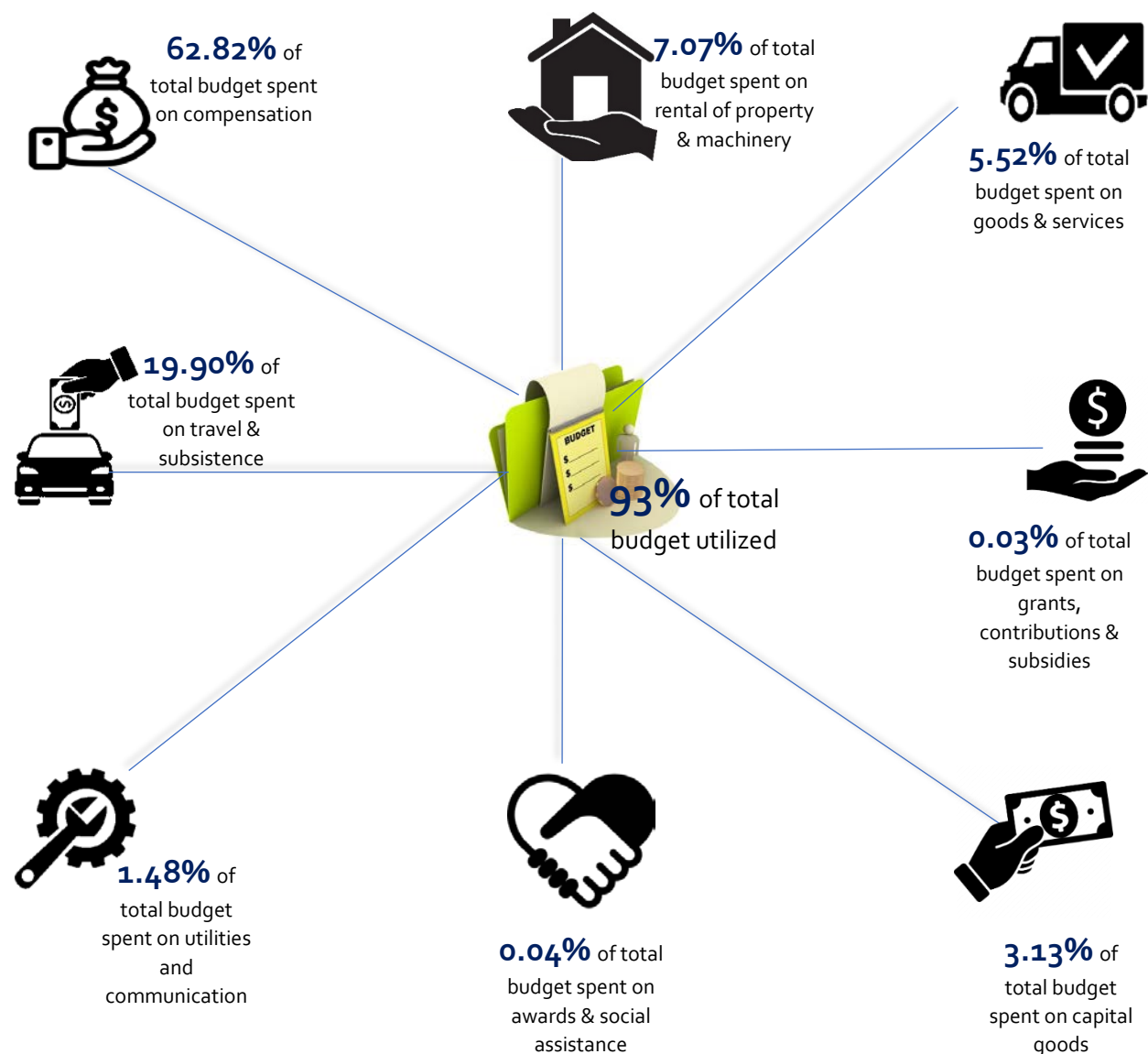
1. Establish productive interactions with auditees and enhance cooperation and communication with stakeholders.
2. Contribute to more effective, transparent, and informative accountability for outcomes (achieving nationally agreed upon targets-Vision 2030 and UN’s SDGs); develop a strategic approach to public auditing.
3. Effectively respond to opportunities brought by technological advancement.

In adopting these principles, the AuGD will be better able to ensure values and benefits and apply new approaches in meeting emerging challenges (nationally and globally) in response to a changing world of governance.

¹ Source: <http://intosajournal.org/summary-of-the-moscow-declaration/>

OUR FINANCIAL MANAGEMENT

FINANCIAL MANAGEMENT HIGHLIGHTS



For the 2020/2021 Financial Year (FY), the Department utilized 93 per cent of the amount budgeted. This represents a one per cent increase in budget utilization when compared to the previous financial year, 2019/2020. Overall, the AuGD spent \$64,483,283.88 less than the amount budgeted. The approved estimates for the AuGD were \$887,008,000, however the Department spent a total of \$822,524,716.12 and collected \$8,117,691.84 (an excess of \$3,117,691.84).

The detailed information provided below, highlights the utilization of funds under each object/activity (the data presented is derived from the AuGD's appropriation accounts for the 2020/2021 FY that is currently being audited):

- ✓ **Object 21-Compensation of Employees**-this activity accounted for 62.82% of the total expenditure, with the majority coming from Activity 10280-Administration of External Audit Services. This denotes an increase of 1 per cent. Vacancies arising from the resignation of five (5) team members were not filled within the financial year. Additionally, the recruitment drive did not yield the desired staff.
- ✓ **Object 22-Travelling and Subsistence**- the Department spent a total of \$163,710,850.22 of the total \$168,564,000 budgeted for 20/21 FY. This meant savings of \$4,853,149.78, which can be attributed to the non-utilization of local and overseas travel budget (\$1.5 M and \$3.2 M) respectively due to the many travel restrictions imposed to curb the COVID-19 pandemic.
- ✓ **Object 23-Rental of Property and Machinery**-\$58,210,601.81 was the amount spent from object 23 (a budget savings of \$2,586,398.19). Savings resulted from the non-receipt of invoices for parking rental valued at \$1.2 M. Payment for parking spaces and rental of office building is based upon receipt of invoices. The institution of work-from-home (WFH) orders, led to a significant reduction in cost for ad hoc parking spaces.
- ✓ **Object 24-Utilities and Communication Services**-Payment of utilities and communication services are executed upon receipt of invoices, however, for this financial year, with the non-submission of invoices and bills, approximately \$12,162,393.76 of the \$12,339,000.00 approved estimates was utilized.
- ✓ **Object 25-Use of Goods and Services**-in the latter part of the 20/21 FY, two (2) COVID-19 grants totalling \$15 million were added to the budget, to acquire IT equipment, however, the item was undelivered at the end of the year and no payment made. Savings of \$48,371,823.55 resulted from this (total budgeted for object 25-\$93,756,000; actual expenditure-\$45,384,176.45)
- ✓ **Object 27-Grants, Contributions and Subsidies**-provisions were made in budget for subscription payments to be made to two (2) organizations, however, only one entity submitted an invoice (approved estimate-\$300,000.00; actual expenditure-\$230,945.65).
- ✓ **Object 29-Awards and Social Assistance**-approximately \$370,034.85 was spent from object 29 of the \$2,000,000 approved estimates. Provision was made to refund tuition fees to four (4)

members of staff in keeping with the relevant Ministry of Finance guidelines, however, refunds were requested by only two officers.

- ✓ **Object 32-Capital Goods**-there was an excess in utilization of object 32 for the 20/21 FY. \$11,050,000 was the approved estimate of expenditure, however, a total of \$25,745,057.76 was spent (a budget variance of \$14,695,057.76). The excess was due primarily to the acquisition of a motor vehicle which was budgeted for in the 19/20 FY, however, the vehicle was not purchased in that period as the position of Driver was not approved to be filled within the said period (this was subsequently approved in the 20/21 FY). Additionally, a 50% deposit was made to acquire a Firewall and laptops for the Department.

COMPARITIVE ANALYSIS (19/20 FY VS. 20/21 FY)

Table 2

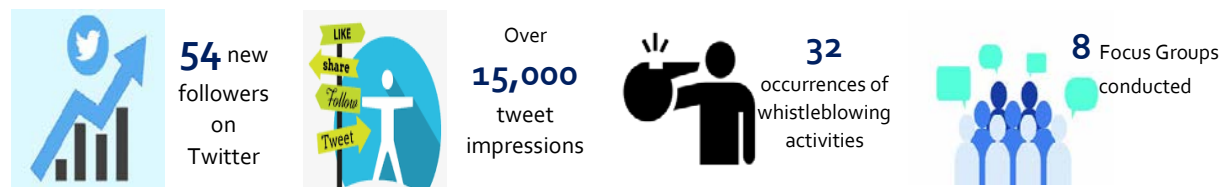
Activity 10280-Administration of Audit Services				
Activity/Object		2019/2020 FY	2020/2021 FY	Variance
Compensation of Employees-21	of	\$417,253,486.48	\$423,814,606.85	\$6,561,120.37
Traveling and Subsistence-22	and	\$149,682,237.80	\$139,048,305.97	\$-10,633,931.83
Use of Goods and Services-25		-	-	-
Total		\$566,935,724.28	\$562,862,912.82	-

Table 3

Activity 10005-Executive Direction and Administration				
Activity/Object		2019/2020 FY	2020/2021 FY	Variance
Compensation of Employees-21	of	\$90,594,800.14	\$92,896,048.77	\$2,301,248.63
Traveling and Subsistence-22	and	\$20,528,198.88	\$24,662,544.25	\$4,134,345.37
Rental of Property and Machinery-23		\$64,906,665.20	\$58,210,601.81	\$-6,696,063.39
Utilities and Communication Services-24	and	\$15,039,731.62	\$12,162,393.76	\$-2,877,337.86
Use of Goods and Services-25		\$53,184,545.57	\$45,384,176.45	\$-7,800,369.12
Grants, Contributions and Subsidies-27		\$326,345.59	\$230,945.65	\$-95,399.94
Awards and Social Assistance-29		\$1,045,560.96	\$370,034.85	\$-675,526.11
Capital Goods-32		\$7,566,745.05	\$259,661,803.30	\$18,178,312.71
Total		\$253,192,593.01	\$259,661,803.30	-

STAKEHOLDER CONSULTATION AND ENGAGEMENT

HIGHLIGHTS



SOCIAL MEDIA

The AuGD continues to utilize the social media platforms of Twitter and LinkedIn to increase the public's access to our published reports. These platforms allowed the Department to directly communicate and engage with the public. Currently, these platforms are used to notify the public of newly published reports and provide followers with a video presentation that summarizes the report's key findings and recommendations.

Twitter-Throughout the year, the AuGD's Twitter page saw a fluctuation of user's engagement. However, the month of October has so far represented the platform's greatest engagement. During the said month, the platform saw an addition of 54 new followers. When compared to the 19/20 financial year, July had the highest level of activity, generating 66 new followers. Additionally, the number of tweet impressions obtained in October 2021-was 15,000 when compared to the 3,782 received in July of 2020 (19/20 FY). A tweet impression is generated by the sharing and liking of AuGD content by its followers, which then translates to their followers viewing the content.

LinkedIn-As the AuGD continues to increase its social media presence, the LinkedIn platform is utilized as a means of informing the public of published audit reports. From the LinkedIn platform, the month of February represented its peak interaction, this is attributed to the publication of the Fiscal Policy Paper (FPP). In comparison to 2020 where the platform experienced its peak during the month of December.

CUSTOMER SATISFACTION SURVEY

In keeping with the AuGD's thrust to continually improve its services and adequately meet the needs of clients, both internal and external, a series of survey tools have been developed and issued at intervals to the respective groups.

The period of December 2020 to November 2021 saw six (6) Post Audit Surveys disseminated to entities after the completion of each audit. From these surveys, entities were asked to assess their interaction with the AuGD team during the audit process. This has become a standard practice, as it allows the AuGD to evaluate and reformat its existing approaches. The AuGD intends to provide audit services that are conducted professionally and ethically.

As part of the AuGD’s Quality Management System, the Quality Assurance Unit (QAU) is tasked with reviewing and monitoring our audit process to ensure that established audit protocols are being adhered to. In so doing, upon completion and submission of audit reports, surveys are issued to audit teams. A total of five (5) surveys were issued to the audit team leads over the December 2020-November 2021 period.

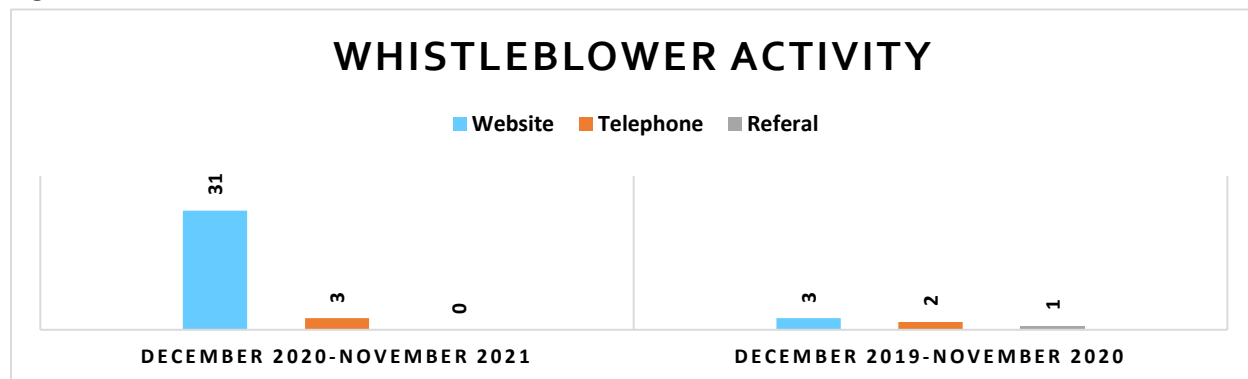
The Records Information Management Unit also employs the use of a survey to ascertain staff satisfaction levels. The results from the issued surveys are reviewed and analysed to assist the RIMU in optimizing its customer service. For the reviewing period, a total of 10 surveys were recorded and reviewed to aid the RIMU in providing optimum customer service.

As the AuGD continues to strive towards providing the best possible interactions with its providers of goods and services, satisfaction surveys are disseminated as an assessment tool. Also, as a means of generating inclusive feedback, the suppliers, end users of the product and or service in addition to the procurement officer, are asked to complete a satisfaction survey. For the period, a total of 28 entities were supplied with the survey alongside the end users of the product and or service and the procurement officer.

WHISTLEBLOWERS

In executing our mandate, the AuGD relies on information from the public to assist in the scoping of its audits. As a result, the Department has instituted a feedback mechanism where members of the public are able to submit information highlighting allegations of fraud, misappropriation of funds, and or noncompliance with GoJ policies, procedures, or legislation. In all instances, the received information is reviewed and assessed. From the initial assessment, a report may be pursued or incorporated into the AuGD’s audit plan. These reports can be either be made via telephone, email, mail, or the websites anonymous mechanism. There has been a surge in whistleblowing activities in this financial year-2020/2021 (34 reports received), in comparison to the previous year of 2019-2020 (where only 6 reports were received). The figure below details the number of reports received as well as the utilised mechanism:

Figure 1



From the 34 reports received, the Department has commenced the review process and actionable reports are expected to be incorporated into the Department's audit plan for the upcoming financial year. One report was also received under the Protected Disclosure Act.

STAKEHOLDER ENGAGEMENT

Effective stakeholder engagement is crucial to the success of the AuGD. In recognizing this, a Stakeholder Engagement Plan was developed in 2017 with the objective of clearly outlining the devised strategies that would be utilized to increase engagement with our key stakeholders whilst achieving the Department's vision and mission. Consistent reviews of our stakeholder engagement strategy are conducted to incorporate key stakeholder opinions and insights within our operating environment in ensuring that high quality and impactful audit recommendations are provided.

A series of stakeholder consultations (focus groups) were done with a total of eight (8) focus groups between December 2020 to April 2021. This was undertaken to review and amend the AuGD's stakeholder strategies. The sessions included participation from internal stakeholders, as well as representatives from various Ministries, Departments and Agencies (MDAs), and Civil Organisation groups. With the revised strategies being approved, implementation is scheduled to commence at the beginning of the 2022/23 Financial Year.

Also, in September 2021, the AuGD hosted its Strategic Planning Retreat, to support the development of its Strategic Business Plan and Strategic Audit Plan. The aforementioned groups, along with some of our internal stakeholders (employees) were invited to participate in fruitful discussions, focused on pertinent issues concerning public financial management that would guide us in setting our overall direction in developing the plan.

Emerging from these meetings were areas where the AuGD could improve; as well as how the AuGD can capitalize on strengthened collaborative partnerships to ensure that there is greater clarity and a shared vision between the AuGD and its key influencers.

LEADING BY EXAMPLE-INTERNAL OVERSIGHT

QUALITY ASSURANCE UNIT

YEAR IN REVIEW

The Quality Assurance (QA) Unit is committed to providing assurance that the AuGD and its staff adhere to the professional standards and methodologies required to ensure that audits of MDAs are conducted at a high level in keeping with the International Standards of Supreme Audit Institutions (ISSAIs), and the reports issued are appropriate.

During the reporting period, the unit planned its reviews in tandem with the strategic objectives of the AuGD. The selection of QA reviews focused on a coverage of some high/medium risk audits undertaken by the various audit units within the Department.

ACHIEVEMENTS

The QAU completed 9 reviews over the period with 4 being completed and 5 being work in progress at the time of this report.

The QA unit participated in the ISO Surveillance audit process, conducted by the NCBJ for the AuGD.

Members of the QA unit participated in and successfully completed various training programmes, provided by both internal and external facilitators during the year.

THE YEAR AHEAD

We will continue to conduct reviews of all audit types.

We will continue to participate in capacity building training programmes and keep abreast of emerging/revised international standards, in order to provide for a more robust unit and improved techniques.

We will continue to assist the AuGD by identifying audit areas which require improvement and make the necessary recommendations for training.

QUALITY ASSURANCE REPORTS

For the period December 2020 – November 2021, the QA team successfully completed reviews and reports for four audits, namely one financial statement, one appropriation accounts, one special and one compliance audit. Five QA reviews remain works-in-progress. Three reviews commenced during the reporting period and two reviews were for audits which were incomplete at the end of the previous reporting period.

The quality assurance reviews completed or in progress during the reporting period are summarized in the table below.

Table 4

Audit Topics	Audit Type	QAR of Entire Audit Process
Management Institute of National Development (MIND)	Financial Statement	✓
Office of the Public Defender (OPD)	Compliance	✓
Ministry of Culture, Gender, Entertainment & Sports (MCGES)	Appropriation Accounts	✓
Jamaica Customs Agency (JCA) Private Bonded Warehouse & Oil Bunkering Operations	Special Audit	✓
Tourism Product Development Company (TPDCo)	Performance (in progress)	✓
Ministry of Local Government & Community Development (MLGCD)	Appropriation Accounts (in progress)	✓
Ministry of Health and Wellness (MOHW) COVID-19 Expenditure	Compliance (in progress)	✓
Passport, Immigration and Citizenship Agency (PICA)	Information Technology (in progress)	Partial Review
Universal Service Fund (USF)	Financial Statement Assessment (in progress)	Partial Review

OUR FINDINGS

During the reporting period, the QA unit noted improvements in areas identified as non-conformities in previous years. Those areas which required further improvement were reported on and presented for the review and consideration of the Executive Management Committee of the AuGD, along with the requisite recommendations. It should be noted that where non-conformities were identified during QA reviews, these were either addressed before reports were published, or did not compromise the audit process nor affect the integrity for those audit reports which were issued prior to the QA review.

In keeping with the Quality Management System, the QA unit supported the commitment of senior management in maintaining high quality standards within the AuGD and the strategic decisions taken to ensure consistency in the high-quality audits being conducted and the reports issued.

LOOKING FORWARD

The QA unit will continue in its thrust to support the continued improvement of the AuGD which is in keeping with both the International Standards of Supreme Audit Institutions (ISSAIs) and the International Organization for Standardization (ISO) Quality Management System (QMS).

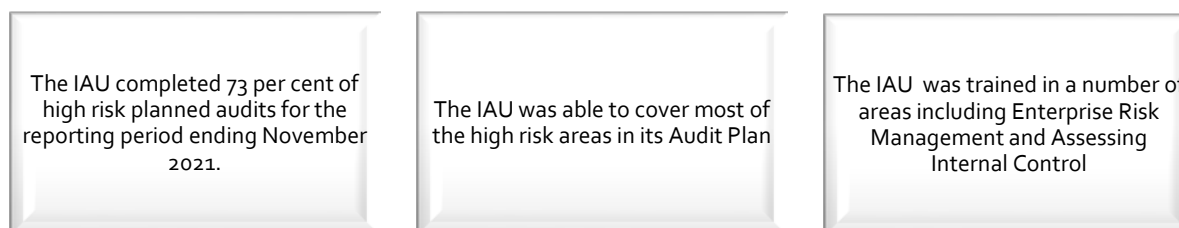
The AuGD continues to maintain the highest standards in keeping with the International Organization for Standardization (ISO) Certification 9001:2015 for Quality Management Systems and this was evidenced in the completion of the required surveillance audit one year after the initial ISO certification. The QA unit remains committed to the alignment of its objectives with those of the AuGD, adding the required value by enhancing the credibility and reputation in meeting our stakeholders' expectations.

INTERNAL AUDIT UNIT

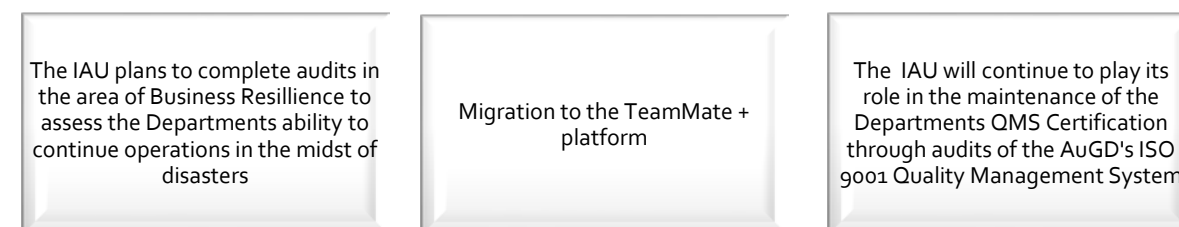
YEAR IN REVIEW

Section 34 of the Financial Administration and Act mandates that MDAs establishes an Internal Audit Unit (IAU) to examine the accounting systems, internal control, risk management and government processes. The IAU of the AuGD does this through the implementation of its annual audit plan and verifications of Accounting and Human Resources related information. The IAU covered most of the areas identified as high risk in its annual risk assessment resulting in the identification of areas of weaknesses and made relevant recommendations for improvements in the AuGD's operations and risk management process.

OUR ACHIEVEMENTS



THE YEAR AHEAD



During the year, the IAU reviewed and reported on the Department's payroll function with particular attention to the synergy between the Human Resource and Accounts functions. Reviews were also completed on the Monthly Financial Statements as well as the Appropriation Accounts for the fiscal year ended March 31, 2021. The Unit also conducted audits of the AuGD's stores management and procurement activities to determine conformance with the government of Jamaica's guidelines. The IAU continues to complete unplanned verifications and audits requested by the Corporate Services Division and the MoFPS. Quarterly follow-ups of the status of the implementation of audit recommendations were completed to track management's actions in response to audit recommendations.

The IAU also spearheaded the internal audit of the Department’s Quality Management System, which assisted in maintaining its ISO 9001:2015 Quality Certification at the surveillance audit conducted in October 2021 by the National Certification Body of Jamaica.

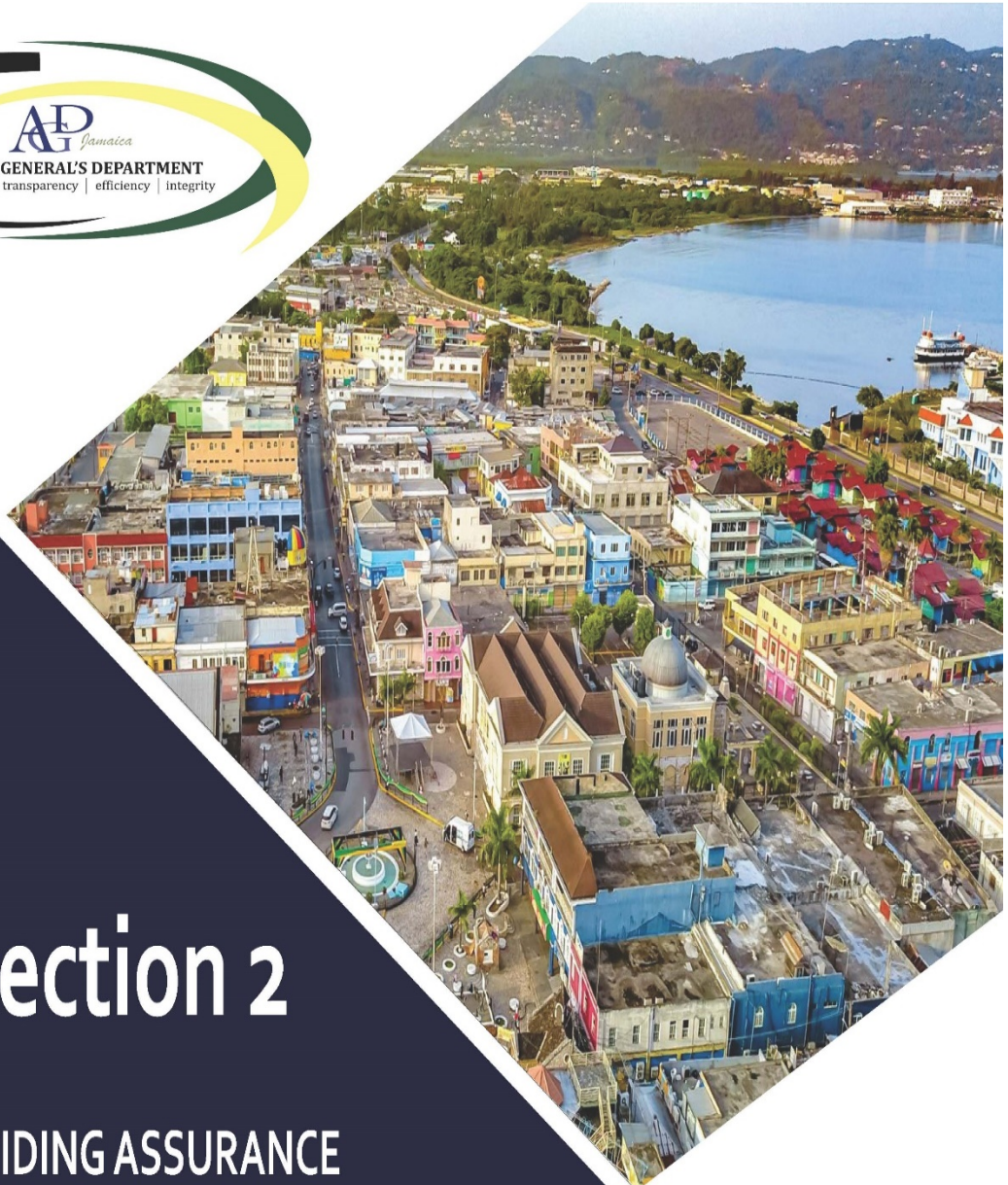
The following audits were completed by the IAU and presented to the Audit Committee during the reporting period:

Table 5: Internal Audits Reviews completed or in progress

AUDIT TOPICS
Appropriation Accounts (2020/2021)
Monthly Financial Statements
Salaries and Wages
Motor Vehicle Travel Allowance (WIP)
Maintenance of Personnel Records (WIP)
Petty Cash
Stores Management and Procurement
Salary Arrears arising from Public Sector Wage Movement
Internal Audit of the Auditor General’s Department Quality Management System
Quarterly follow-up on the Implementation Status of Audit Recommendations
Quarterly Contract Awards
Unplanned Audits via the Corporate Services Division <ul style="list-style-type: none"> • Verification of Performance based Salary arrears • Verification Vacation Leave and final payments for Officers who resigned from the service • Verification of Widows and Orphans returns to officers that resigned/retired from the service • Gratuity Payments

LOOKING FORWARD

The Unit is anticipating the audit of the Department’s Business Resilience Planning. The coming year should also see the Internal Audit Unit migrate to the TeamMate Plus platform, which was originally scheduled for the previous year, but was delayed. TeamMate plus is the cloud-based version of the audit management software that government internal auditors utilise. Training is also expected in several areas including performance and forensic auditing which further increase the ability of the IAU to effectively carry out its mandate.



Section 2

PROVIDING ASSURANCE

LINKAGES



RELEVANT STRATEGIC OBJECTIVES

Strategic Objective 1

Independent and high-quality audits to improve Public Financial Management & Governance

Sub-components- 1. Execution of Assurance and Non-Assurance Audits to strengthen accountability and promote transparency in the public sector; 2. Provision of actionable recommendations beneficial to citizens of Jamaica; 3. Keeping in mind the complexity of government efforts needed to support the achievement of national priorities (NDP-Vision 2030) and Sustainable Development Goals (SDGs).

Strategic Objective 2

Promote and engender change in the public service through effective stakeholder engagement

Sub-components 1. Taking into consideration emerging risks and stakeholder concerns to maximize the impact of our work; 2. Enhanced partnerships with key stakeholders to improve use of public resources; 3. AuGD can increase its positive impact by establishing productive interactions with auditees and enhancing cooperation and communication with stakeholders.

THE ASSURANCE AUDIT

FINANCIAL STATEMENTS, APPROPRIATION ACCOUNTS AND COMPLIANCE AUDITS

2.1.1. Our assurance services include the audits of financial statements prepared by Municipal Corporations, Statutory Bodies, Executive Agencies, Internationally Funded Projects as well as the annual Appropriation Accounts of MDAs. These audits are undertaken to express an opinion on whether the financial statements prepared and presented by management are free from material misstatements and are presented in accordance with the applicable financial reporting framework.

PERFORMANCE HIGHLIGHTS

2.1.2. During the period under review, we certified 95 Statements comprising 47 Appropriation Accounts and 48 Financial Statements. This represents approximately 17% increase over the same period last year. As of November 30, 2021, there were 70 Statements, comprising 38 Appropriation Accounts and 32 Financial Statements, that were at varying stages of work in progress.

2.1.3. In keeping with the AuGD's policy and procedures, an audit completion report highlighting compliance and other issues identified during the audit of the Financial Statements and Appropriation Accounts is issued to clients. For the period under review, we issued 47 such completion reports, with some reports relating to multiple financial years and or more than one account. The findings from these are included in section 3 of this report. This year we have also included a listing of all audits undertaken, detailing the status of each.

2.1.4. Verification of the final computation for payment of pension awards is another activity carried out by the assurance unit. For the period under review the following was achieved:

Files received: 3880

Files examined: 3857

WIP: 23

OUTSOURCED AUDITS

2.1.5. In collaboration with the Ministry of Finance and the Public Service and the World Bank, the AuGD embarked on an audit outsourcing project to clear the backlog of Financial Statements of Statutory Bodies, Executive Agencies and Municipal Corporations. However, due to delays associated with the procurement of the audit services, the project has not achieved the expected outcomes. To date we have, however, outsourced the audit of 26 Financial Statements to a private audit firm. These audits are scheduled to be finalized by February 2022.

OUTSTANDING STATEMENTS

2.1.6. The timely completion of our audits continues to be impacted by the late submission of Financial Statements and Appropriation Accounts, delays by clients in providing the relevant supporting documents, and inaccurate or incomplete statements that often require additional audit work resulting in the utilization of more resources than initially planned. Up to the time of this report, a total of 436 Statements were outstanding spanning financial years 2001/2002 to 2020/2021. Of this number, 252 represent Appropriation Accounts and 184 represent the financial statements of Public Bodies.

2.1.7. The Ministry of Finance gave approval for the AuGD to establish a temporary project unit to focus on the long outstanding financial statements of Public Bodies in particular the Municipal Corporations. We are currently in the process of recruiting staff to operationalize the unit. As of December 15, offers will have been made for four of the twelve positions in support of the project. This will allow for the commencement of audit work in relation to the financial statements backlog for the Municipal Corporations in the upcoming fourth quarter of the current FY. As of November 30, 2021, a total of 76 statements are included in this project for completion over a two-year period.

INFORMATION TECHNOLOGY AUDIT UNIT

THE YEAR IN REVIEW

2.2.1. Information Technology (IT) provides opportunities for public sector entities to improve their efficiency and effectiveness through the computerization of processes as well as offering online services that create convenience for citizens. However, while organizations only expect to benefit from the investments made, IT presents risks that may diminish the value gained. As such, the objective of the Information Technology Audit Unit (ITAU) is to assess the adequacy and effectiveness of IT controls within Ministries, Departments and Agencies (MDAs). Our assessments seek to determine whether IT resources and risks are appropriately managed to ensure the delivery of value as well as the confidentiality, integrity and availability of information and systems that support the government's strategic objectives.

2.2.2. For the 2021/2022 financial year, the ITAU planned to complete three prior year IT audits, one special audit of the COVID-19 Allocation of Resources for Employees (CARE) programme and two compliance audit reports that were work-in-progress from a prior period. Additionally, we planned to revise our survey tool, which will allow the Unit to identify and prioritize audits based on our risk assessment. Our intention is to assign resources to high-risk organizations that collect revenue or provide services to citizens through the use of information systems as well as entities that are highly dependent on information technology in the execution of their core operations. As at 2021 November 30, we have successfully completed four audits, while two audits are work-in-progress as shown below.

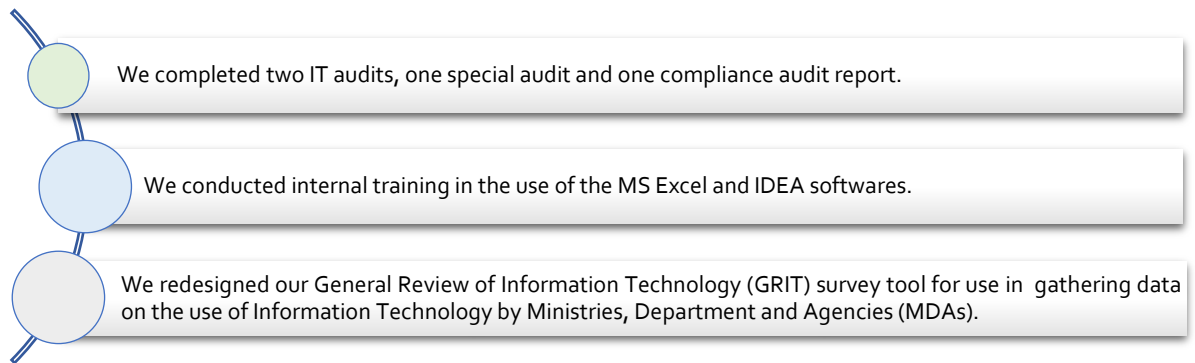
Figure 2: IT Audit Status as at 2021 November 30



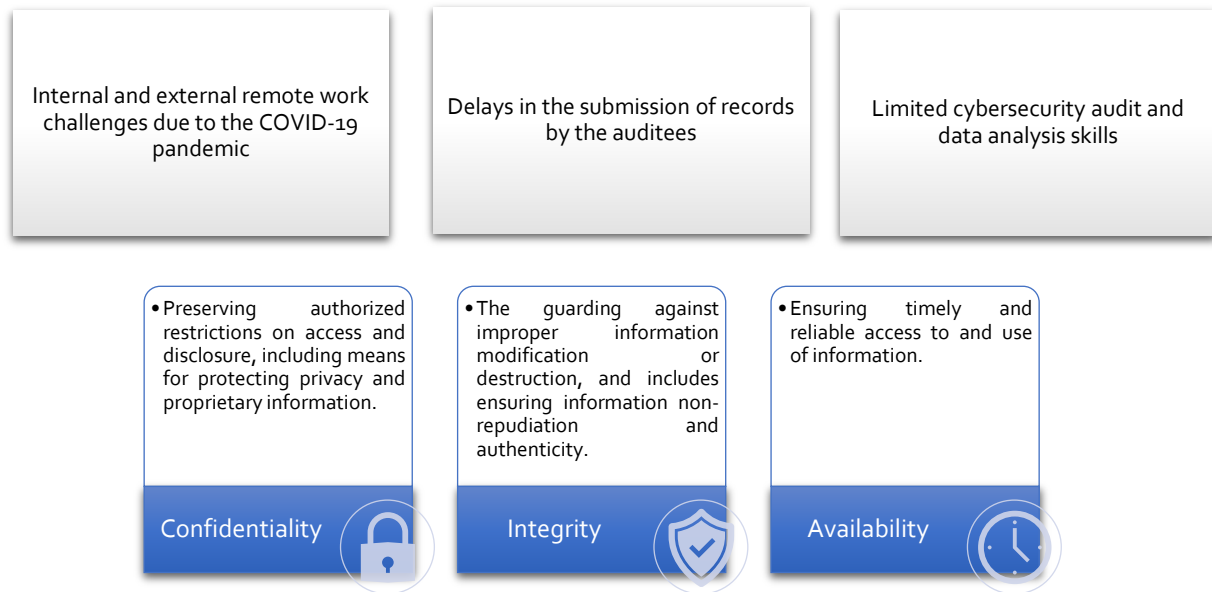
2.2.3. Additionally, given our planned strategies and increased cybersecurity risks, the ITAU's organizational structure was revised to include responsibilities for Information Security reviews and, to date, a Director, IT Audit (Security) has been recruited. The Job Description for another Director post was also amended in line with the Department's objective of increasing the use of Data Analytics.

OUR ACHIEVEMENTS

Over the period December 1, 2020, to November 30, 2021, the ITAU achieved the following:



OUR CHALLENGES



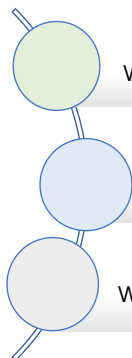
Source: ISACA Glossary

OUR FINDINGS

2.2.4. Our tabled IT Audit report focused on the Information Security of the Passport, Immigration and Citizenship Agency, which is responsible for accepting and processing passport applications, managing the Island's immigration processes, and handling matters in relation to applications for and renunciation of Jamaican citizenship. Information security refers to the protection of information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide integrity, confidentiality, and availability. Therefore, the information obtained and distributed by the agency and its supporting IT infrastructure are critical assets that must be safeguarded in the execution of its mandate. However, we found that there was room for improvement in PICA's IT governance and access controls, which are fundamental to maintaining the information security of its data and systems.

[Link to PICA audit report: <https://auditorgeneral.gov.jm/wp-content/uploads/2021/09/PICA-Information-Security-Governance-and-Management.pdf>]

THE YEAR AHEAD

- 
- We plan to expose all ITAU team members to structured Data Analytics training.
 - We will seek to strengthen staff competencies in performing cybersecurity reviews through coaching and formal training.
 - We will continue to request information in advance to reduce delays in our audit planning and fieldwork phases.

NON-ASSURANCE AUDITS: ECONOMIC ASSESSMENT, SPECIAL AUDIT AND PERFORMANCE AUDITS

ECONOMIC ASSESSMENT UNIT (EAU)

THE YEAR IN REVIEW

2.3.1. The Economic Assessment Unit (EAU), through its 2021-22 work plan, continued to support the Auditor General’s responsibilities under the Financial Administration and Audit (FAA) Act and respond to the needs of stakeholders, for calendar year 2021. The EAU reviewed the Fiscal Policy Paper February FY2021/22, and the Fiscal policy Paper FY2021/22 Interim Report. The reports were submitted to Parliament for tabling in March and October 2021, respectively within the statutory deadlines of two weeks. The Unit also completed and submitted to Parliament, the Financial Statements Assessment for the Universal Service Fund, that commenced in late 2020. Four quarterly economic reports and two economic bulletins were also prepared during 2021, to support the FPP reviews, as well as to keep staff abreast of relevant fiscal and monetary policy developments.

OUR ACHIEVEMENTS



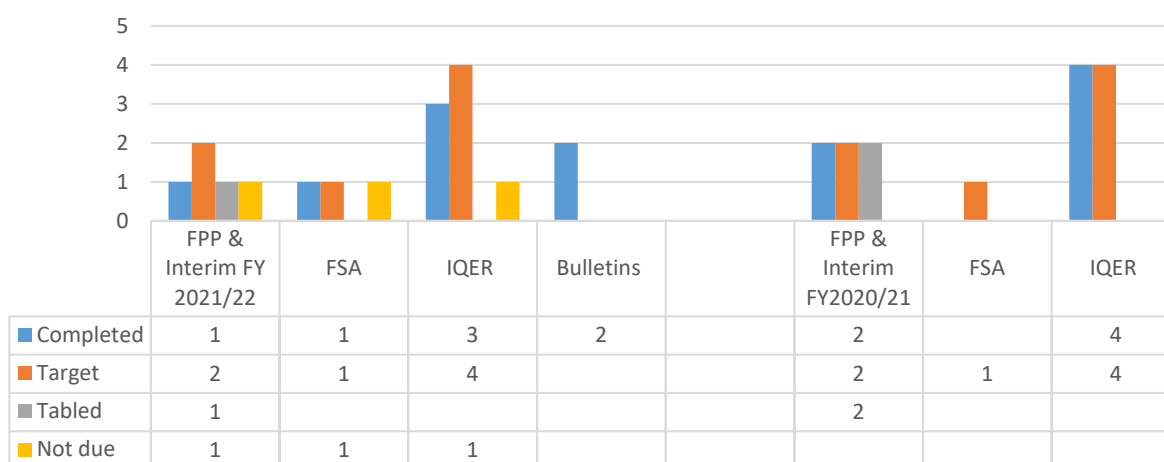
ECONOMIC ASSESSMENTS

Table 6

Reports Submitted to Parliament	Date Tabled	Deadline	Comments
Review of the Fiscal Policy Paper FY2021/22 https://auditorgeneral.gov.jm/examination-of-the-components-of-the-fiscal-policy-paper-fy2021-22-which-was-laid-before-the-houses-of-parliament-on-2021-february-18/	March 2021	Met	Tabled within the period specified by the FAA Act
Review of the Fiscal Policy Paper FY2021/22 Interim Report https://auditorgeneral.gov.jm/examination-of-the-components-of-fiscal-policy-paper-fy2021-2022-interim-report-was-laid-before-the-houses-of-parliament-on-september-28-2021/	October 2021	Met	Tabled within the period specified by the FAA Act.

Reports Submitted to Parliament	Date Tabled	Deadline	Comments
Financial Statements Analysis of Public Bodies- Universal Service Fund https://auditorgeneral.gov.jm/financial-statements-analysis-of-public-bodies-fy2015-16-fy2019-20-universal-service-fund/	June 2021	Completed after deadline	The report was affected by delay in the receipt of documentation and other internal factors.
Financial Statement Analysis of Public Bodies - National Solid Waste Management Authority (NSWMA)	-	-	Work in Progress as per FY2021/22 work plan
Review of Fiscal Policy Paper FY2022/23	-	-	Due February 2022
Internal Quarterly Economic Report	-	-	June and September reports completed; Outstanding reports due December 2021/ March 2022

EAU Assignments



INTERNAL REPORTS

2.3.2. For FY2021/22, Internal Quarterly Economic Reports (IQER) on Central Government performance were prepared for April to June 2020 and July to September 2020 to support the timely review of the fiscal policy papers (FPP) as well as to inform staff of developments in the fiscal accounts. Of note, the reports for the December 2021 and March 2022 quarters were not due at the time of this report. The Unit also produced two Economic Bulletins to raise awareness among staff. These related to the Bank of Jamaica's introduction of Digital Currency to Jamaica and trends in the Jamaica Dollar and determinant of the exchange rate.

QUALITY

2.3.3. The EAU conducted its reviews of the fiscal policy paper in accordance with the standards issued by the International Association of Supreme Audit Institutions and the International Standard on Assurance Engagement (ISAE) 3000. Apart from peer reviews and oversight by supervisors at various levels, the output of the EAU also benefitted from the review of the Department's Quality Assurance Unit, which sought to ensure adherence to the required quality standards.

TIMELINESS

2.3.4. The EAU met all statutory deadlines for the submission of the Fiscal Policy Papers. The financial statements analysis of the USF was affected by delays in the receipt of some documentation among other developments beyond our control; however, these factors did not impact the quality of the report.

LOOKING FORWARD

2.3.5. For FY2022/23, the Unit plans to explore issues related to budget credibility to support the United Nations Department of Economic and Social Affairs (UNDESA) thrust towards strengthening budget credibility through external audits. While it is anticipated that the Independent Fiscal Commission established by the Act on 2021, February 14 will shortly be in place, the EAU, based on the authority established in the FAA Act and Constitution, will continue to support the Auditor General in her review of fiscal performance and public financial management, consistent with the FY2022/23 Operational Plan and the FY2022/23 to 2025/26 Strategic Business Plan.

SPECIAL AUDIT UNIT

THE YEAR IN REVIEW

2.4.1. The Special Audits Unit conducts special audits in keeping with Section 25 of the FAA Act. These audits support the key strategic objectives of the Auditor General's Department and are normally selected using a risk-based approach; given the large number of requests from stakeholders, including the Public Accounts Committee (PAC). During 2021, continued use of an agile approach to our audits enabled us to identify high value areas of greatest importance to stakeholders. The benefit of this approach was demonstrated by our audit of the Jamaica Customs Agency (JCA) whereby we broadened the scope mid-stream to include the bunkering services based on audit evidence that revealed the need for a deeper dive into the findings. In 2021, the Unit completed two audits namely, the JCA audit that commenced in 2020 and the Joint Committee for Tertiary Education (JCTE) audit which commenced during the period.

OUR ACHIEVEMENTS

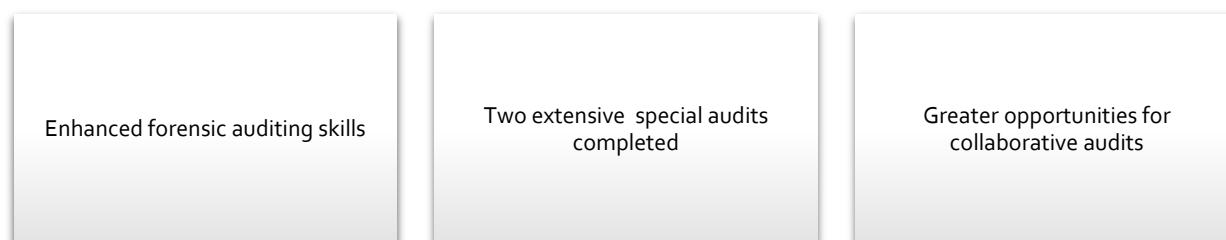


Table 7

Audits	Status	Comments
Jamaica Customs Agency- Bunkering and private Bonded Warehouse https://auditorgeneral.gov.jm/jamaica-customs-agency-bunkering-operations-private-bonded-warehouses/	Tabled November 2021	Deadline missed due to delays in requested evidence and entity response.
Joint Committee for Tertiary Education https://auditorgeneral.gov.jm/joint-committee-for-tertiary-education/	Tabled October 2021	Deadline Met

QUALITY

2.4.2. The audits conducted by the Special Audit Unit accorded with the standards issued by the International Association of Supreme Audit Institutions (INTOSAI) for performance audits. The Unit benefitted from the review of the AuGD's Quality Assurance Unit which sought to ensure that all reports met the AuGD's quality standards.

TIMELINESS

2.4.3. The Special Audit Unit was unable to meet the deadlines set for completion of the Audit of the JCA audit report, given delays in the provision to the AuGD, of required additional audit evidence as well as the delay in response from the entity to the draft audit report. Additionally, inaccessibility of the JCA's worksite, particularly in the early stages of the audit, caused by the protocols surrounding the COVID-19 pandemic affected the timely access to records at the audited entity's worksite. On the other hand, the deadline set for the JCTE audit was met.

LOOKING FORWARD

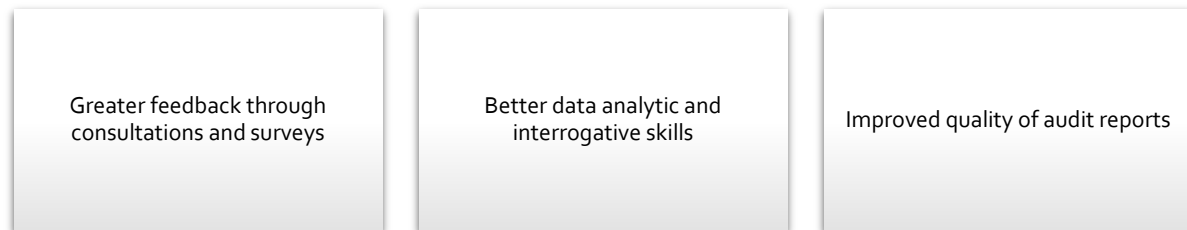
2.4.4. We will seek to undertake at least one major special audit and two smaller audits, the selection of which will be based on a risk assessment. We also intend to take advantage of new opportunities for collaborative audits to further build capacity and skills in forensic auditing.

PERFORMANCE AUDIT UNIT (PAU)

THE YEAR IN REVIEW

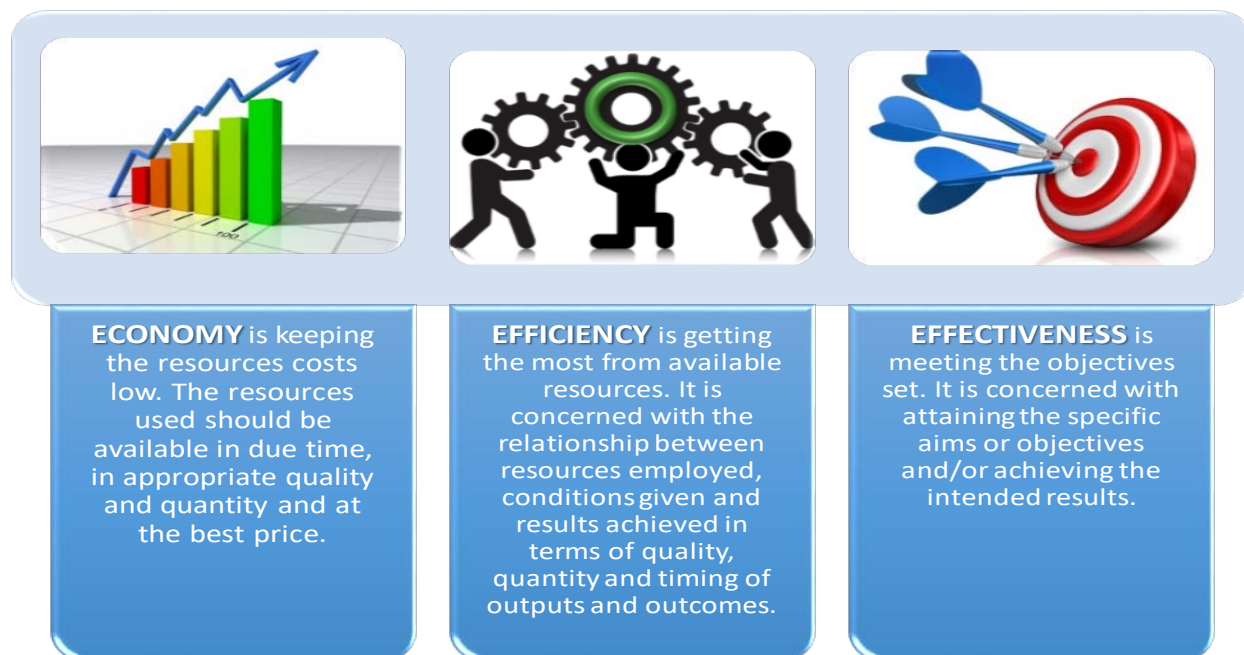
2.5.1. The Performance Audit Unit continued to support the strategic objectives of the Auditor General's Department, through implementation of the 2021-22 audit plan and completion of audits carried over from previous years. We used a risk-based thematic approach for the selection of audit topics and utilised information garnered from focus groups to inform the scope of our audits. We continued to rely on feedback from Parliament, civil society, and other stakeholders to assess the impact of our audits. However, delays in audit execution, receipt of requested information, as well as requests from entities for additional time to respond to draft audit reports continued to affect the timely completion of our audit reports. Notwithstanding, we continued our efforts to deliver high quality audit reports with implementable recommendations, through continuous training in data interrogation techniques, surveys, and other analytical tools.

OUR ACHIEVEMENTS



PERFORMANCE AUDIT REPORTS

2.5.2. Our performance audits continued to assess the governance practices and control systems of selected Ministries, Department and Agencies (MDAs) within the context of the PBMA and FAA Acts, Government Procurement Guidelines and circulars, the Corporate Governance Framework, as well as best practices. Our audits also considered the alignment of the entities' strategic and operational plans with Vision 2030 Jamaica NDP and the SDGs.



QUANTITY

2.5.3. Given the extensive and extended nature of the CAROSAI Collaborative Audit of Jamaica’s public healthcare systems and the Major Infrastructural Development Programme (MIDP) audit, coupled with carryover of the Tourism Product Development Company (TPDCo) and Urban Development Corporation (UDC) audits from 2019-20, the Performance Audit 2021-22 work plan comprised only two new audits. The scheduling for the work plan also considered the AuGD’s rigorous training programme, which sought to enhance the data mining and interrogative skills of team members. The audits of National Solid Waste Management Agency (NSWMA), MIDP and Jamaica’s Health Care System at the time of this annual report, were at the fieldwork stage.

AUDIT COVERAGE

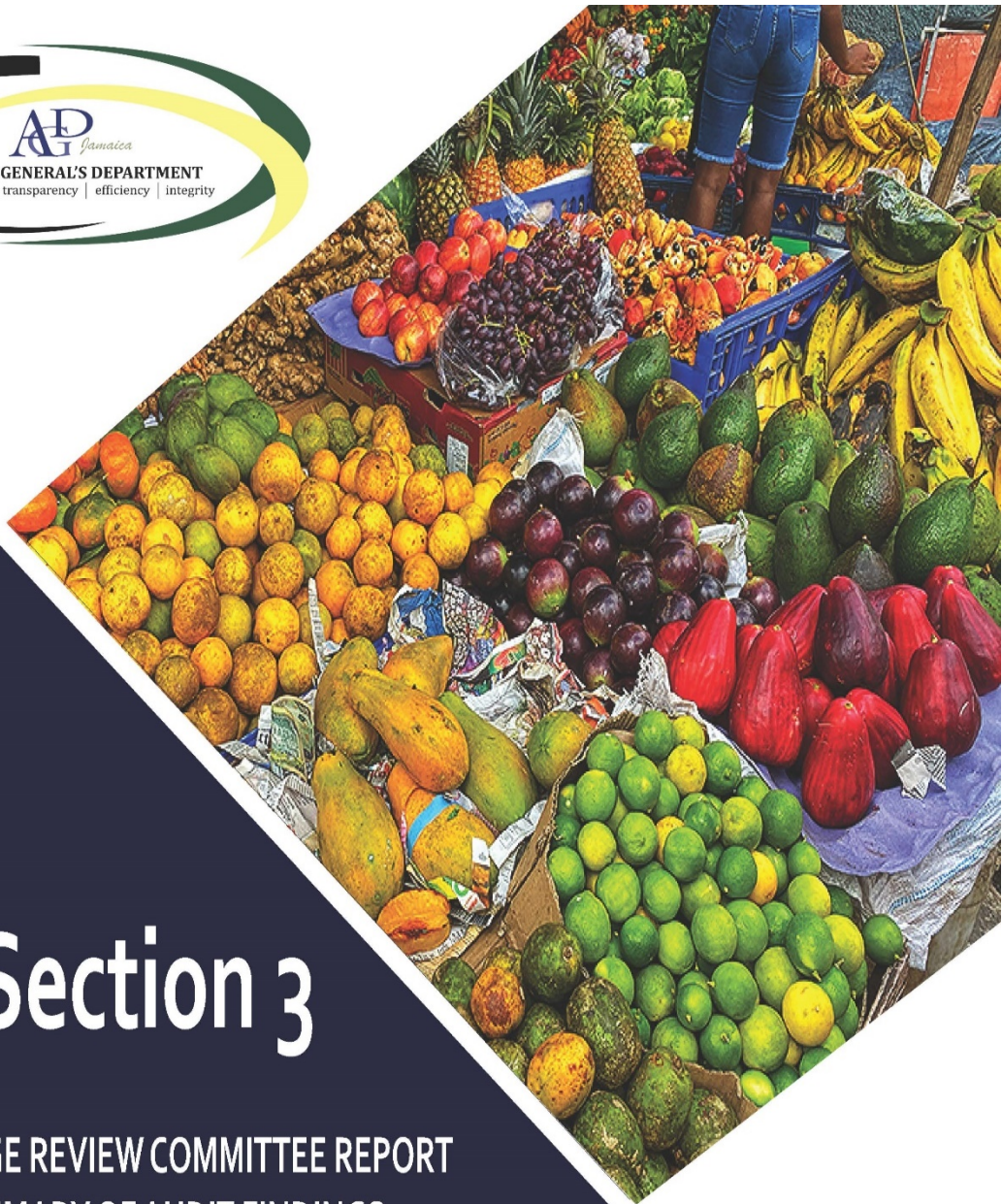
Table 8

Audit Topic	Audit Plan	Date Tabled	Status	Comments
Strong & Resilient National Public Health Systems (CAROSAI)	2020-21	-	Fieldwork	Collaborative Cross-Cutting Audit
National Solid Waste Management Agency (NSWMA)	2021-22	-	Fieldwork	Fieldwork in progress; expected to be completed by 4 th quarter 21/22 FY
Nutrition Products Limited (NPL) https://auditorgeneral.gov.jm/nutrition-products-limited-npl/	2020/21	-	Tabled Sept 2021	Delayed receipt of required documentation, competing priorities

Audit Topic	Audit Plan	Date Tabled	Status	Comments
MIDP	2020/21	-	Fieldwork	Audit to commence 2021; expected to be tabled in 1 st Quarter of 22/23 FY
TPDCo: Governance and Project Management	2019/20	-	Reporting Stage	Report is currently being reviewed; expected to be tabled by the end of the 3 rd Quarter
Urban Development Corporation	2018-19	-	Reporting stage	Additional fieldwork being conducted to aid in finalization of report. Expected to be completed by 4 th Quarter of 21/22 FY.

CHART 5





Section 3

SURCHARGE REVIEW COMMITTEE REPORT & SUMMARY OF AUDIT FINDINGS AGAINST THEMATIC FRAMEWORK

LINKAGES



RELEVANT STRATEGIC OBJECTIVES

Strategic Objective 1

Independent and high-quality audits to improve Public Financial Management & Governance

Sub-components- 1. Execution of Assurance and Non-Assurance Audits to strengthen accountability and promote transparency in the public sector; 2. Provision of actionable recommendations beneficial to citizens of Jamaica; 3. Keeping in mind the complexity of government efforts needed to support the achievement of national priorities (NDP-Vision 2030) and Sustainable Development Goals (SDGs).

Strategic Objective 2

Promote and engender change in the public service through effective stakeholder engagement

Sub-components 1. Taking into consideration emerging risks and stakeholder concerns to maximize the impact of our work; 2. Enhanced partnerships with key stakeholders to improve use of public resources; 3. AuGD can increase its positive impact by establishing productive interactions with auditees and enhancing cooperation and communication with stakeholders.

SURCHARGE REVIEW COMMITTEE (SRC) REPORT

SURCHARGE

3.1.1. Surcharge is a provision of the Financial Administration and Audit (FAA) Act, which allows for the recovery of moneys lost or the value of the loss of property or other assets that have been destroyed or stolen because of negligence on the part of public officers. Surcharge allows for the recovery of the amount or value from the person(s) found being negligent².

AUTHORITY TO SURCHARGE

3.1.2. The Financial Secretary (FS) in accordance with the Provisions of Section 20 of the FAA Act, has the authority to impose a surcharge on any Accountable Officer in respect of: (a) failure to collect revenue; (b) making "Improper Payments"; (c) deficiency or loss of public moneys; and/or (d) loss or destruction of government assets; (e) or any other loss as detailed in the FAA Act sections 20 (1) (c) and 49(5)³.

RESPONSIBILITY TO REPORT ACTIVITIES LIABLE TO SURCHARGE

3.1.3. The Auditor General has the responsibility to report activities liable to surcharge to the Financial Secretary.

Where it appears to the Auditor-General that there has been a breach of Section 20 of the FAA Act, he shall forthwith make a report to the Financial Secretary. This report shall include information as to:

- (a) the amount or value of the deficiency or **loss**.
- (b) the circumstances leading to such deficiency or loss; and
- (c) the officer(s) alleged to be responsible thereof⁴.

SURCHARGE REVIEW COMMITTEE

3.1.4. The Auditor General for the purpose of undertaking this reporting responsibility under the FAA Act Financial Instructions established a committee in 2018 referred to as the 'Surcharge Review Committee (SRC)'.

² FAA Act (Financial Instructions) Section 2.6 (2.6.1)

³ FAA Act (Financial Instructions) Section 2.6 (2.6.2)

⁴ FAA Act (Financial Instructions) Section 2.6 (2.6.3)

PURPOSE OF THE SRC

1. Review activities liable to surcharge, and
2. Make recommendation to the Auditor General to report surcharge matters in accordance with Section 20 of the FAA Act and Section 2.6.2 of the FAA Act Financial Instructions.
3. Monitor surcharge notifications from the Financial Secretary of any surcharge made under section 20 of the FAA Act and related proceedings subject to Sections 22 and 23 of the FAA Act and track the recovery of the amounts surcharged from such person in keeping with the FAA Act and Financial Instructions.
4. Report to the Auditor General quarterly and annually, on the outcome of surcharge matters reported to the Financial Secretary.

3.1.5. For the period January 2021 to December 2021, the SRC received five cases for consideration. The Committee reviewed all five cases. Based on the evidence provided the SRC recommended that one of the cases be terminated and three be referred to the Financial Secretary in accordance with Section 2, Sub-section 2.6.3 of the Financial Administration and Audit (FAA) Act Financial Instructions, for surcharge proceedings to be considered in keeping with the provision under the FAA Act. This will enable appropriate measures to be taken in the recovery of monies lost or the value of the loss of property or other assets that have been destroyed or stolen as a result of negligence on the part of public officers. The other case is under review.

Table 9

CASE No.	ENTITY	VALUE OF DEFICIENCY/LOSS	Outcome	Status
SRC2019-01	Ministry of Local Government and Community Development	\$13,515,000.00	Terminated	●
SRC2019-02	Ministry of Local Government and Community Development	\$999,000.00	Terminated	△
SRC2021-01	Attorney General's Chambers	\$100,439.31	Terminated	×
SRC2021-02	Overseas Examinations Commission	\$1,653,165.43	Reported to FS	△
SRC2021-03	Jamaica Civil Aviation Authority	\$632,000.00	Under Review	×
SRC2021-04	Firearm and Licensing Authority	\$8,369,660.94	Reported to FS	C
SRC2021-05	Joint Committee for Tertiary Education	\$124,076,382.30	Reported to FS	△
● Resolved	△ Keep in View	×	Under Review	

The SRC Reports are summarized below:

No.: SRC2019-01

Audit Report	Annual Report 2018
Surcharge Matter	Financial losses arising from the lease of office space located at 61 Hagley Park Road, Kingston 10 in the Parish of St. Andrew for the Ministry of Local Government and Community Development (MLGCD)
Audit Finding	MLGCD overpaid \$7.1 million in rent over a two-year period for the newly leased space.
Date/Period of Loss	December 1, 2016, to January 1, 2019

Audit Report	Annual Report 2018
Value of Loss to date	JMD\$13.515 million
Officer(s) alleged to be responsible for the deficiency/loss:	<ol style="list-style-type: none"> Permanent Secretary Director of Technical Services
<p>Annual Report - Paragraph 3.2.121 "The MLGCD entered into a \$76 million per annum 5-year lease agreement effective December 1, 2016 for premises located at 61 Hagley Park Road. The Ministry has paid \$132.3 million in rent between the signing of the lease agreement and occupation of the building since 2018. MLGCD did not independently verify the square footage of the area rented but relied on an appraisal dated January 15, 2016, which was commissioned by the Landlord. The lease agreement stipulates 40,000 sq. ft. of rentable space. However, arising from our request, the National Land Agency (NLA) confirmed that the area actually measured only 38,130.81 sq. ft., 1,870 sq. ft. less than the amount stipulated in the agreement. This excess resulted in an overpayment of \$7.1 million to date.</p> <p>3.2.122 Further, included in the 38,130.81 sq. ft. is a parking shed – referred to as Building 2- with an area of 1,413.5 sq. ft. - six parking spaces. Contrary to our expectation, this area was not negotiated separately from the office space; and attracted a cost of \$2.7 million per annum; being \$1,900 per sq. ft.</p>	
Offence	Failure to collect Government Revenue
SCR Committee Decision	
<p>In its deliberations, the Committee reviewed all documents submitted and requested additional documents to support our review. The basis of our conclusion and recommendation was limited to the evidence presented and considered. The Committee was satisfied that the information was sufficient to draw our conclusion and recommendation.</p> <p>Significant Matter: A letter from the Commissioner of Land dated March 12, 2019, indicated that a subsequent measurement of the building showed a gross building area of 43,430 sq. ft., which exceeded the 40,000.00 sq. ft. stipulated in the agreement. The SRC had no other alternative than to rely on the final measurements communicated by the Commissioner of Lands. On this basis, the matter of surcharge would be rendered null and void.</p>	
Recommendation	Surcharge Matter be terminated
Status	Resolved

Case No.: SRC2019-02

Audit Report	Annual Report 2018
Surcharge Matter	Financial losses arising from the construction of a dividing wall between premises leased at 61 Hagley Park Road, Kingston 10 by the Ministry of Local Government and Community Development (MLGCD) and the adjoining premises owned by the landlord.
Audit Finding	MLGCD failed to recover \$0.999 million from the landlord for the shared cost of constructing the dividing wall.
Date/Period of Loss	March 30, 2017, to date
Value of Loss to date	JMD\$0.999 million
Officer(s) alleged to be responsible for the deficiency/loss:	Permanent Secretary
<p>The Ministry engaged a Contractor through direct contracting to construct a dividing wall between the leased premises and the adjoining premises owned by the landlord. Section 6 (4) of the lease agreement provides for equal sharing of costs for erection of the wall subject to a written agreement between the parties on the cost of the wall. Evidence of a written agreement was not provided by the Ministry. The Ministry did not provide evidence of their attempts to recover the landlord's share of the cost of constructing the wall.</p>	
Offence	Failure to collect Government revenue

SCR Committee Conclusion		
The Committee is satisfied that the information was sufficient to draw our conclusion. In considering all the evidence before us, the SRC concluded that the matter be terminated given that MLGCD has recovered most of the amount from the landlord. The Ministry recovered \$841,990.13 from rental due for the period March 2019. The Ministry provided documents to indicate that the Contractor was overpaid for the cost of constructing the dividing wall. The final cost should have been \$1,683,980.25 of which the amount recovered represents 50 per cent. The Ministry indicated that they would make efforts to recover the amount overpaid from the contractor. The Committee will monitor this situation and provide an update.		
Recommendation	The matter be suspended and monitored	
Status	Terminated	▲

Case No.: SRC2021-01

Entity:	Attorney General's Chambers	
Surcharge Matter	Motor vehicle accident on November 22, 2019, involving Attorney General's Chambers Motorcycle (Registration 101376).	
Audit Report	Not Applicable	
Audit Finding	Not Applicable	
Date/Period of Loss	November 22, 2019	
Value of Loss to date	\$100,439.31 (repair estimate report)	
Officer(s) alleged to be responsible for the deficiency/loss:	Driver	
In a letter dated January 7, 2021, it was reported that the Driver assigned to the Attorney General's Chamber (AGC), while on official duties on November 22, 2019, driving a 2015 Motorcycle with registration No. 101376 was involved in an accident. The accident occurred on Old Hope Road in the vicinity of Latham Avenue and Seymour Park in the parish of St. Andrew. The accident report indicated that a driver of a 2006 Grey Honda motor car swerved to avoid a ditch and collided with the handle of the motorcycle. The Attorney General's Chamber report indicated negligence on the part of the driver of the private motor vehicle. As a result, AGC is seeking compensation for damages from the insurance company.		
Offence	Motor Vehicle Accident	
SCR Committee Conclusion		
The Committee reviewed all documents submitted and noted that at the time of the accident, the officer was carrying out official duties. Based on the accident report, the officer was not at fault and hence the AGC is seeking compensation for damages from the insurance company. The Committee further deliberated the matter and was satisfied that the information was sufficient to conclude that the matter was not a surchargeable offence given that the officer was not negligent.		
Recommendation	The matter be terminated on the grounds that The AGC Driver was not at fault and the AGC is seeking compensation for damages from the insurance company.	
Status	Resolved	●

Case No.: SRC2021-02

Entity:	Overseas Examination Commission
Surcharge Matter	Financial losses arising from the embezzlement of monies collected by a cashier on behalf of the Overseas Examination Commission's western office located at 18 Queen's Drive in the Parish of St. James.
Audit Report	AuGD's Completion Report – Issued February 11, 2021

Audit Finding	Audit of the Overseas Examinations Commission 2019/20 Financial Statements - Section 3. Embezzlement of cash. The Commission did not implement adequate controls at its western office to prevent and detect fraud. The officer defrauded the entity of \$543,745. The offence resulted in late fees of \$1,169,420.43 paid by the entity, bringing the total loss to the government to \$1,713,165.43.	
Date/Period of Loss	FY 2018/2019	
Value of Loss to date	Outstanding Amount to be Recovered \$1,653,165.43	
Officer(s) alleged to be responsible for the deficiency/loss:	<ul style="list-style-type: none"> • Executive Director • Branch Manager – Western Office 	
An Officer at the Commission’s western office defrauded the entity of \$543,745, paid by students for exams and other fees. The loss was not identified until students complained to the branch about not receiving their exam timetables or replacement certificates. The Commission then incurred penalties, late fees, and other charges when it contacted Caribbean Examinations Council (CXC) to register the students for their exams and make payments for services requested..		
Offence	Failure to recover of the amount loss to the government	
SCR Committee Conclusion		
The Committee is satisfied that the information was sufficient to hold the officers responsible for loss arising from their action and or inaction.		
Failure to recover:		
<ol style="list-style-type: none"> 1. At the time of the Officers’ resignation, the officer had no salary payment due to him. However, the Officer still had vacation leave payments totalling \$148,074.00. Instead of using this amount to offset the loss incurred to the Government, in keeping with the MoFPS Circular No. 14, dated December 2011, only \$40,000.00 was withheld, with the balance of \$64,762.35 paid to the Officer, in breach of the Circular. The Head of the Entity therefore failed to collect monies in full of the Officer’s final payment to maximize recovery of the amount’s loss. 2. A promissory note was done, as a condition to the Officer’s sentence, to collect only the value of monies stolen (\$543,745). Based on the Promissory note, the Officer should have paid a sum \$543,745 in 27 instalments of \$20,000 and one payment of \$3,745 payable no later than the last day of each month commencing November 2019. To date, the entity only collected one payment of \$20,000 in addition to the salary deduction of \$40,000. The Head of the Entity has taken no further action to recover the outstanding balance of \$483,745. 3. No action was taken by the Head of the Entity to ensure that the Officer was also held responsible for the late fees and other charges amounting to \$1,169,420.43 incurred by the Government because of his actions. The current loss exposure to the Government stands at \$1,653,165.43. 		
The Committee concluded that:		
<ol style="list-style-type: none"> a. The Head of the Entity would have failed to ensure the control procedures were followed to safeguard Government funds in the first place. b. The Head of the Entity also failed to ensure the recovery of the full amount of monies lost, in keeping with the MoFPS Circular. c. The Head of the Entity failed to take steps to recover late fees and other charges incurred by the Government because of the Officer’s actions. 		
Recommendation	The matter be reported to the Financial Secretary, in accordance with Section 2 Sub-section 2.6.3 of the FAA Act Financial Instructions for the recovery of the value of loss in accordance with the <i>FAA Act to allow for the recovery of moneys lost or the value of the loss of property or other assets that have been destroyed or stolen as a result of negligence on the part of public officers.</i>	
Date of Auditor General’s Report to Financial Secretary	June 21, 2021	No feedback received from Financial Secretary.
Status	Keep In View	Δ

Case No.: SRC2021-03

Entity:	Jamaica Civil Aviation Authority (JCAA) Limited	
Surcharge Matter	Jamaica Civil Aviation Authority (JCAA) Limited made improper payment to a company.	
Audit Report	The Integrity Commission Special Report of Investigation	
Audit Finding	N/A	
Date/Period of Loss	Precise date undetermined	
Value of Loss to date	\$632,000.00	
Officer(s) alleged to be responsible for the deficiency/loss:	To Be Determined	
<p>The Integrity Commission, in a letter to the Auditor General (dated April 16, 2021), referenced the following findings and conclusions contained in a Special Report of Investigation (March 2021).</p> <ul style="list-style-type: none"> • The Company was contracted by the Jamaica Civil Aviation Authority to prepare a "project costing" for the construction of the new Air Traffic Control Towers, at the SIA and NMIA, but also provided a detailed architectural design, which was outside the scope of the contract. • The JCAA Minutes of the Board of Directors held on January 31, 2007, advised that the Company was paid a sum of \$632,000.00 "for their efforts" with respect to the design of the Air Traffic Control Towers. • Compensation on the basis of 'effort' is neither indicative of prudent financial management of entrusted public funds nor in keeping with the provisions of the Financial Administration and Audit Act (FAAA). <p>Having regards to the foregoing, the Director of Investigation recommended that the matter be examined by the Auditor General with a view to determine whether surcharge procedures should be applied and/or any other actions deemed relevant in the circumstances.</p>		
Status	Under Review	x

Case No.: SRC2021-04

Entity:	The Firearm Licensing Authority (FLA)	
Surcharge Matter	Overpayment	
Audit Report	AuGD's 2019/20 Annual Report (December 2020)	
Audit Finding	FLA paid five former employees more than the amounts ordinarily due	
Date/Period of Loss	May to October 2017	
Value of Loss to date	JM\$8,369,660.94	
Officer(s) alleged to be responsible for the deficiency/loss:	<ol style="list-style-type: none"> 1. Chief Executive Officer 2. Director, Finance and Administration 	
Circumstances leading to deficiency of loss		
<p>The Firearm Licensing Authority (FLA) terminated the employment contracts of four employees and paid them notice pay more than the amounts ordinarily due. The former employees were paid gratuity, however, there was no evidence that a performance evaluation was conducted to justify the amounts paid as required by the employment contracts and Circular No. 15, dated May 8, 2012 (Fixed Term Contract Officers Policy Guidelines), issued by the Ministry of Finance and the Public Service (MoFPS). FLA also paid another former employee notice pay above the contracted amount and gratuity without any evidence of a performance evaluation after the officer resigned in October 2017, giving three months' notice. However, the FLA accepted the officer's resignation with immediate effect and paid him three months' salary, three months' travelling allowance and gratuity up to</p>		

January 19, 2018, despite the officer's contract only providing for one month's notice pay and gratuity based on positive performance evaluations after two years.		
Offence:	Failure to make gratuity payments in keeping with the employees' contracts of employment and the MoFPS Circular No. 15 dated May 8, 2012 (Fixed Term Contract Officers Policy Guidelines).	
SCR Committee Conclusion		
The Committee reviewed all documents submitted and noted that separation payments to the five former FLA employees were not in keeping with the MoFPS Circular No. 15 and resulted in financial loss to GOJ. The SRC concluded that the case under review is a surchargeable offence.		
Recommendation	The matter be reported to the Financial Secretary, in accordance with Section 2.6.3 of the FAA Act Financial Instructions for the recovery of the value of loss in accordance with the provision under Section 20 of the FAA Act to allow for the recovery of monies lost or the value of the loss of property or other assets that have been destroyed or stolen as a result of negligence on the part of public officers.	
Date of Auditor General's Report to Financial Secretary	August 11, 2021	No feedback received from Financial Secretary.
Status	Keep In View	△

Case No.: SRC2021-05

Entity:	Joint Committee for Tertiary Education (JCTE).	
Surcharge Matter	Financial losses arising from lack of governance over the Joint Committee for Tertiary Education (JCTE).	
Audit Report	Issued Audit Report – June 2021	
Audit Finding	MoEYI made payments amounting to \$124,076,382.30 to an entity, which does not have a legal status. The purpose and use of the funds are unknown.	
Date/Period of Loss	April 2017 to December 2019	
Value of Loss to date	\$124,076,382.30	
Officer(s) alleged to be responsible for the deficiency/loss:	<ul style="list-style-type: none"> • Former Permanent Secretary - \$112,836,391.25 • Former Acting Permanent Secretary - \$11,239,991.05 	
<p>The Auditor General's Department (AuGD) initiated a special audit of the JCTE based on an audit of the Caribbean Maritime University (CMU), which identified transactions outside of the normal course of business between the JCTE and the MoEYI. The AuGD requested information from the JCTE to facilitate the audit. The information requested included payment vouchers, cheques, and authority for expenditure to account for the funds received from the MoEYI and other entities. The AuGD's audit exercise was thwarted, given that JCTE refused to submit the requested information. Grace McLean, acting Permanent Secretary in the MoEYI, wrote to the JCTE requesting information on the JCTE's accounts. JCTE responded, by indicating that the JCTE is a private entity, thus not obliged to provide information to the AuGD.</p> <p>MoEYI's response to the Auditor General's Draft Report Point 1 indicated that the "<i>The documents have shown that while the JCTE should have been established under section 6 (2) of the Education Act, this was not fully completed.</i>" This discovery was not made until December 2019 when the request was made by the Auditor for the documentation to be provided. Neither the UCJ nor the Ministry was able to provide full documentation to support a fully constituted JCTE, despite being in operation since 1991. On this basis the MoEYI wrote to JCTE advising that they would have to collect membership fees directly from member institutions as the Ministry would no longer be paying over said funds.</p>		
Offence:	Failure to ensure proper oversight mechanism to monitor JCTE's operation.	

SCR Committee Conclusion		
<p>The Committee reviewed all documents submitted and requested additional documents to support our review. The Committee is satisfied that the information was sufficient to hold the officers responsible for loss arising from their action and or inaction. The payments made were routine, accumulating to \$124,076,382.30.</p> <p>No action was taken by either the former nor acting Permanent Secretary to ensure the payee was fit and proper to receive funds from the MoEYI. The loss exposure to the Government stands at \$217,076,382.30 spanning more than one entity (HEART Trust). The sum directly paid by the MoEYI amounted to \$124,076,382.30. Based on the aforementioned, the SRC concluded that both the former Permanent Secretary, and then acting Permanent Secretary would have failed to ensure that monies were paid to legitimate entity and a proper mechanism exists to account for the funds disbursed to the JCTE.</p>		
Recommendation	<p>The matter be reported to the Financial Secretary, in accordance with Section 2, sub-section 2.6.3 of the FAA Act Financial Instructions for the recovery of the value of loss in accordance with the <i>provision under Section 20 of the FAA Act to allow for the recovery of monies lost or the value of the loss of property or other assets that have been destroyed or stolen as a result of negligence on the part of public officers.</i></p>	
Date of Auditor General's Report to Financial Secretary	October 5, 2021	The Financial Secretary has commenced the process for the imposition of surcharge against both officers for the perceived loss in the amount of \$124,076,382.30 suffered by the Government of Jamaica.
Status	Keep In View	▲

SUMMARY OF AUDIT FINDINGS AGAINST THEMATIC FRAMEWORK

3.2.1. The thematic framework was developed in 2016 following an extensive review of audits conducted over a five-year period, April 2011 to November 2016, to ascertain commonalities in the nature of the issues identified. These issues were grouped into five audit themes and are defined in our Thematic Framework 2016. Currently, the Thematic Framework is being reviewed with the intent of including Service Delivery among the existing five groups. The audit reports contained in this section have been categorised according to these themes, Governance, Project Management, Resource Management, Procurement and Contract Management, and Information Communication Technology.

Key:

Governance	Project Management	Resource Management	Procurement and Contract Management	Information Communication Technology

LIST OF REPORTS AGAINST CORRESPONDING THEMES

Ministries, Departments, Agencies and Projects	G	PM	RM	PCM	ICT
Head 02000: Houses of Parliament					
Head 03000: Office of the Public Defender					
Head 15000: Office of the Prime Minister					
Head 15000: Office of the Prime Minister - National Youth Service					
Head 15000: Office of the Prime Minister - Youth Employment in the Digital and Animation Industries					
Head 15010: Office of the Prime Minister - Jamaica Information Service					
Head 15020: Office of the Prime Minister – Registrar General’s Department					
Head 16000: Office of the Cabinet					
Head 16049: Management Institute for National Development					
Head 17000: Ministry of Tourism - Bath Fountain Hotel & Spa					
Head 17000: Ministry of Tourism - Milk River Hotel & Spa					
Head 19000: Ministry of Economic Growth & Job Creation Development Bank of Jamaica – Boosting Innovation, Growth & Entrepreneurship Ecosystems Project					
Head 19000: Ministry of Economic Growth & Job Creation Development Bank of Jamaica – Credit Enhancement Programme for the Micro, Small and Medium Enterprises (MSMEs) Project					
Head 19000: Ministry of Economic Growth & Job Creation Development Bank of Jamaica – Jamaica Access to Finance for Micro, Small and Medium Enterprises (MSMEs) Project					
Head 19000: Ministry of Economic Growth & Job Creation Development Bank of Jamaica – Jamaica Social Investment Fund, Jamaica Disaster Vulnerability Reduction Project and Jamaica Integrated Community Development Project and Rural Economic Development Initiative					

Ministries, Departments, Agencies and Projects	G	PM	RM	PCM	ICT
Head 19000: Ministry of Economic Growth & Job Creation - Road Maintenance Fund					
Head 19000: Ministry of Economic Growth & Job Creation- Foundations for Competitiveness & Growth Project (FCGP)					
Head 19047: National Land Agency					
Head 19048: National Environment and Planning Agency (NEPA)					
Head 19048: National Environment and Planning Agency (NEPA)- Integrated Management of the Yallahs and Hope River Watershed Project					
Head 19048: National Environment and Planning Agency (NEPA)- Plastic Waste Minimization Project					
Head 19050: National Works Agency					
Head 20000: Ministry of Finance & the Public Service					
Head 20000: Ministry of Finance & the Public Service- Planning Institute of Jamaica					
Head 20000: Ministry of Finance & the Public Service- Provident Fund					
Head 20012: Jamaica Customs Agency (JCA)					
Head 20056: Tax Administration Jamaica (TAJ)					
Head 21046: Ministry of Housing, Urban Renewal, Environment & Climate Change - Forestry Department					
Head 26000: Ministry of National Security- Firearm Licensing Authority					
Head 26000: Ministry of National Security – Police Civilian Oversight Authority					
Head 26000: Ministry of National Security – Private Security Regulation Authority					
Head 28030: Ministry of Justice – Administrator General’s Department					
Head 30000: Ministry of Foreign Affairs & Foreign Trade					
Head 40000: Ministry of Labour & Social Security- Programme for Advancement Through Health & Education- Integrated Support to Jamaica’s Social Protection Strategy (ISJSPS) Project					
Head 40000: Ministry of Labour & Social Security - Jamaica Liaison Service					
Head 41000: Ministry of Education, Youth & Information					
Head 41000: Ministry of Education, Youth & Information- Early Childhood Commission					
Head 41000: Ministry of Education, Youth & Information- National Council on Education					
Head 41000: Ministry of Education, Youth & Information- Overseas Examinations Commissions					
Head 41000: Ministry of Education, Youth & Information- Council of Community Colleges of Jamaica					
Head 41000: Ministry of Education, Youth & Information- Jamaica Library Services					
Head 42000: Ministry of Health & Wellness					
Head 42000: Ministry of Health & Wellness- National Council on Drug Abuse					
Head 46000: Ministry of Culture, Gender, Entertainment & Sport- National Heritage Trust					

Ministries, Departments, Agencies and Projects	G	PM	RM	PCM	ICT
Head 51000: Ministry of Agriculture and Fisheries- Jamaica 4H Clubs					
Head 51000: Ministry of Agriculture and Fisheries- Promoting Community-Based Climate Resilience in the Fisheries Sector Project					
Head 53038: Ministry of Industry, Investment & Commerce- Companies Office of Jamaica					
Head 56000: Ministry of Science, Energy & Technology (MSET)					
Head 56000: Ministry of Science, Energy & Technology- Petroleum Corporation of Jamaica (PCJ)					
Head 56039: Ministry of Science, Energy & Technology - Post & Telecommunications Department					
Head 68000: Ministry of Transport & Mining					

HEAD 02000: HOUSES OF PARLIAMENT

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>Excess Expenditure on Object 23 (Rental of Property and Machinery)</p> <p>3.2.2. The audit of the Appropriation Accounts of the Houses of Parliament (HoP) for the financial year 2017/2018 revealed that there was a breakdown in the HoP's commitment planning and control system resulting in excess expenditure of \$461,882.95 for Rental of Property and Machinery (Object 23). Management has since indicated that, based on the advice of the Ministry of Finance, steps have been taken to include the adjustment in the 2017/2018 Final Supplementary Estimates.</p>	\$461,882.95

HEAD 03000: OFFICE OF THE PUBLIC DEFENDER

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.3. The audit of the financial transactions, accounting, and other operational records of the Office of the Public Defender (OPD) for the 2016/2017, 2017/2018 and 2018/2019 financial years revealed a generally satisfactory state of affairs. However, management was encouraged to strengthen its controls to ensure that all persons employed satisfy the requisite academic criteria outlined in the relevant Job Descriptions.</p>	

HEAD 15000: OFFICE OF THE PRIME MINISTER – NATIONAL YOUTH SERVICE

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.4. During the period under review, I completed the audit of the Financial Statements of the National Youth Service for the financial year 2012/2013. I issued a qualified audit opinion on the Financial Statements because I was unable to obtain sufficient appropriate audit evidence to verify transactions totalling \$58.5 million relating to project and programme expenses, and grants and contributions. Management reported that the relevant supporting documents could not be located. Consequently, I was unable to determine whether this amount represents bona fide transactions or whether any adjustments were necessary. Management subsequently submitted documents to support project and programme expenses totalling \$42.2 million. The balance of \$16.3 million remains unsupported.</p>	\$16.3 Million

HEAD 15000: OFFICE OF THE PRIME MINISTER – YOUTH EMPLOYMENT IN THE DIGITAL AND ANIMATION INDUSTRIES PROJECT

ISSUES/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
<p>3.2.5. The objective of the <i>Youth Employment in the Digital and Animation Industries Project</i> is to support youth employment in the digital and animation industries in Jamaica by fostering youth entrepreneurship in the digital and animation industries and developing the animation industry in Jamaica. The project is funded by a US\$20 million loan from the International Bank for Reconstruction and Development (IBRD) and was scheduled to last for approximately five years and five months with effect from September 3, 2014. However, the project was extended to July 30, 2021.</p> <p>Project targets not achieved as planned</p> <p>3.2.6. The project did not achieve any of the seven planned targets for the period under review, within the originally planned time. Four targets were partially achieved and three were not achieved as at March 31, 2021. Two of the three targets not achieved at the year-end, were subsequently realized in the first quarter of 2021/2022.</p> <p>Non-compliance with Contractual Clauses</p> <p>3.2.7. The Project Steering Committee only met twice during the reporting period instead of at least once per quarter and the Semestral Report for January to June 2021, which was due by the end of August 2021, was not yet finalized. Failure to comply with the provisions of the IBRD loan agreement and policies may result in the IBRD not disbursing additional funds under the project to cover existing obligations. Management indicated that the onset of the COVID-19 pandemic and other competing project priorities contributed to the meetings not being held as required.</p>	

HEAD 15010: OFFICE OF THE PRIME MINISTER - JAMAICA INFORMATION SERVICE

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.8. The audit of the accounting records and financial transactions of the Jamaica Information Service (JIS) for the financial year ended March 31, 2019, revealed a generally satisfactory state of affairs. However, JIS was encouraged to strengthen its controls to ensure that GCT is accurately recorded in its accounts.</p>	N/A

HEAD 15020: OFFICE OF THE PRIME MINISTER – REGISTRAR GENERAL’S DEPARTMENT

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.9. The audit of the accounting records and financial transactions of the Registrar General’s Department (RGD) for the period ended March 31, 2020, disclosed the following:</p> <p>Delay in review of completion of Key Performance Indicators Outcome Report</p> <p>3.2.10. As at October 2021, the RGD owed its employees performance incentives totalling \$135.88 million for financial years 2016/2017, 2017/2018, and 2018/ 2019. Our review revealed that the Agency failed to assess the Key Performance Indicators (KPIs) in a timely manner, to facilitate the payment of incentives to staff within three months after the financial year end, as required by Section 13.1.1 and 13.1.4 of the Financial Instructions to Executive Agencies. We noted that the performance evaluations for the financial years ended March 31, 2017, and 2018 were completed and sent to the Portfolio Ministry in November 2020 for approval, 44 and 32 months, respectively after the statutory deadline.</p> <p>3.2.11. Despite our requests, RGD did not present the KPIs reports for years ended March 31, 2019, and March 31, 2020. RGD’s delay in the assessment of the KPIs have denied stakeholders information to effectively execute its oversight function over the Agency. This also undermines the effective monitoring of the Agency’s performance and affected the budgetary process which may have a financial strain on its limited cash resources. In the absence of immediate action to improve the timely review of the KPIs, there is the likelihood that corrective action by the Financial Secretary may be delayed. RGD acknowledged the delay in the assessment of the KPIs for the stated financial years and indicated that more resources are being employed to ensure finalization and through other avenues such as automation to some processes, easier verification will be achieved, ensuring that this breach is not repeated.</p>	

HEAD 16000: OFFICE OF THE CABINET

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.12. The audit of the Appropriation Accounts of the Office of the Cabinet, Heads 16000 and 16000C, for the 2019/2020 financial year revealed the following area of concern:</p> <p>Overstatement of Expenditure (Capital Head)</p> <p>3.2.13. The Capital expenditure was misstated by \$130,060,040.46 as it included payments totalling \$153,020,040.46 made in financial year 2018/2019 and excluded payments totalling \$22,960,000 for March 2020. The misstatements were due to the</p>	N/A

ISSUES/CONCERNS	FINANCIAL EXPOSURE
processing and issuing of Warrants after payments were made resulting in expenditure not being posted in the period incurred. The Cabinet Office indicated that despite submitting the relevant expenditure reports to the Ministry of Finance on time, the Ministry did not issue the relevant Warrants to facilitate the recording of the expenditure within the applicable financial year.	

HEAD 16049: OFFICE OF THE CABINET - MANAGEMENT INSTITUTE FOR NATIONAL DEVELOPMENT

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.14. The audit of the accounting records and financial transactions of the Management Institute for National Development (MIND) for the financial year 2020/2021 revealed the following area of concern:</p> <p>Inadequate Management of Accounts Receivable</p> <p>3.2.15. MIND has an increased exposure to losses due to substantial accounts receivable, relating to its core services, of approximately \$226.4 million as at March 31, 2021. Of this amount, management made a provision for doubtful debts totalling \$193.32 million. Additionally, the accounts receivable balance included unsupported credit balances totalling \$15.19 million spanning the period 2005 to 2021.</p> <p>3.2.16. MIND indicated that steps have been taken to improve the management of its receivables and the increase in the provision for doubtful debts was as a result of the method of computation used for the period under review. The Agency stated that the provision for doubtful debts totalling \$193.3 million, represents receivables over 365 days and that this provision was made in keeping with the Financial Instructions. MIND also indicated that it has not determined that all of the \$193.3 million is irrecoverable, as included are amounts owed by participants who are pursuing programmes in excess of 365 days.</p>	\$226.4 Million

HEAD 17000: MINISTRY OF TOURISM – BATH FOUNTAIN HOTEL & SPA

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.17. The audit of the Bath Fountain Hotel and Spa revealed a generally satisfactory state of affairs over the management of funds received, payments to suppliers for goods and services, and control over its fixed assets. Any internal weaknesses</p>	N/A

ISSUES/CONCERNS	FINANCIAL EXPOSURE
identified during our review of the Statement of Receipts and Payments of Bath Fountain and Spa were rectified by the entity. We also noted an improvement in the Hotel's corporate governance practices when compared to previous periods.	

HEAD 17000: MINISTRY OF TOURISM – MILK RIVER HOTEL & SPA

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
3.2.18. The audit of the Milk River Hotel and Spa for the period ended March 31, 2021, revealed a generally satisfactory state of affairs over the management of funds received, payments to suppliers for goods and services, and the control over its inventory. Minor weaknesses identified during our review of the Statement of Cash Receipts and Payments were rectified by the management.	N/A

HEAD 19000: MINISTRY OF ECONOMIC GROWTH & JOB CREATION: DEVELOPMENT BANK OF JAMAICA - BOOSTING INNOVATION, GROWTH & ENTREPRENEURSHIP ECOSYSTEMS PROJECT

ISSUES/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
3.2.19. The <i>Boosting Innovation, Growth and Entrepreneurship Ecosystems (BIGEE)</i> Project provides funding to Micro, Small and Medium Enterprises (MSMEs) to promote innovation, productivity, and sustainable growth. The Project is funded by a US\$25 million loan from the Inter-American Development Bank (IDB) and is to be executed over five years from March 2020 to March 2025. The executing agency for this project is the Development Bank of Jamaica.	N/A
3.2.20. The audit of the accounting records and financial transactions of the project for the year ended March 31, 2021, revealed that the project achieved all planned targets for the period. There was general compliance with the significant terms and conditions of the loan agreement and the transactions and related records of the Special Bank Account were found to be generally satisfactory.	

HEAD 19000: MINISTRY OF ECONOMIC GROWTH & JOB CREATION: DEVELOPMENT BANK OF JAMAICA - CREDIT ENHANCEMENT PROGRAMME FOR MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) PROJECT

ISSUES/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
<p>3.2.21. The Credit Enhancement Programme for Micro, Small and Medium Enterprises (MSMEs) Project is a partnership between the Government of Jamaica and the Inter-American Development Bank (IDB). The objective of the Project is to promote productive investments in MSMEs in Jamaica by enhancing their access to financing, particularly medium and long-term loans, through the Development Bank of Jamaica's Credit Enhancement Facility. The Project is financed by a loan of US\$20 million from the IDB and has a period of execution of five years with effect from September 6, 2017. The executing agency for this Project is the Development Bank of Jamaica.</p> <p>3.2.22. The audit of the accounting records and financial transactions of the Project for the year ended March 31, 2021, revealed that the Project achieved all planned targets for the period. There was general compliance with the significant terms and conditions of the loan agreement and the transactions and related records of the Special Bank Account were found to be generally satisfactory.</p>	N/A

HEAD 19000: MINISTRY OF ECONOMIC GROWTH & JOB CREATION: DEVELOPMENT BANK OF JAMAICA - JAMAICA ACCESS TO FINANCE FOR MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) PROJECT

ISSUES/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
<p>3.2.23. The Jamaica Access to Finance for Micro, Small and Medium Enterprises (MSMEs) Project was realized out of the recognition by the Government of Jamaica of the need to improve economic growth and development in Jamaica. The overarching objective of the Project is to improve access to finance for MSMEs. The Project is financed by a loan of US\$15 million from the World Bank and has a period of execution of sixty months with effect from January 1, 2018.</p> <p>3.2.24. The audit of the accounting records and financial transactions of the Project for the year ended March 31, 2021, revealed that there was general compliance with the significant terms and conditions of the loan agreement and the transactions and related records of the Special Bank Account were found to be generally satisfactory. However, the Project only achieved one of the five planned targets for the year due to a reduction in the Project's budget and delays associated with the COVID-19 pandemic.</p>	N/A

ISSUES/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
<p>3.2.25. DBJ indicated that it has highlighted the matter of fiscal space to both the World Bank and the MoFPS and will be having further discussions in the coming months with the aim of getting additional fiscal space in the remaining two years for the project.</p>	

HEAD 19000: MINISTRY OF ECONOMIC GROWTH & JOB CREATION – JAMAICA SOCIAL INVESTMENT FUND (JAMAICA DISASTER VULNERABILITY REDUCTION PROJECT (DVRP); AND JAMAICA INTEGRATED COMMUNITY DEVELOPMENT PROJECT (ICDP) AND RURAL ECONOMIC DEVELOPMENT INITIATIVE (REDI) PROJECT 2021

ISSUES/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
PROCUREMENT AND CONTRACT MANAGEMENT	
<p>Jamaica Disaster Vulnerability Reduction Project</p> <p>3.2.26. The Jamaica Disaster Vulnerability Reduction Project (DVRP) is funded by a US\$30 million loan from the International Bank for Reconstruction and Development (IBRD). The loan of US\$30 million should be disbursed over a period of six years from July 1, 2016, when the loan agreement was signed.</p> <p>3.2.27. The Project seeks to enhance the climate and disaster resilience of key infrastructure assets and Jamaica’s disaster response capacity. The implementation of the project is anticipated to reduce the level of devastation caused by natural hazards, especially on the productive sector of the economy, decrease the recovery period, and eliminate or reduce the need for the GOJ to divert budgetary allocations to directly finance disaster recovery. The outcome of this project is intrinsically linked to Goal four (4) and Outcome fourteen (14) - Hazard Reduction and Adaption to Climate Change of the National Development Plan, Vision 2030 and by extension Sustainable Development Goal (SDG) number thirteen (13) -Climate Action.</p> <p>Jamaica Integrated Community Development Project</p> <p>3.2.28. The Jamaica Integrated Community Development Project (ICDP) is funded by a US\$42 million loan from the International Bank for Reconstruction and Development (IBRD). The loan of US\$42 million should be disbursed over a period of six years from May 6, 2014, when the loan agreement was signed. The World Bank subsequently granted approval for the loan to be extended to May 31, 2021.</p> <p>3.2.29. The objective of the Project is to enhance access to basic urban infrastructure and services and to contribute towards increased community safety in selected</p>	US\$12.35M

ISSUES/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
PROCUREMENT AND CONTRACT MANAGEMENT	
<p>economically vulnerable and socially volatile inner-city communities in Jamaica. The outcome of this project is intrinsically linked to Goal four (4) and Outcome fifteen (15) - Sustainable Urban and Rural Development of the National Development Plan, Vision 2030 and by extension Sustainable Development Goal (SDG) number nine (9) and eleven (11).</p> <p>Rural Economic Development Initiative Project</p> <p>3.2.30. The Rural Economic Development Initiative (REDI) Project is funded by a US\$40 million loan from the International Bank for Reconstruction and Development (IBRD). The loan of US\$40 million should be disbursed over a period of five years from March 3, 2020 when the loan agreement was signed.</p> <p>3.2.31. The Project seeks to enhance access to markets and to climate-resilient approaches for targeted beneficiaries. The implementation of the project is anticipated to promote the development of agricultural and community tourism in rural enterprises and to operate competitively in selected value chains and strengthen the capacity of public entities to provide access to public infrastructure and the services needed to promote inclusive development in rural areas. The outcome of this project is intrinsically linked to Goal one (1) and Outcome fifteen (15) – Sustainable Urban and Rural Development, Vision 2030 and by extension Sustainable Development Goal (SDG) number seventeen (17) -Partnership to Achieve Goal.</p> <p>3.2.32. The audit of the accounting records and financial transactions of the project disclosed the following:</p> <p>Status of Project</p> <p>3.2.33. After five years in the implementation phase of the DVRP, (July 2016) JSIF has advanced works on 15 of the 16 project indicators and utilized \$22.25 million or 81.11 per cent of the loan amount. JSIF indicated that the underutilization of the loan funding is largely due to the complex and/or specialized nature of the projects during the implementation period.</p> <p>Delayed implementation of drainage improvement system</p> <p>3.2.34. Since July 2016, the DVRP Project Team spent US\$9.87 million of the allocated US\$23.61 million (41.8 %) earmarked to mitigate the impact of natural disaster on identified critical facilities and infrastructure improvements. A critical activity under Component 2 of the Loan relates to risk reduction in natural disaster, where infrastructure works were to be conducted to repair poor drainage systems in four major gullies have been in disrepair for a prolong period due to inadequate storm water management system. The gullies are: Big Pond/Myton Gully, Sandy Gully in</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
PROCUREMENT AND CONTRACT MANAGEMENT	
<p>Millsborough, North Gully and Anchovy/Long Hill Gully. JSIF advised that only the Big Pond/Myton Gully was selected for inclusion for work to be done while the other three (3) drainage systems were withdrawn by NWA, prior to project's approval; therefore, JSIF has no responsibility for activities pertaining to these.</p> <p>3.2.35. Our analysis revealed that though the Project commenced July 2016, JSIF had only developed costing totaling US\$8.9 million and expensed US\$0.6 million (6.74 %) for one of the four drainage system.</p> <p>3.2.36. Further, we saw no evidence that JSIF had conducted the relevant preliminary activities such as- feasibility studies, terms of reference, infrastructural designs for the remaining three drainage systems.</p> <p>3.2.37. In response to the issues raised, JSIF explained that of the US\$8.9M originally allocated for drainage, US\$1.5M is allocated for design consultancy (currently underway) for Big Pond/Myton Gully Phases 1, 2 and 3 and the civil works of the Myton Gully Phase 1 drain/bridge (in Procurement). The technical complexity and social impact associated compensation of works on Phases 2 and 3 prevent these from being completed under the project. The balance has therefore been allocated to cover costs for Fire Stations and Coastal Protection.</p> <p>Time overrun on construction of three fire stations</p> <p>3.2.38. We noted that the contracts for the construction of three fire stations had time over-runs spanning 6 to 13 months. JSIF records revealed that the time over-runs were attributed to design errors, revised commencement date of contract, change in scope of projects which resulted in additional costs of \$145.40 million to the original contract sums. The over-run of these contracts may negatively impact the implementation of other key project indicators as sufficient funds may not be available to conduct these activities. JSIF indicated that the unallocated funds (US\$6.4M) from the reduced scope for the Big Pond/Myton Gully drainage system were utilized to cover these increases. Thus, no indicators are negatively affected</p> <p>Recommendations</p> <p>3.2.39. The DVRP and ICDP projects are both intrinsically linked to the mentioned National Development Plan outcome and the SDGs; therefore, management of JSIF should put appropriate measures in place to avoid repetition of the mentioned shortcomings and develop strategies to ensure that the project objectives are achieved within the disbursement period.</p>	

HEAD 19000: MINISTRY OF ECONOMIC GROWTH & JOB CREATION – ROAD MAINTENANCE FUND

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.40. The Road Maintenance Fund (RMF) was established under the Road Maintenance Fund (RMF) Act of 2002 and commenced operation in August 2003. The Fund was setup for the purpose of road maintenance and for matters incidental thereto and connected therewith. The RMF received thirty-three and one third (33$\frac{1}{3}$) percent of the Motor Vehicle Licences Fees paid under the Road Traffic Act to fund its operations. On December 8, 2017, the RMF’s Act was repealed resulting in the cessation of the Fund’s operations.</p> <p>3.2.41. An audit of the accounting records and financial transactions of Road Maintenance Fund (RMF) for the financial period April 2017 to March 2018 revealed the following:</p> <p>Delays in the winding- up the Road Maintenance Fund operations</p> <p>3.2.42. Since March 31, 2018, the Ministry of Economic Growth and Job Creation (MEGJC), has been tasked to implement the closure of the Road Maintenance Fund operations; the MEGJC took more than 3 years to submit the final accounting records for audit scrutiny.</p> <p>3.2.43. In response to our concerns MEGJC advised that a former employee of the Fund who was engaged to conduct the close out activities and prepare the financial statements, resigned before the end of the contract. Subsequently, all accounting records have been updated by another former employee that was engaged and who was actively supervised by the Ministry.</p> <p>3.2.44. At the time of closure, the Fund had liabilities totaling \$449.5 million, which includes outstanding salaries and payroll taxes of \$7 million, a balance of \$442.5 million owing to National Works Agency (for management fees) and other suppliers. At the time of reporting, we were not presented with any evidence that the payroll taxes had been paid over to Tax Administration Jamaica and will therefore continue to accrue interest and penalties, further increasing the liability of the Fund.</p> <p>3.2.45. The MEGJC subsequently advised that they wrote to the MOFPS to request virement of funds, however approval was not granted. The MOFPS instead stated that provision would be included in the Ministry’s Supplementary Estimates. This, however, was not done, but reminder was subsequently sent to the MOFPS.</p> <p>3.2.46. MEGJC tardiness to appropriately manage the winding-up of the Fund’s operation, undermines good public financial management practices and expose the Government of Jamaica to penal interest, undue claims by creditors, thereby increasing the financial risks.</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>Recommendations</p> <p>3.2.47. To mitigate the financial risk to the Fund, MEGJC should without further delay, implement appropriate steps to escalate the winding up of operations and request supplemental funding to settle all the liabilities owed by the Fund.</p>	

HEAD 19000: MINISTRY OF ECONOMIC GROWTH & JOB CREATION – FOUNDATIONS FOR COMPETITIVENESS AND GROWTH PROJECT (FCGP) 2021

ISSUES/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
<p>3.2.48. The Foundations for Competitiveness and Growth Project (FCGP) is jointly funded by the Government of Jamaica (GOJ) and a US\$50 Million World Bank (IBRD) loan. The loan was designated to be disbursed over a six-year period from September 3, 2014. The Project's main objective was to strengthen the business environment in Jamaica for private sector investment.</p> <p>3.2.49. Under the project, both existing and new firms will benefit from streamlined business regulations that save costs and decrease incentives for rent-seeking. Large foreign and domestic investors will benefit from appropriate preparation for Public-Private Partnerships (PPPs), divestments, and other strategic investments that help bring deals to the market.</p> <p>3.2.50. The outcome of this project is fundamentally linked to Goal three (3) and outcome seven (7); a stable Micro-economy of the National Development Plan, Vision 2030 and by extension UN SDGs number nine (9) and eleven (11); Industry, Innovation and Infrastructure and Sustainable Cities and Communities, respectively.</p> <p>3.2.51. The audit of accounting records and financial transactions of the FCGP for the period ended March 31, 2021, revealed that the controls over the administration of fixed assets, cash and bank balances and expenditure were adequate and transactions in all material respect followed the GOJ guidelines and the Loan Agreement.</p> <p>Status of project activities</p> <p>3.2.52. The AuGD noted that as at March 31, 2021, FCGP successfully completed 18 of the 22 project indicators. FCGP records highlighted 8 key activities under the remaining project indicators, which experienced prolonged delays during the implementation period. The delays were attributed to consultants not meeting deadlines and other Government agencies did not complete expected deliverables during the period. Therefore, the Project team sought and received approval for the extension of the project to May 2022 to ensure that the outstanding activities are</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
<p>completed. FCGP has since advised that deliberate strategies have been implemented to complete the remaining project indicators by the end of the revised project implementation date.</p> <p>Recommendation</p> <p>3.2.53. Management was encouraged to closely monitor the strategies implemented with the aim of ensuring the successful execution of the remaining project activities and mitigate the risks that may prevent the achievement of the desired objectives and outcomes.</p>	

HEAD 19047: NATIONAL LAND AGENCY

ISSUE/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.54. The audit of the National Land Agency (NLA) Financial Statements for the period April 1, 2011, to March 31, 2019, disclosed the following matters of concerns:</p> <p>Poor management over accounting and financial operational processes</p> <p>3.2.55. The management of the NLA is responsible for the fair presentation of the Financial Statements, and as such have a duty to implement effective systems of internal controls over the financial and operational processes of the Agency. However, we found a general lack of supervisory review of the NLA's accounting and financial processes, which has resulted in unreconciled account balances for the period under review. This resulted in the draft Financial Statements containing numerous errors. As such, the Financial Statements were returned to the NLA for correction in February 2021, but to date, the corrected statements have not been submitted.</p> <p>3.2.56. NLA has since indicated that the Final Accounts Unit is faced with chronic staffing challenges as such, additional staff was engaged on a temporary basis to assist in completing the Financial Statements.</p> <p>Delay in reconciliation of bank accounts</p> <p>3.2.57. We noted that NLA has made strides in reconciling its Estate Management (EMD) accounts up to August 2021. However, there is need to ensure that bank reconciliation statements are prepared monthly, to minimize the risk of undetected errors and irregularities in its banking transactions. This is in a context where the March 2012 reconciliation statements for three bank accounts were prepared, December 2019, ninety-one months after the prescribed timeframe for preparation. GoJ guidelines stipulates that bank account should be reconciled monthly.</p>	\$333.20 Million

ISSUE/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>Long outstanding accounts receivables and advances</p> <p>3.2.58. NLA did not have an effective system in place to reduce the risk of financial loss arising from uncollected revenue. Accordingly, NLA had receivables/uncollected debt of approximately \$26.77 million, that remained outstanding for up to seven years. Additionally, we identified variances of \$3.4 million between the accounting records and financial statements, for the periods under review.</p> <p>3.2.59. We saw no evidence that NLA’s receivable/debt collection management was guided by a collection policy. Further, in keeping with the accounting standards, we found no evidence that NLA conducted periodic assessment to determine the collectability of these outstanding amounts. As a result of NLA’s tardiness there were uncleared advances for up to seven years with a remaining balance of \$21.03 million at March 2019. Also, NLA did not obtain the requisite supporting documents to clear staff advances totalling \$69.21 million as at March 2019.</p> <p>3.2.60. In response to this concern, NLA advised that several of these advances relate to imprests for ongoing projects that will have to remain open until the Projects are completed. However, NLA did not present the requested information to validate this representation.</p> <p>3.2.61. In the context where these advances have been outstanding for over seven years, and the requisite documents to substantiate the clearance were not obtained, we were unable to determine whether the amounts advanced were used for the intended purposes.</p> <p>3.2.62. This breakdown in NLA’s control environment over the management of public resources exposes the Agency to financial losses and erroneous financial information to its stakeholders.</p> <p>3.2.63. NLA accepts that there are weaknesses and advised that the Agency has begun the process of conducting a thorough review of its accounting and financial operations with the intention of correcting past error/deficiencies and preventing any further departure from established procedures.</p> <p>Recommendation</p> <p>3.2.64. Management was advised to undertake a thorough review of NLA accounting and financial operational processes with the aim of implementing proper system of control that will ensure accurate and timely preparation of the Financial Statements and accounting records.</p>	<p>\$117.01 Million</p>

HEAD 19048: MINISTRY OF ECONOMIC GROWTH & JOB CREATION - NATIONAL ENVIRONMENT AND PLANNING AGENCY (NEPA)

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.65. The audit of the NEPA's 2017/18 financial statements revealed the following:</p> <p>Delays in reconciling bank accounts</p> <p>3.2.66. Section 6.8 of the Financial Instructions stipulates that MDAs should conduct monthly reconciliation of official bank accounts, within 15 days of the following month. However, we found that contrary to this requirement, NEPA delayed the preparation of bank reconciliation statements for seven of its bank accounts for periods, ranging from 15 to 170 days after the required deadlines. NEPA was not able to provide a reasonable explanation for the breakdown in this key internal control feature. NEPA's failure to perform monthly reconciliation of its bank accounts, increases the risks of financial losses as management will not be able to promptly identify and correct accounting and bank errors/irregularities.</p> <p>3.2.67. NEPA advised that corrective action has been taken to improve compliance with the statutory requirements. In addition, ongoing monitoring supported by internal audit reviews, have been implemented.</p>	
<p>Long outstanding permit fees not collected since 2011</p> <p>3.2.68. Our review of NEPA's records revealed that 480 companies failed to pay a total of \$63.44 million in permit fees between the periods 2011 to 2016. At the time of reporting, NEPA did not provide such evidence to indicate whether the permits were granted to these companies. Despite, recommendations to NEPA in previous audit reports that research should be conducted to assess the collectability of these invoices and where necessary take the appropriate steps to get approval from the Ministry of Finance to have balances written off in keeping with Section 7.7 of the Financial Instructions, this matter is unresolved. As such, the absence of a robust collection strategy heightens the risk of bad debts that could negatively impact the Agency's cash flow condition.</p> <p>3.2.69. Subsequent to our report, NEPA advised us that these invoices are deemed uncollectable, and as such, the Agency has made full provision for these since financial year 2016/2017 and has proceeded to implement write off procedures. Also, procedures are being implemented to improve controls and collection activities.</p>	<p>\$63 million</p>

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>Unidentified deposits remained uncleared for a protracted period</p> <p>3.2.70. NEPA's records showed that customers lodged payments, amounting \$7.90 million to the Agency's bank accounts for the period April 2014 to March 2018. However, at the time of the audit, the deposits and purpose for which the amounts were lodged remained unidentified. Further, and we did not see where NEPA took steps to identify deposits to the Natural Resources Conservation Authority's Fees Bank Account, which may be earmarked to carry out environmental projects. This breakdown in procedures could adversely impact the implementation delays or cancellation of environmental projects if allowed to continue for the foreseeable future. Additionally, unidentified deposits may represent amounts paid for permits that were not brought to account and remain a liability against the customers' accounts.</p> <p>3.2.71. NEPA has since advised that steps have been taken to determine the source of these funds. This has yielded limited success. Further, NEPA agreed to develop a policy and implement procedures that will allow timely allocation of these payments to prevent perpetual accumulation.</p>	\$7.9 Million
<p>Recommendations</p> <p>3.2.72. Management should invest in capacity development initiative for the current accounting staff to effectively manage the accounting functions of the Agency whilst ensuring that NEPA meets its reporting deadlines.</p> <p>3.2.73. Additionally, management should take the necessary action to identify and allocate the unidentified deposits to the Natural Resources Conservation Authority's (NRCA) fees. Also, consideration should be given for the implementation of a policy to guide debt collection and for dealing with unidentified deposits, going forward.</p>	

HEAD 19048: NATIONAL ENVIRONMENT AND PLANNING AGENCY (NEPA) – INTEGRATED MANAGEMENT OF THE YALLAHS AND HOPE RIVER WATERSHED PROJECT

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.74. The Integrated Management of the Yallahs and Hope River Watershed Management Area project is jointly funded through a grant from the Global Environment Fund (GEF), local co-financing and contributions from the beneficiaries. The project aims to improve the conservation and management of biodiversity and the provision of ecosystem services in the Yallahs and Hope River Watershed</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>Management area. This was a sector-wide programme, implemented over a six-year period from October 1, 2014, to October 31, 2020.</p> <p>3.2.75. The implementation of this project supports Outcome 13 of the National Development Plan Vision 2030-Sustainable Management and Use of Environmental and Natural Resources. The outcome of the project is more directly aligned to the National Strategy to: Develop and implement mechanisms for biodiversity conservation and ecosystems management. If this project is successfully implemented, NEPA will also satisfy Goals 6¹ and 15² of the UN SDGs.</p> <p>3.2.76. The audit of the accounting records and financial transactions of the Integrated Management of the Yallahs and Hope River Watershed Management Area for the financial period 2020/2021 revealed the following:</p> <p>Loss of Grant funding</p> <p>3.2.77. At the end of the disbursement period, October 2020 the Project drew down and expended US\$3.68 million or 94 per cent of the US\$3.9 million Grant funds available under the agreement with the Inter-American Development Bank: while completing the 33 re-scoped planned targets. Our review of NEPA’s Final Project Evaluation report disclosed weaknesses in the execution of Project activities as follows:</p> <ul style="list-style-type: none"> I. Limited familiarity with project design documents that should have provided guidance and direction for the implementation. II. Inadequacies in the development of TORs which limited the quality and extent of deliverables and outputs. III. Weak project management, monitoring and evaluation expertise for a complex, multi-stakeholder, multi-agency co-ordinated project and staff turnover. <p>3.2.78. Notwithstanding, in previous audit reports we recommended that the Agency should put in place, suitable strategies to prevent the loss of grant funding, this risk was manifested as, NEPA was not able to utilize US\$224,618 at the end of the Project disbursement period, October 31, 2020.</p> <p>3.2.79. Management indicated that the multiple challenges faced throughout the implementation of the project and that the underutilization of the grant funding was largely due to a restructuring exercise that saw the reshaping of its governance structure, re-engagement with major partners and stakeholders and a change in the personnel that formed the Project Executing Unit.</p> <p>3.2.80. NEPA advised that at the start of the 2020/2021 financial year, the project team recognized the potential grant savings and took action to reduce the risk of losing funds. The project partners were engaged with a view to identify areas for</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>expenditure that were in alignment with the overall programme logic and objective. However only three of the five proposals put forward were supported by the donor.</p> <p>Recommendations</p> <p>3.2.81. NEPA was advised to carry out a detailed review of the Final Project Evaluation report and identify the capacity issues in the PEU and other factors that impacted the timely execution of Projects. This with a view to implement strategies that will ensure project staff are technically equipped to successfully execute future projects.</p>	

HEAD 19048: NATIONAL ENVIRONMENT AND PLANNING AGENCY – PLASTIC WASTE MINIMIZATION PROJECT

ISSUES/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
<p>3.2.82. The Plastic Waste Minimization Project was implemented to enhance the legislative framework in Jamaica to support the development and implementation of a national waste management system, to reduce marine litter from plastics generated from land-based activities. The Project is a US\$372,728 grant funding Programme between the United Nations Environment Programme (UNEP) to be initially executed over eighteen months from July 2018 to December 2019. However, the UNEP granted an extension of an additional eighteen months up to June 30, 2021, to complete Project activities.</p> <p>3.2.83. The Plastic Waste Minimization Project is linked to the Outcome -13 (Sustainable management and use of Environmental) and, 14 (Natural resources and Hazard risk reduction and adaptation to climate change) of the Vision 2030 Jamaica National Development Plan and UN SDGs number 6, 11 and 13; Clean water and sanitation, Sustainable cities and communities and Climate action., respectively of the United Nation SDGs.</p> <p>3.2.84. The audit of the accounting records and financial transactions of the Plastic Waste Minimization Project for the period ended January 31, 2021, revealed the following:</p> <p>Project Accomplishment</p> <p>3.2.85. At the date of reporting, the Plastic Waste Minimization Project team completed 13 of the 14 targets, while expending US\$289,916 of the US\$372,728 grant funding. Our review revealed that NEPA signed a grant agreement with United</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
<p>Nations Environment Programme (UNEP) on July 9, 2018, to develop initiatives to minimize plastic waste. Key among the objectives were to enhance the legislative framework in Jamaica to support the development and implementation of a national sustainable consumption and production programme. In addition, the programme aimed to reduce marine litter for plastics generated from land-based activities. However, we noted that the project commenced nine months after the scheduled start date. NEPA attributed the delay in commencement of the Project to the late receipt of funds in January 2019, six months after the grant agreement was signed, which impacted the engagement of key project personnel.</p> <p>3.2.86. We noted that NEPA cancelled the procurement activity to develop a National Sustainable Consumption and Production Strategy Action Plan, as the bids received were 700 per cent higher than budget. NEPA did not indicate when this important activity that should guide the GoJ's plastic waste management would be completed. The cancelled procurement activity resulted in unspent grant funding of US\$82,804 at the end of the Project and the absence of a National Sustainable Consumption and Production Strategy Action Plan. As such, the GoJ will have to source additional funding to complete this Plan which NEPA advised will be implemented in the upcoming financial year in the work programme of the Environmental Management Conservation Division.</p> <p>3.2.87. NEPA advised that one of the project deliverables was to revise Jamaica's comprehensive Integrated Waste Management Strategy and Action Plan, prepared by the Planning Institute of Jamaica; but following the Integrated Waste Management Policy Dialogue session, it was agreed that the country would stand to benefit more from an integrated waste management policy as opposed to conducting a revision of the action plan, which was thought to be comprehensive and still relevant. However, the development of the proposed integrated waste management policy fell outside of the scope of the project.</p>	

HEAD 19050: MINISTRY OF ECONOMIC GROWTH & JOB CREATION - NATIONAL WORKS AGENCY (NWA)

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>Inadequate Management of Accounts Receivables led to Uncollected monies totalling \$380.26 million</p> <p>3.2.88. The audit of the accounting records and financial transactions of the NWA –for the financial year 2019/2020 revealed that the Agency had receivables for</p>	<p>\$380.26 Million</p>

ISSUES/CONCERNS	FINANCIAL EXPOSURE
<p>its core services of approximately \$380.26 million, that remain uncollected from 2002 to 2019. Of this amount, \$365.69 million was owed by Government Ministries and Departments and \$14.57 million owed by private entities. We believe that long outstanding Receivable balances become increasingly difficult to collect with the passage of time and will impact negatively on the Agency's cash flow requirements.</p> <p>3.2.89. NWA acknowledged that the collection of Management Fees owed by the Parent Ministry is sometimes deferred or delayed facilitating completion of projects; especially where this action will not involve any hardship to the Agency.</p> <p>The following observations were made:</p> <p>Private entities failed to pay for lab testing totaling \$14.57 million</p> <p>3.2.90. The NWA provided lab testing for private entities. However, in comparison to other Government Agencies, it is not the practice of the Agency to bill the private entities and collect the fees prior to conducting the testing. By not collecting the fees in advance, this practice would have heightened the risk of uncollected revenue, resulting in \$14.57 million in unpaid invoices for a period spanning 18 years.</p> <p>3.2.91. The NWA in its December 2021 response indicated that, "in the past the Agency had a difficulty in recovering payment for services disputed by Private Entities. However, this challenge no longer pertains. Since fiscal year 2016/17, the Agency has adopted a cash on delivery payment system to collect for this activity."</p> <p>Non-payment of inspection fees by MDAs</p> <p>3.2.92. NWA is mandated to inspect all government owned vehicles. However, the MDAs owed the Agency approximately \$64.68 million for inspection of motor vehicles, testing and evaluations since 2010. NWA has since advised us that the Agency has challenges in settling outstanding fees from MDAs due largely to the exigencies of government financing. As a part of the Public Service, the Agency is sensitive to the realities of its public clients and Government-to-Government Business. Notwithstanding, the Agency does actively pursue payment by routinely sending out Statement of Accounts and demand letters to delinquent MDAs.</p> <p>Uncollected Management Fees for closed projects</p> <p>3.2.93. Our review disclosed that the Accounts Receivables included management fees for 24 projects valuing \$180.66 million that have been completed since 2010. We saw no evidence that the Agency has communicated with the Ministry of Finance to ascertain how the amount will be settled.</p> <p>3.2.94. NWA advised that the issue of uncollected management fees for closed projects remains an area of active consideration. As such, the Agency has made adequate provision in accounts for doubtful debts.</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE
<p>Long outstanding amounts owed to contractors</p> <p>3.2.95. At March 31, 2020, NWA owed 1,024 contractors approximately \$234.3 million for road works and road maintenance completed during the financial years 2001/02 to 2017/18. NWA reported that the amounts represented outstanding retention held to cover the defective liabilities period of various contracts, managed for its clients. Further to that, management indicated that if the defective liability period had expired and the contractor failed to rectify work done, the Agency should utilize the retained funds to make the necessary corrections. However, we saw no evidence that NWA has followed due process to ensure that outstanding issues were rectified, and steps taken to settle the obligations with the contractors.</p> <p>3.2.96. NWA was advised to implement adequate systems that will ensure timely collection of the long outstanding aged Receivables and payments of contractors' liabilities.</p>	<p>\$234.3 Million</p>

HEAD 20000: MINISTRY OF FINANCE & THE PUBLIC SERVICE

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.97. The audit of the Ministry of Finance and the Public Service (MoFPS) revealed the following:</p> <p>Regulatory breach in the submission of Appropriation Accounts</p> <p>3.2.98. Section 24 (l) of the FAA Act, requires accounting officers to prepare and submit to the Minister and the Auditor General, within four months after the end of the financial year, the financial statements under their control. However, we found that the MoFPS took 25 months after the statutory deadline to submit the 2017/18 Recurrent Appropriation account. Additionally, up to the time of reporting, the Recurrent and Capital Appropriation Accounts for the FYs 2018/19 to 2020/21 with approved budget allocation of \$207.247 billion remain outstanding (See table below). By not submitting the Appropriation Accounts within the stipulated timeline, stakeholders are denied pertinent information to effectively assess the MoFPS's stewardship over the implementation of the approved budgets for the respective periods.</p>	

3.2.99. The MoFPS acknowledged the findings and advised that steps have been taken to complete and submit the outstanding accounts. The MoFPS proffered that the 2018/19 and the 2019/20 Appropriation Accounts for the Recurrent and Capital Heads are currently being verified by the Ministry's Internal Auditors. Also, the 2020/21 Appropriation Accounts for both Heads are currently being finalized to be submitted to Internal Audit early in the 4th Quarter of 2021/22.

3.2.100. The MoFPS further advised that more detailed quarterly analysis of the expenditure statements for all Heads is being performed to reduce preparation time for the Appropriation Accounts after the end of the financial year.

Head 20000 – Outstanding Appropriation Accounts

FY	Approved Budget (\$)'000	Capital A \$'000	Capital B \$'000	Capital C \$'000	Total budget allocation \$'000
2018/19	56,167,512	3,008,930	2,066,166	N/A	61,242,608
2019/20	62,287,861	N/A	N/A	5,705,678	67,993,539
2020/21	74,583,090	N/A	N/A	3,428,153	78,011,243
Total	193,038,463	3,008,930	2,066,166		207,247,390

HEAD 20000: MINISTRY OF FINANCE & THE PUBLIC SERVICE – NATIONAL EXPORT-IMPORT BANK OF JAMAICA (EXIM BANK), COVID-19 GRANT

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>Fifty-three (53) percent of applicants qualified for COVID-19 Tourism Grant</p> <p>3.2.101. The audit revealed that only 85 or approximately 53 percent of the 160 applicants qualified for a benefit under the programme.</p> <p>3.2.102. The EXIM Bank had recommended 87 applicants for awards totalling \$273,135,683.30. However, our review revealed that two of the 87 recommended applicants were ineligible because they did not achieve the minimum financial feasibility score as required by the financial feasibility requirement/criteria. We also identified computational errors relating to nine of the recommended applicants. The EXIM Bank subsequently adjusted its recommendation for awards to 85 applicants totalling \$266,125,680.64, a reduction of \$7,010,002.66.</p> <p>3.2.103. The grants were disbursed to all eligible applicants between March 15, 2021, and June 22, 2021.</p>	N/A

HEAD 20000: MINISTRY OF FINANCE & THE PUBLIC SERVICE – PLANNING INSTITUTE OF JAMAICA, IMPROVING CLIMATE DATA AND INFORMATION MANAGEMENT PROJECT

ISSUES/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
<p>3.2.104. The objective of the Improving Climate Data and Information Management Project (ICDIMP) is to improve the quality and use of climate data for effective planning and action at the local and national levels. The project is funded by a grant of US\$6.8 million from the International Bank for Reconstruction and Development and was estimated to last for approximately five years from October 2, 2015. However, the project has been extended to April 30, 2022. The Planning Institute of Jamaica (PIOJ) is the executing entity, but it collaborates with other government agencies to implement the various project components.</p> <p>3.2.105. The audit of the accounting records and financial transactions of the ICDIMP for the financial year ended March 31, 2021, revealed that the project did not achieve seven of the twenty-two planned targets for the period. Management subsequently indicated that two of the outstanding targets were achieved after the year-end, while the remaining five were in progress. Four of the five targets in progress were delayed as a result of the impact of the COVID-19 pandemic.</p>	N/A

HEAD 20000: MINISTRY OF FINANCE & THE PUBLIC SERVICE – PROVIDENT FUND

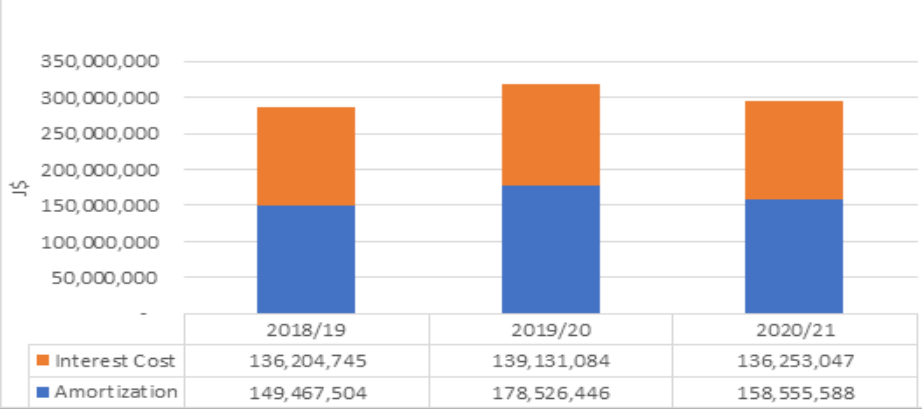
ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>Closure of the Provident Fund</p> <p>3.2.106. The audit of the accounting records and financial transactions of Provident Fund for the 2019/2020 financial year disclosed that the administration of the accounting transactions was executed in a satisfactory manner during the period.</p> <p>3.2.107. Importantly, we verified that the procedures in discontinuing the operation of the Provident Fund was satisfactorily implemented and liquid assets totalling \$162.8 million were transferred to the Consolidated Fund in accordance with the procedures for the closure of Fund and instructions for the repeal of the Provident Fund Act.</p>	N/A

HEAD 20012: MINISTRY OF FINANCE AND THE PUBLIC SERVICE - JAMAICA CUSTOMS AGENCY

ISSUES/CONCERNS	FINANCIAL EXPOSURE
CORPORATE GOVERNANCE	
<p>3.2.108. The audit of JCA’s financial statements for the period ended March 31, 2017, revealed the following:</p> <p>Weaknesses over the preparation of Financial Statements resulted in misstatements</p> <p>3.2.109. Our review revealed delays in the reconciliation of account balances, unrecorded liabilities, failure to correctly classify financial transactions and weaknesses identified such as the timely reviews of key accounts by senior officers. Additionally, the audit revealed that improvement is needed in the controls over the management of inventory to ensure the timely recording of movements in inventory items and to prevent undetected pilferages and financial losses. JCA concurs with this finding as there existed deficiencies with the timely update of requisitions in the accounting system (ACCPAC system) due to staffing challenges. This challenge has been remedied and requisitions are being done real time, interim stock counts of specific items to closely monitor inventory items and monthly reconciliations of the sub and general ledgers are being done.</p>	N/A

HEAD 20000: MINISTRY OF FINANCE AND THE PUBLIC SERVICE –PUBLIC DEBT AMORTISATION AND INTEREST CHARGES (HEADS: 200A, 2018, 20017, 20018)

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.110. The audit of the Appropriation Accounts of the Public Debt Amortisation and Interest Charges for the financial years 2015/16 - 2017/2018 revealed the following:</p> <p>Regulatory breach in the submission of the Appropriation Accounts</p> <p>3.2.111. The Accountant General’s Department (AcGD) breached Section 70 (a) of the Financial Management Regulations and Section 8.17.2 of the Financial Instructions by either not submitting or submitting late, Appropriation Accounts for the Public Debt Interest and Public Debt Amortisation. At the time of reporting, the Appropriation Accounts for financial years 2018/19 to 2020/21 for Public Debt Interest and Public Debt Amortisation with approved budget of \$898 billion were not submitted. Also, Appropriation Accounts for the FY 2015/2016 to FY2017/2018 with approved budget allocation totalling \$1.074 billion were submitted up to 4 years after the statutory deadline. In the context where 26 per cent of the National Budget was allocated to Public Debt for the FY 2017/18, the AcGD’s failure to submit the Appropriation</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE												
RESOURCE MANAGEMENT													
<p>Accounts prevented the timely assessment on the implementation of the Public Debt budget.</p> <p>3.2.112. Management has since advised that the 2018/19 and 2019/20 appropriation accounts are currently with the internal audit unit and will submit these as soon as the process is completed. The 2020/21 appropriation accounts are being prepared and will be sent to internal audit by the beginning of the fourth quarter of FY2021/22. AcGD further indicated that going forward, the procedure for preparing and analysing the expenditure report, has been strengthened to reduce the preparation for the appropriation accounts.</p> <p>Figure 3: Outstanding Submission of Appropriation Accounts for Public Debt ('000)</p>  <table border="1" data-bbox="207 1081 1123 1180"> <thead> <tr> <th></th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> </tr> </thead> <tbody> <tr> <td>Interest Cost</td> <td>136,204,745</td> <td>139,131,084</td> <td>136,253,047</td> </tr> <tr> <td>Amortization</td> <td>149,467,504</td> <td>178,526,446</td> <td>158,555,588</td> </tr> </tbody> </table> <p>Due date to submit to the Auditor General's Department is July 31 each year.</p> <p>**Submissions delayed by 2 years 4 months (2018/19); 1 year 4 months (2019/20; 4 months (2020/21)</p>		2018/19	2019/20	2020/21	Interest Cost	136,204,745	139,131,084	136,253,047	Amortization	149,467,504	178,526,446	158,555,588	
	2018/19	2019/20	2020/21										
Interest Cost	136,204,745	139,131,084	136,253,047										
Amortization	149,467,504	178,526,446	158,555,588										
<p>Over-expenditure on 46 activities totalled \$15.709 billion.</p> <p>3.2.113. A breakdown in the AcDG's commitment planning and control system and its failure to adhere to the guidelines of Section 3.7 of the Financial Instructions resulted in excess expenditure of \$11.379 billion on eighteen (18) activities for financial years 2015/2016, to 2017/2018 on the Public Debt Amortised Appropriation Accounts. Similarly, the Public Debt Interest Appropriation Accounts for financial years 2015/2016 to 2017/ 2018 disclosed over-expenditure of \$4.330 billion under twenty-eight (28) activities. Though the approved vote on each Head was not exceeded, over-expenditure on the various projects/activities on the Appropriation Accounts heighten the risk of reduced amounts available for other planned priority activities of the GoJ. See figure 2 below.</p>	<p>\$15.709 billion</p>												

ISSUES/CONCERNS	FINANCIAL EXPOSURE																																
RESOURCE MANAGEMENT																																	
<p>3.2.114. In response to this concern AcGD advised that the commitment control feature on GFMS has been implemented. This will mitigate over expenditure at the activity level and facilitate the timely engagement of the virement approval process.</p> <p>See figure 4 below:</p> <p>Figure 4: Over Expenditure of 46 Activities for FY 2015/16 to 2017/18</p> <div style="display: flex; justify-content: space-around;"> <div style="width: 45%;"> <p style="text-align: center;">Interest Cost</p> <table border="1"> <thead> <tr> <th></th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> </tr> </thead> <tbody> <tr> <td>Revised Estimates</td> <td>21,414,388,000.0</td> <td>64,827,373,000.0</td> <td>15,233,293,000.0</td> </tr> <tr> <td>Total Expenditure</td> <td>22,043,744,142.4</td> <td>67,954,296,999.7</td> <td>15,806,546,857.9</td> </tr> <tr> <td>Variance</td> <td>-629,356,142.4</td> <td>-3,126,923,999.7</td> <td>-573,253,857.9</td> </tr> </tbody> </table> </div> <div style="width: 45%;"> <p style="text-align: center;">Amortization</p> <table border="1"> <thead> <tr> <th></th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> </tr> </thead> <tbody> <tr> <td>Revised Estimates</td> <td>13,415,342,000.0</td> <td>23,852,528,000.0</td> <td>99,205,549,000.0</td> </tr> <tr> <td>Total Expenditure</td> <td>13,772,463,462.4</td> <td>26,409,990,363.0</td> <td>107,670,751,102.4</td> </tr> <tr> <td>Variance</td> <td>-357,121,462.4</td> <td>-2,557,462,363.0</td> <td>-8,465,202,102.4</td> </tr> </tbody> </table> </div> </div> <p>Source Public Debt Amortisation and Interest Appropriation accounts</p>		2015/16	2016/17	2017/18	Revised Estimates	21,414,388,000.0	64,827,373,000.0	15,233,293,000.0	Total Expenditure	22,043,744,142.4	67,954,296,999.7	15,806,546,857.9	Variance	-629,356,142.4	-3,126,923,999.7	-573,253,857.9		2015/16	2016/17	2017/18	Revised Estimates	13,415,342,000.0	23,852,528,000.0	99,205,549,000.0	Total Expenditure	13,772,463,462.4	26,409,990,363.0	107,670,751,102.4	Variance	-357,121,462.4	-2,557,462,363.0	-8,465,202,102.4	
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HEAD 20056: MINISTRY OF FINANCE AND THE PUBLIC SERVICE - TAX ADMINISTRATION JAMAICA (TAJ)

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.115. The audit of TAJ's accounting records and financial transactions revealed the following:</p> <p>Payment on expired contracts totalling \$327.91 million</p> <p>3.2.116. Despite being the subject of the 2018/2019 audit report and TAJ's assurance that the arrangement for courier and security services would have been regularized in a contractual arrangement, TAJ is yet to have a valid contract in place. Consequently, for the FY's 2019/20 and 2020/21, TAJ paid \$171.825 million and \$156.087 million, respectively for courier and security services despite not having formal contracts in place. The absence of a formal arrangement with the security services provider poses both financial, safety and security risks for TAJ, who may not be able to hold the service providers accountable in the event of non-performance of service or for sub-standard service.</p> <p>3.2.117. We noted that TAJ in 2020, after commencing the procurement process, cancelled this activity for both the courier and security services. TAJ advised that this became necessary, as the bank outsourced the counting and verification of lodgements to the same courier firm that submitted a bid. Having sought and received the advice</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>of the MoFPS regarding the courier service, TAJ indicated that they would retender the process in November 2021.</p> <p>3.2.118. TAJ acknowledged the findings and advised us that steps are being taken to ensure that contracts are in place for the two services to start the financial year 2022/2023.</p> <p>Delay in Reconciliation of Bank Accounts</p> <p>3.2.119. TAJ was not consistently performing the required monthly reconciliation of its bank accounts in accordance with the financial Instructions. We noted that TAJ took as much as 191 days and 148 days, respectively to prepare and review the bank reconciliation statements for the nine banks accounts that were in operation.</p> <p>3.2.120. Additionally, our review of the last bank reconciliation statements showed erroneous debits and credits totalling \$13 billion and \$39.8 million for the FY 2020/21. These unreconciled items represented potential revenue not properly brought to account.</p> <p>3.2.121. TAJ advised that the delay in the preparation of the bank reconciliation statements was mainly due to high staff turnover in the bank reconciliation unit and gave the assurance that all bank reconciliation statements would be brought up to date by October 31, 2021, with the reclassification of the staff positions to improve staff retention.</p> <p>3.2.122. Subsequent to the audit, TAJ advised that they have commenced direct communication with the management of the bank to resolve the erroneous amounts on the bank statements and implemented a new method of processing direct bank debit, which requires the taxpayer to provide information such as name and tax registration number (TRN), thereby enabling TAJ to link the taxpayer to the payment.</p> <p>3.2.123. TAJ also advised us of the engagement of a consultant to review the operations of the Revenue Accounts Unit and the Administration of Online payment systems, given the increasing shift to online transactions being experienced. Also, a committee has been established to oversee the progress of implementation of strategies employed to address the issue of unidentified deposits and erroneous debits.</p> <p>Poor maintenance of Deposit Accounts</p> <p>3.2.124. Our review of deposits revealed that while there was some improvement in the maintenance of the deposit accounts, these were not significant enough to result in reliability of the deposit account balances being reported. We noted that the Deposit account showed debit/overdrawn balances totalling \$1.3 million and credit balances</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>totalling \$68.61 million. However, we could not place reliance on these balances as, TAJ did not carry forward closing balances totalling \$14.91 million to the F/Y 2019/2020.</p> <p>3.2.125. Also, the deposit sub-ledger accounts were not updated to reflect the correct year of origin, resulting in all the deposit accounts showing date of origin as 2019/2020. Accordingly, TAJ would not be able to identify those deposit accounts carrying balances in excess of six years and would require them to be deposited to the Consolidated Fund.</p> <p>3.2.126. Our audit also revealed that in breach of established accounting practice and procedures, TAJ failed to record deposit vouchers to the Government Financial Management System (GFMIS) in a timely manner. For the F/Y 2019/2020, TAJ took between 32 to 56 days to record transactions, whilst for the F/Y 2020/2021 the Agency took as much as 88 days to record transactions to the GFMIS.</p> <p>3.2.127. The weaknesses identified in the maintenance of the deposit accounts was caused by TAJ's failure to implement an effective monitoring and accountability system over the deposits. This could result in the misuse of funds, overdrawn and fraudulent activities on the accounts.</p> <p>3.2.128. TAJ advised us that by December 31, 2021, the deposit accounts would be updated, and a standard operating procedure would be developed to guide staff. TAJ further advised that they are in a transitional period where they are moving from the manual deposit to the electronic ledger system.</p> <p>Extent of overpayment of salaries not reported while recoveries total \$19.27 million</p> <p>3.2.129. Our review of TAJ's records showed recoveries of salary overpayment, totalling \$10.82 million and \$8.45 million for the financial year 2019/2020 and 2020/2021, respectively. However, despite our requests, TAJ did not submit for audit scrutiny, the schedule of the total overpayments for the financial years. Consequently, we were unable to ascertain the extent of the salaries overpaid for the respective financial years and assess the efficiency of the recoveries.</p> <p>3.2.130. We also found no evidence that the overpayments were reported internally to management or externally to the Accountant General, the Financial Secretary and the Auditor General as required under Section 5.13.18 of the Financial Instructions. Given that neither TAJ's management nor the AuGD was provided with the total salary overpayments for the FY's 2019/2020 and 2020/2021, there is little assurance that full and timely recoveries are being made.</p> <p>3.2.131. Overpayment in compensation runs contrary to the focus and efforts of the GoJ to effectively manage the public sector wage bill. In the absence of controls to ensure the accuracy of the salaries being paid within the stipulated threshold, there is the likelihood of continued overpayments being made.</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.132. TAJ subsequently advised that, moving forward, the Director of payroll will provide a monthly update to the Chief Financial Officer by way of an overpayment recovery schedule which will ultimately be provided in the Finance and Accounts branch report.</p> <p>3.2.133. TAJ accepted the findings and advised us that all overpayments will be investigated, and appropriate action taken. Reports of salary overpayments made will be sent to the Accountant General, Auditor General and Financial secretary where those instances occur. However, up to the time of reporting TAJ had not submitted the schedules of overpayment for 2018/19 and 2019/20 by December 10, 2021, as promised.</p> <p>Recommendations</p> <p>3.2.134. We encouraged TAJ to re-assess the risk assessment indicators with a view to implement and realign internal controls with the areas of highest risks along with a monitoring plan. This would prevent continued non-compliance in the various activities.</p> <p>3.2.135. As a principal receiver of revenue for the GoJ, TAJ should increase its efforts to formalize contractual arrangements for the courier and security to secure the quality and condition of service it requires.</p> <p>3.2.136. TAJ should also implement controls to prevent recurrence of overpayment in compensation, and these should include timely preparation and accurate review of the payroll information along with prompt communication between Human Resource Management and Salaries Unit.</p>	

HEAD 21046: MINISTRY OF HOUSING, URBAN RENEWAL, ENVIRONMENT & CLIMATE CHANGE - FORESTRY DEPARTMENT

ISSUES/CONCERNS	FINANCIAL EXPOSURE
CORPORATE GOVERNANCE	
<p>3.2.137. During the period under review, I completed the audit of the Financial Statements of the Forestry Department for the financial year 2016/2017. I issued a qualified audit opinion on the Financial Statements because I was unable to determine whether the carrying value of biological assets totalling \$162.38 million was fairly presented as the valuation was outdated and management did not provide sufficient and appropriate evidence to support this value.</p>	\$162.38 Million

ISSUES/CONCERNS	FINANCIAL EXPOSURE
<p>3.2.138. The Agency indicated that it is cognizant of this audit risk, and it has engaged the Executive Agencies Monitoring Unit of the MoFPS in discussions for a revision of the existing policy for reporting biological assets as without this revision, the Agency's financial statements will continue to be qualified.</p>	

HEAD 26000: MINISTRY OF NATIONAL SECURITY – FIREARM LICENSING AUTHORITY

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.139. The audit of the Firearm Licensing Authority (FLA) for the financial year 2018/2019 revealed the following areas of concern:</p> <p>Gratuity payments not subject to income tax</p> <p>3.2.140. In January 2003, the Interpretations, Rulings & Opinions Committee of the former Taxpayer Audit and Assessment Department (now Tax Administration Jamaica) issued the following ruling on the tax implications of gratuity payments based on advice from the Attorney General:</p> <ul style="list-style-type: none"> • If the lump sum payments are made by a government entity or statutory body, which receives its source of income solely from the Consolidated Fund, then these payments would not be subject to taxation in accordance with Section 5(1)(c)(iv)(A) of the Income Tax Act. • If the lump sum payments are payable out of a public fund or account designated thus by the Minister, and this source represents the sole source of funding of the entity or body under consideration, then such payments would not be subject to taxation. • If a government entity or statutory body whose source of funding is not limited to that from the Consolidated Fund made a lump sum payment, then this payment would be subject to income tax. <p>3.2.141. Gratuity paid to seven officers during the period under review was not subject to income tax in keeping with the Income Tax Act and related guidelines as the FLA's main source of income is from licence and related fees and not the Consolidated Fund. This has resulted in overpayments totalling \$1.05 million.</p> <p>Non-compliance with Fixed Term Contract Officer Policy Guidelines</p> <p>3.2.142. The FLA is exposed to the risk of incurring additional termination costs if the CEO's contract is terminated prematurely because the termination clause detailed in his contract is not in keeping with the <i>Fixed Term Contract Officers Policy Guidelines</i> issued by the Ministry of Finance. The termination clause in the CEO's five-year contract dated April 29, 2020, states that "either party may terminate this Agreement by giving to the other two (2) months' notice in writing. Termination by the Firearm</p>	<p>N/A</p>

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p><i>Licensing Authority before completion of the contract period shall be accompanied by payment of gross salary for the remaining period of the contract but not exceeding two and one half (2 1/2) year's gross salary, plus prorated gratuity". This provision represents a material deviation from Section 8(i) of the Fixed Term Contract Officers Policy Guidelines and requires the MoFPS approval. However, FLA did not obtain the requisite approval from the Ministry of Finance. This matter will be referred to the MoFPS for review.</i></p> <p>Breakdown in the FLA's recruitment process</p> <p>3.2.143. There was a breakdown in the FLA's recruitment process that led to the employment of an individual who may be deemed unsuitable given the sensitivity of the Authority's operations. The FLA engaged a driver in June 2017 despite the individual failing the requisite background check and no vacant driver positions were available on the Authority's Establishment.</p>	

HEAD 26000: MINISTRY OF NATIONAL SECURITY – POLICE CIVILIAN OVERSIGHT AUTHORITY (PCOA)

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.144. The audit of PCOA 2018/19 Financial Statements revealed the following:</p> <p>Weak strategic oversight of PCOA's financial management</p> <p>3.2.145. It was not the practice of PCOA to prepare and submit monthly financial reports to the Board of Directors, to aid the Directors in providing strategic oversight in monitoring the implementation of the Authority's approved budget and financial operations. Our review disclosed that during the financial year 2018/2019, PCOA received funding of \$49.1 million from the Ministry of National Security to carry out its operations. However, the Authority did not maintain proper accounting records to capture monthly transactions and to reconcile budget disbursements by the Ministry of National Security. Consequently, the accounting records presented for audit scrutiny were materially misstated by \$16.11 million.</p> <p>3.2.146. The weak oversight was exacerbated given that the PCOA's operations were not subjected to an internal audit within the last 12 years. The last internal audit by the Ministry of National Security was, 2008. The Board's failure to request monthly financial statements and ensure that PCOA's internal control is effective, represents a breakdown in the monitoring arrangements under the GoJ's Corporate Governance Framework.</p>	<p>\$16.11 million</p>

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.147. Subsequent to our report PCOA advised us that they met with the Ministry of National Security to develop and agree on protocols that will allow for the timely provision of monthly financial statements, to facilitate proper and timely reconciliation of accounts.</p> <p>Recommendations</p> <p>3.2.148. PCOA should in the short term, implement proper systems to improve the reporting requirement over its financial management. We believe the monitoring arrangement could be strengthened with the establishment of a Finance Committee, which would benefit the Board in carrying out its fiduciary and oversight responsibility and to promote good governance.</p>	

HEAD 26000: MINISTRY OF NATIONAL SECURITY – PRIVATE SECURITY REGULATION AUTHORITY

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.149. The audit of the Private Security Regulation Authority for the financial year 2018/2019 revealed a generally satisfactory state of affairs. However, improvement was needed in the management of staff loans to ensure adherence to the Authority's loan policy.</p>	N/A

HEAD 28030: MINISTRY OF JUSTICE - ADMINISTRATOR GENERAL'S DEPARTMENT (AdGD)

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.150. Our review of the financial statements of the AdGD for the year ended March 31, 2020, revealed a generally satisfactory state of affairs. The few weaknesses identified were brought to management's attention and the Agency has since taken steps to address the issues.</p>	N/A

HEAD 30000: MINISTRY OF FOREIGN AFFAIRS & FOREIGN TRADE

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.150. During the period under review, I completed the audits of the Appropriation Accounts of the Ministry of Foreign Affairs and Foreign Trade (MFAFT) for the financial years 2017/2018 and 2018/2019. The audits revealed the following areas of concern:</p> <p>Excess Expenditure</p> <p>Appropriation Accounts – 2017/2018</p> <p>3.2.151. I issued a qualified audit opinion on the Appropriation Accounts for 2017/2018 because the Ministry's overall expenditure for the year exceeded its voted provision by \$65,284,740.70. MFAFT indicated that the excess incurred in 2017/2018 was due to the fact that majority of the Ministry's commitments were in foreign currency to facilitate the operations of the overseas missions and contributions to regional and international organizations. However, there was no space in the budget to absorb additional expenditure arising from exchange rate fluctuations.</p>	\$65.28 Million
<p>Appropriation Accounts – 2018/2019</p> <p>3.2.152. The Ministry breached the Financial Instructions by exceeding its approved budget in 18 instances at the Object level totalling \$193,892,900.04 without the approval of the Permanent Secretary or the Ministry of Finance, as required by existing guidelines. The MFAFT did not present any Virement approving the reallocation of funds to cover these excesses. This includes excesses on <i>Object 21 (Compensation of Employees)</i> and <i>Object 23 (Rental of Property and Machinery)</i> of \$5,400,970.73 and \$15,804,488.30, respectively.</p> <p>3.2.153. MFAFT indicated that the absence of the relevant Virements approving the reallocation of funds to cover the excesses in 2018/2019 was due to the fact that, during that period, the Finance and Accounts Department was operating significantly below capacity resulting in the Ministry's financial statements falling into arrears and negatively impacting the ability to review, monitor and adequately manage the commitment control process, including the ability to assess Virement requirements.</p>	\$193.89 Million

HEAD 40000: MINISTRY OF LABOUR & SOCIAL SECURITY – PROGRAMME FOR ADVANCEMENT THROUGH HEALTH AND EDUCATION INTEGRATED SUPPORT TO JAMAICA'S SOCIAL PROTECTION STRATEGY (ISJSPS) PROJECT

ISSUE/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
<p>3.2.154. The Integrated Support to Jamaica's Social Protection Strategy (ISJSPS) Project is funded by a US\$50 million loan from the Inter-American Development Bank</p>	

ISSUE/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
<p>(IDB) and counterpart funding provided by the Government of Jamaica. The loan of US\$50 million should be disbursed over a four-year period from November 25, 2015.</p> <p>3.2.155. The objective of the Project is to support consumption, protect and promote the human capital accumulation of the Programme for Advancement Through Health and Education (PATH) beneficiaries, and strengthen the overall capacity of the Ministry of Labour and Social Security (MLSS) to improve quality and access to the network of social services provided by the Ministry to the poor and vulnerable population.</p> <p>3.2.156. The objectives of this Project are intrinsically linked to Vision 2030 Jamaica National Development Plan Goal number 1 outcome 3- Effective Social Protection and Goal 4 of the UN SDGs.</p> <p>3.2.157. The audit of the Programme for Advancement Through Health and Education Integrated Support to Jamaica’s Social Protection Strategy (ISJSPS) disclosed the following:</p>	
<p>Project achievements</p> <p>3.2.158. As at March 31, 2021, PATH implemented all forty-six activities planned under the Project. However, due to the Covid19 pandemic, the Project sought and received approval for an additional 11 months (October 31, 2021) to complete the five outstanding activities. These are: the Financial System Review and Upgrade (BMIS and Bank Reconciliation System); implementation of the Voice Over Internet Protocol (VOIP) for the MLSS’ client management system; the customer service centre upgrade; purchase of wellness kits for the elderly and the Tracer Study on PATH beneficiaries. We also noted that beneficiaries received financial support amounting to US\$84 million to cushion the effects of the Covid19 pandemic on the vulnerable. The health and educational conditionalities were also waived to curtail the spread of the pandemic.</p> <p>3.2.159. Subsequent to our report, management advised that the Tracer Study is completed; ii) VOIP is being rolled out; iii) the procurement of Wellness Kits was completed; iv) Goods were being acquired from various suppliers; and v) Customer Service Upgrade was 90 per cent complete.</p> <p>Weaknesses in the maintenance of beneficiary records and database</p> <p>3.2.160. From our sample selection, we were unable to determine whether all the beneficiaries in receipt of a cash grant satisfied the compliance criteria under the programme as, PATH did not present for audit scrutiny, 9 of the 31 files requested. Of the 22 files reviewed, we noted that pertinent information and documents to determine the eligibility of the beneficiaries were not enclosed. The absence of formal</p>	

ISSUE/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
<p>approved standard operation procedures for maintaining beneficiary files may have been one of the contributory factors for this inconsistency.</p> <p>3.2.170. Additionally, from our review of the PATH's beneficiary database and documentations it was not evident, the last time a robust review was conducted on the database to update the records on beneficiaries who are no longer eligible to receive benefits. PATH's failure to conduct periodic review of the beneficiary database and documentation increases the risk of fraudulent and erroneous payments. This risk was manifested as, from our review of the health and education grant payments, we found 4 beneficiaries with two family member identification number receiving overpayments of \$137,200. We verified that the weaknesses identified persisted in December 2021.</p> <p>3.2.171. Further, we noted that there were inefficiencies in the beneficiary records management system where PATH in response to our concern indicated that "information collected from PATH applicants is data entered into the BMIS at the point of application. Manual files are then prepared and maintained to complement the electronic application. The manual filing systems maintained at the Parish level is behind the electronic application process owing to limited clerical support".</p> <p>3.2.172. PATH's operation of parallel systems not only heightens the propensity for errors, which are exhibited in the findings reported herein, but also resulted in duplication of efforts that is counterproductive in the context where there are resource constraints.</p> <p>3.2.173. MLSS advised that the process of reviewing the PATH beneficiary database is ongoing. Since 2017, families on PATH are required to reapply to the programme after 4 years of participation to determine continued eligibility. This revision saw the termination of payment to some 8,000 families (approximately 40,000 beneficiaries). Also, the MOEYI has provided updates for approximately 35,000 students who have been used to update the BMIS. The four beneficiaries who received duplicate payments were terminated.</p>	
<p>Delayed Resolution of Bank Reconciling Items</p> <p>3.2.174. At the time of reporting, we noted that three of PATH's bank reconciliation statements contained uncleared reconciling items totaling J\$35.1 million, some from as far back as 2006. This represents net debits of J\$19.40 million. PATH advised that the financial institutions were informed of the perennial issues, but yet to investigate and resolve the errors. However, PATH is likely to be exposed to financial loss if the bank fails to make the necessary adjustments.</p> <p>3.2.175. The Ministry advised us that they continue to dialogue with the Bank for the speedy and timely clearance of these matters and subsequent to the Audit Report, the bank cleared an additional \$9.7 million of the total unreconciled debits.</p>	<p>\$35.1 Million</p>

HEAD 40000: MINISTRY OF LABOUR & SOCIAL SECURITY – JAMAICA LIAISON SERVICE

ISSUES/CONCERNS	FINANCIAL EXPOSURE
CORPORATE GOVERNANCE	
<p>3.2.176. The audit of the financial records and transactions of the Jamaica Liaison Service (JLS) for the FY 2018/19 revealed that while there was a general satisfactory state of affairs over the financial transactions, there was still need for the strengthening of internal controls over the management of leave, motor vehicle loans and writing off of assets to minimize the risk of inconsistencies in the approval and administration process as well as, exposure to financial losses. There is also urgent need for a review of JLS’s governance structure to improve transparency and accountability, as outlined below:</p> <p>3.2.177. In our performance audit of the JLS, tabled in Parliament in January 2017, we identified weak governance practices whereby the Permanent Secretary in the Ministry of Labour and Social Security (MLSS) performed the administrative role as Chairman of Management Committee (MC) of JLS, a department of the MLSS, which heightens the risk of oversight impairment owing to duplicity of roles of the Permanent Secretary. For instance, we noted decisions made by the Permanent Secretary without any deliberation or subsequent ratification by the full MC. Further, the MC did not have a formal reporting structure, to allow for independent oversight in the context where the PS is also the Chairman of the MC.</p> <p>3.2.178. In December 2021, MLSS responded that the governance concerns expressed by the AuGD have been noted and the Ministry has taken steps to review the current structure and arrangements for the JLS. The steps taken are efforts to ‘regularise’ the JLS’s operations in Canada and to strengthen the governance arrangements. The assistance of the Ministry of Finance and Planning and the Ministry of Foreign Affairs were sought. Phase 1 of the work by the MOFPS, which involved an organizational review and prior options, was completed. The report will be submitted to the Cabinet for a decision on the next steps.</p> <p>The MC failed to convene regular meetings to review performance and set the strategic direction of the JLS</p> <p>3.2.179. During the 2018/19 period, the Chairman of JLS only convened two meeting. As a result, JLS’ Management Committee formal reporting thereof to the portfolio minister was curtailed. To its credit, the MC in its Minutes of October 2018 indicated that the CLO should have submitted the Operational Plan and Annual budget by December 2018. However, the CLO did not submit the Operational Plan for the FY 2019/20 to the MC for review and approval and we found no evidence of follow-up action by the MC to ensure that the requisite documents were submitted. As such, the MC would not be in a position to assess whether JLS’ activities were in keeping with GOJ strategic priorities, resources were adequate and efficiently allocated to achieve the desired performance targets.</p> <p>3.2.180. Further, the MC would not be able to evaluate the CLO’s performance in the absence of the requisite Operational Plan; this in the context where key targets to</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE
CORPORATE GOVERNANCE	
<p>grow the Seasonal Agricultural Workers Programme (SAWP) by 10 percent annually was not achieved and the planned marketing strategy was not developed in 2017/2018.</p> <p>Recommendations</p> <p>3.2.181. JLS should strengthen the internal controls in the areas highlighted to minimize the risks as well as, to ensure compliance with the GoJ guidelines.</p> <p>3.2.182. The corporate governance landscape has undergone a number of changes over the past decade, as such we encourage those charged with governance to review JLS's corporate governance arrangement to ensure alignment with the GoJ's CGF and current best practices, so that the JLS may remain relevant and sustainable. We posit that the review should include amongst other things, ensuring that the MC report on the JLS's performance, roles and responsibilities are clearly defined, and decisions requiring the approval of the Management Committee are so referred and documented in the Minutes of meetings.</p>	

HEAD 41000: MINISTRY OF EDUCATION, YOUTH & INFORMATION

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.183. An audit of the accounting records and financial transactions of the Ministry of Education Youth and Information (MoEYI) disclosed the following:</p> <p>Regulatory breach in the preparation of the Appropriation Accounts to report on stewardship over the use of public funds.</p> <p>3.2.184. Whereas MoEYI presented the Appropriation Accounts for 2019/20, MoEYI has not presented the Appropriation Accounts for the seven-year period 2012-13 to 2018-19. The approved budgetary allocations for MoEYI over that period amounted to \$642.6 billion (table 11). MoEYI's failure to submit the Appropriation Accounts prevented the independent assessment by the Auditor General. The Parliament, through the Auditor General's report on the Appropriation Accounts of MoEYI, has been denied the opportunity to assess MoEYI's stewardship over the use of public resources. Seven years of outstanding Appropriation Accounts revealed a systemic breakdown in accountability, heightening the risk of breaches of the FAA Act and Regulations governing the management and use of budgetary resources. This risk has materialized in the audit of the Appropriation Accounts for 2019/20. We found evidence of several instances in which MoEYI breached the Financial Administration Audit (FAA) Act Instructions.</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE																																								
RESOURCE MANAGEMENT																																									
<p>MoEYI runs the risk of falling victim to fraud, unauthorized withdrawals, and significant bank errors because of its failure to timely prepare its bank reconciliation statements.</p> <p>3.2.185. Bank reconciliation is one of the most important components of an effective system of internal control and is necessary in preventing and detecting fraud and helps to identify accounting and bank errors. However, we noted that MoEYI has not consistently reconciled the bank accounts for teachers' salary, general salary, and deposit accounts over the period 2012/13 to 2020/21 (Table 10). We also noted that MoEYI, for example, reconciled these bank accounts in the financial year 2018/19, without reconciling the previous years, which was inconsistent with good accounting practices, MoFPS Circular and FAA Act^[1]. As such, we could not place reliance on the reported bank balances in the reconciliation statements. The absence of monthly reconciliation would have also exposed the MoEYI to irregularities as demonstrated by the \$30.0 million fraud that occurred on the teacher's salary bank account between June 2017 and August 2018.</p> <p>3.2.186. Further, despite requests, MoEYI has not provided a full list of the bank accounts it maintained for the financial year 2019/20. MoEYI submitted a list of only six bank accounts and presented the related bank reconciliation statements. Of note, these bank reconciliation statements prepared, reviewed and signed-off on the same date, July 13, 2021, during the period of the audit.</p> <p>Table 10 - Status of Reconciliation for three (3) bank accounts</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">FY</th> <th style="text-align: center;">Deposit Account</th> <th style="text-align: center;">General Salary</th> <th style="text-align: center;">Teacher's Salary</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2012/13</td> <td style="text-align: center;">Unreconciled</td> <td style="text-align: center;">Reconciled</td> <td style="text-align: center;">Reconciled</td> </tr> <tr> <td style="text-align: center;">2013/14</td> <td style="text-align: center;">Unreconciled</td> <td style="text-align: center;">Unreconciled as at June 2013</td> <td style="text-align: center;">Unreconciled as at July 2013</td> </tr> <tr> <td style="text-align: center;">2014/15</td> <td style="text-align: center;">Reconciled</td> <td style="text-align: center;">Unreconciled</td> <td style="text-align: center;">Unreconciled</td> </tr> <tr> <td style="text-align: center;">2015/16</td> <td style="text-align: center;">Reconciled</td> <td style="text-align: center;">Unreconciled</td> <td style="text-align: center;">Unreconciled</td> </tr> <tr> <td style="text-align: center;">2016/17</td> <td style="text-align: center;">Unreconciled</td> <td style="text-align: center;">Unreconciled</td> <td style="text-align: center;">Unreconciled</td> </tr> <tr> <td style="text-align: center;">2017/18</td> <td style="text-align: center;">Unreconciled</td> <td style="text-align: center;">Unreconciled</td> <td style="text-align: center;">Unreconciled</td> </tr> <tr> <td style="text-align: center;">2018/19</td> <td style="text-align: center;">Reconciled</td> <td style="text-align: center;">Reconciled</td> <td style="text-align: center;">Reconciled</td> </tr> <tr> <td style="text-align: center;">2019/20</td> <td style="text-align: center;">Reconciled</td> <td style="text-align: center;">Reconciled</td> <td style="text-align: center;">Reconciled</td> </tr> <tr> <td style="text-align: center;">2020/21</td> <td style="text-align: center;">Reconciled as at Sep 2021</td> <td style="text-align: center;">Reconciled as at Sep 2021</td> <td style="text-align: center;">Reconciled as at Sep 2021</td> </tr> </tbody> </table>	FY	Deposit Account	General Salary	Teacher's Salary	2012/13	Unreconciled	Reconciled	Reconciled	2013/14	Unreconciled	Unreconciled as at June 2013	Unreconciled as at July 2013	2014/15	Reconciled	Unreconciled	Unreconciled	2015/16	Reconciled	Unreconciled	Unreconciled	2016/17	Unreconciled	Unreconciled	Unreconciled	2017/18	Unreconciled	Unreconciled	Unreconciled	2018/19	Reconciled	Reconciled	Reconciled	2019/20	Reconciled	Reconciled	Reconciled	2020/21	Reconciled as at Sep 2021	Reconciled as at Sep 2021	Reconciled as at Sep 2021	
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^[1] The Ministry of Finance and Planning Circular 22 dated November 13, 2003, states that the late preparation of bank reconciliation statements undermines the effective management of the bank account while the absence of the reconciliation impinges on the integrity and accuracy of the accounts. Also, section 5.5.10 of the FAA Act Instructions stipulates that bank accounts should be reconciled monthly and at the end of the financial year.

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.187. The MoEYI acknowledged that the bank reconciliations were not previously being done monthly. The Ministry stated that bank reconciliation systems have not been functional and after several attempts made to have the matter resolved a decision was taken to do the reconciliations manually. Additionally, since July 2021 they have started the printing and sign-off the reconciliations on monthly basis.</p> <p>Weaknesses in the payments process</p> <p>3.2.188. We noted that recurrent payment vouchers with expenditure totalling \$904.8 million were either misclassified, had no supporting documents or information relating to their classification.</p> <p>3.2.189. Contributing to this deficiency were internal control weaknesses such as preparation of payment vouchers across different operational units and the use of incorrect payment voucher forms, which does not capture the level of accounting details in alignment with the changes in the GoJ accounting system^[2].</p> <p>3.2.190. The MoEYI responded that an assessment of the payment system in other MDAs of similar undertaking will be done to determine how the payment process is handled by the various units across their system and if appropriate, changes will be made to create more efficiencies in the administration of the payment processes. Also, the requisite training/upskilling and re-sensitization for individuals preparing the vouchers will be done and supporting documents will be attached to the journal and payment vouchers.</p> <p>3.2.191. Additionally, the MoEYI acknowledged the weaknesses in payment processes and advised that since September 2021 all subvention payment vouchers are accompanied by supporting documentation for approval.</p> <p>MoEYI had 407 deposit accounts reflecting debit balances totalling \$1.354 billion, indicating the MoEYI is paying out more than they received^[3], which was a result of deficiencies within the Accounts Unit.</p> <p>3.2.192. We found that the MoEYI did not assign an officer to monitor the management of the deposit accounts as required by the FAA Instructions. The lack of proper management of the deposit accounts exposes MoEYI to misappropriation,</p>	

^[2] Section 8.15.1 (iii) of the FAA Instructions require MDAs use the standard voucher forms established by the GoJ.

^[3] Deposit account are monies held by MDAs for payment to a third party or for purposes stipulated by the depositor or for any other purposes prescribed by law or by the Financial Secretary.

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>financial loss, and the use of funds outside the GoJ's established budgetary control procedures.</p> <p>Weaknesses in the management of fixed assets.</p> <p>3.2.193. Our review of the Appropriation Accounts disclosed that the MoEYI purchased fixed assets totalling \$963.537 million for the financial year 2019/20. However, MoEYI did not maintain the requisite master inventory for all assets under its control. Further, the MoEYI was not faithfully maintaining the records as it did not contain the stipulated information such as the number of assets, suppliers, cost, and acquisition date.</p> <p>3.2.194. The MoEYI advised that presently, there is only one officer assigned to manage fixed assets in the Ministry. In recognition of this weakness, a proposed structure was developed to expand the staffing for Asset Management. A submission was already made to the MoFPS for this revised structure, and we are currently awaiting approval.</p> <p>Weaknesses in Contracts Management</p> <p>3.2.195. Our audit revealed that the MoEYI did not faithfully maintain the contract register. From our sample, we found that nine contracts valuing \$355.093 million were not included in the contracts register. Additionally, MoEYI did not submit project reports for three contracts valuing \$25.260 million.</p> <p>3.2.196. We found that five of the nine contracts reviewed with a value of \$82,930 million did not meet the contract completion date. These contracts should have been completed in the FY 2019/2020 but were still incomplete as at March 31, 2021. However, the MOEYI submitted no evidence that approval was obtained from the Permanent Secretary for the extensions or imposition of the contract provision relating to time overrun.</p> <p>3.2.197. The MoEYI advised that a directive has been given for a centralized contract register to be created by December 31, 2021, and that a comprehensive review of the contract files will be done in order to provide the documentation for the actual completion dates and any extensions, where applicable.</p> <p>Recommendations</p> <p>3.2.198. The MoEYI was advised to conduct a comprehensive review of its internal control and financial reporting mechanisms and implement strong controls that will ensure compliance with the regulations.</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE																																																						
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<p>3.2.199. In response to our recommendations, MoEYI further advised that a comprehensive review of the internal controls systems, financial and operations records will be done with a view to strengthen the areas as well as to hold the desk functionaries accountable for their areas of responsibility in the accounting process. In addition, a directive has been given to the Principal Finance Officer to immediately commence a review of the existing SOPs in alignment with the GoJ Accounting Handbook, GFMIS manual, FAA Act Instructions, GoJ Chart of Accounts and Circulars issued from time to time and submit these for approval by December 31, 2021.</p> <p>Table 11</p> <p>Outstanding Appropriation Accounts and Approved Budget</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Financial Year</th> <th>Recurrent \$'000</th> <th>Capital A \$'000</th> <th>Capital B \$'000</th> <th>Capital C \$'000</th> <th>Total \$'000</th> </tr> </thead> <tbody> <tr> <td>2020/21</td> <td>110,053,814</td> <td>-</td> <td>-</td> <td>633,292</td> <td>110,687,106</td> </tr> <tr> <td>2017/18</td> <td>97,029,734</td> <td>1,027,478</td> <td>938,205</td> <td>-</td> <td>98,995,417</td> </tr> <tr> <td>2016/17</td> <td>91,736,047</td> <td>1,050,909</td> <td>1,547,266</td> <td>-</td> <td>94,334,222</td> </tr> <tr> <td>2015/16</td> <td>85,388,936</td> <td>525,560</td> <td>1,787,923</td> <td>-</td> <td>87,702,419</td> </tr> <tr> <td>2014/15</td> <td>81,859,742</td> <td>537,000</td> <td>1,406,814</td> <td>-</td> <td>83,803,556</td> </tr> <tr> <td>2013/14</td> <td>84,011,316</td> <td>1,510,518</td> <td>216,000</td> <td>-</td> <td>85,737,834</td> </tr> <tr> <td>2012/13</td> <td>79,155,517</td> <td>1,711,094</td> <td>497,217</td> <td>-</td> <td>81,363,828</td> </tr> <tr> <td>Total</td> <td>629,235,106</td> <td>6,362,559</td> <td>6,393,425</td> <td>633,292</td> <td>642,624,382</td> </tr> </tbody> </table>	Financial Year	Recurrent \$'000	Capital A \$'000	Capital B \$'000	Capital C \$'000	Total \$'000	2020/21	110,053,814	-	-	633,292	110,687,106	2017/18	97,029,734	1,027,478	938,205	-	98,995,417	2016/17	91,736,047	1,050,909	1,547,266	-	94,334,222	2015/16	85,388,936	525,560	1,787,923	-	87,702,419	2014/15	81,859,742	537,000	1,406,814	-	83,803,556	2013/14	84,011,316	1,510,518	216,000	-	85,737,834	2012/13	79,155,517	1,711,094	497,217	-	81,363,828	Total	629,235,106	6,362,559	6,393,425	633,292	642,624,382	
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HEAD 41000: MINISTRY OF EDUCATION, YOUTH & INFORMATION – EARLY CHILDHOOD COMMISSION

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.200. The audit of the accounting records and financial transactions of the Early Childhood Commission (ECC) for the financial year 2019/2020 revealed the following areas of concern:</p>	\$36.2 Million

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>Long outstanding overpayment to Early Childhood Practitioners</p> <p>3.2.201. The Commission has an increased exposure to losses because unrecovered overpayments relating to Early Childhood Practitioners increased by approximately \$3.3 million as at March 31, 2020, moving from approximately \$32.9 million at the end of financial year 2018/2019 to approximately \$36.2 million at the end of 2019/2020. This issue, which was the subject of previous audit reports, is primarily due to weaknesses in the controls over the payment of subsidies to Early Childhood Practitioners resulting in the continued payment of some Practitioners after they have separated from the Early Childhood Institutions. Additionally, the ECC did not have an effective system in place to ensure that an annual assessment is done of its accounts receivable to determine if the balances were impaired as required by International Public Sector Accounting Standard (IPSAS) 41.</p> <p>3.2.202. The Commission indicated that steps have been taken to strengthen its controls, however, its approved budget for travel expenses is insufficient, resulting in visits to Early Childhood Institutions not being conducted with the required frequency. This led to delays in removing Early Childhood Practitioners from the payroll.</p>	
<p>Long outstanding unidentified deposits</p> <p>3.2.203. There was an increased risk of material misstatements in the ECC's Financial Statements due to the absence of an effective system to reconcile unidentified deposits in a timely manner. Unidentified deposits increased by approximately \$1.2 million, moving from \$15.4 million in 2018/2019 to \$16.6 million as at March 31, 2020. The ECC has since indicated that efforts are currently underway to reconcile existing unidentified deposits.</p>	\$16.6 Million

HEAD 41000: MINISTRY OF EDUCATION, YOUTH & INFORMATION – NATIONAL COUNCIL ON EDUCATION

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.204. During the period under review, I completed the audit of the 2017/2018 Financial Statements of the National Council on Education (NCE). The Financial Statements gave a true and fair view of the financial position of the NCE as at the end of the financial year and of its financial performance, and its cash flows in accordance with International Public Sector Accounting Standards.</p>	N/A

HEAD 41000: MINISTRY OF EDUCATION, YOUTH & INFORMATION – OVERSEAS EXAMINATIONS COMMISSION

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.205. The audit of the accounting records and financial transactions of the Overseas Examinations Commission (OEC) for the 2019/2020 financial year revealed the following areas of concern:</p> <p>Non-compliance with the Overseas Examinations Commission Act</p> <p>3.2.206. Section 15 (4) of Overseas Examinations Commission Act stipulates that the Commission’s financial year “<i>means the period of twelve months ending on the 31st day of August in each year</i>”. However, the Commission changed its financial year end from August 31st to March 31st without taking the necessary steps to have the Overseas Examinations Commission Act amended, resulting in non-compliance with the Act.</p> <p>Embezzlement of Cash</p> <p>3.2.207. The Commission did not implement adequate controls at its Montego Bay office to prevent and detect fraud. Consequently, a former member of staff was able to manipulate a weak control environment and embezzle cash amounting to \$543,745.</p> <p>3.2.208. After the discovery of the fraud and the resignation of the employee, management paid the former employee \$108,074 (\$64,762.35 net of statutory deductions) representing outstanding vacation leave. The total amount owed by the Commission was \$148,074, however, only \$40,000 was recovered from the final payment to offset the amount embezzled.</p> <p>3.2.209. The Commission also indicated that the embezzlement resulted in incurring penalties, late fees, and other charges from the Caribbean Examinations Council (CXC) amounting to \$1,169,420.43. This matter has been recommended to the Financial Secretary for surcharge actions.</p>	\$1.6 Million

HEAD 41000: MINISTRY OF EDUCATION, YOUTH & INFORMATION – COUNCIL OF COMMUNITY COLLEGES OF JAMAICA

ISSUE/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.210. The audit of the accounting records and financial transactions of the Council of Community Colleges of Jamaica (CCCJ) for the fiscal year 2020/2021 revealed a generally satisfactory state of affairs except for the following:</p>	

ISSUE/CONCERNS	FINANCIAL EXPOSURE
<p>Long Outstanding Receivables</p> <p>3.2.211. The Accounts Receivables, which has been a long outstanding issue for the CCCJ has seen the provision for bad debts increased by \$2.09 million (12 percent) from \$17.71 million to \$19.80 million, as at March 31, 2021. At the time of reporting, CCCJ advised that attempts have been made to obtain approval for the bad debts to be written off but was not supported by the Ministry of Education, Youth and Information (MoEYI) but requested that CCCJ obtain information on the actual enrolment of students rather than the estimated number that was used in the computation of the fees due to the Council. CCCJ indicated that the process is ongoing and the Covid-19 pandemic impacted its completion.</p> <p>3.2.212. CCCJ has since advised us that as a mitigating factor, in 2019 September, the Council has implemented per semester billing and a payment plan has been put in place. This requires colleges to submit actual enrolment numbers each semester, which facilitates the billing process. Also, the Council has since embarked on a very strict receivables management plan and, except for the amount provided for bad debt (\$17.7 million), CCCJ's current receivables remain within 90 days.</p> <p>3.2.213. CCCJ was advised to accelerate the review process and provide the information to its portfolio Ministry so that the application can be made to the MoFPS for write-off of the long outstanding debts.</p>	<p>\$19.80M</p>

HEAD 41000: MINISTRY OF EDUCATION, YOUTH & INFORMATION – JAMAICA LIBRARY SERVICE

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.214. The audit of the Jamaica Library Services (JLS) accounting and financial records for the period April 2014 to March 2019 disclosed the following:</p> <p>Weak systems of control over Fixed Assets</p> <p>3.2.215. JLS fixed assets' records were not updated to reflect acquisitions made between April 1, 2014, and March 31, 2019, totalling \$142.57 million. Also, JLS did not account for donated assets as prescribed by GOJ guidelines and International Public Sector Accounting Standards (IPSAS). We noted where JLS received donated assets from two entities over the reporting periods; however, they were not reflected in the Statement of Financial Position or adequately recognised in the Financial Statements.</p>	<p>\$142.57 Million</p>

ISSUES/CONCERNS	FINANCIAL EXPOSURE
<p>3.2.216. Additionally, JLS did not reconcile its fixed asset schedule with the carrying amount disclosed in the Financial Statements for the financial year ended March 31, 2016, to March 31, 2019, resulting in material difference of \$81.33 million between the fixed assets schedule and the financial statements. Further, JLS did not conduct annual physical count to assess the condition and existence of its assets. These non-conformities with the GoJ guidelines and IPSAS not only exposed JLS to misappropriation of assets, but also prevented us in verifying the accuracy and fair presentation of the fixed assets reflected in the Financial Statements.</p> <p>3.2.217. JLS advised that steps are being taken to review the fixed assets register to determine the cost of the fixed assets, the accumulated depreciation and the balances.</p> <p>3.2.218. JLS also indicated that the entity intends to upgrade the ACCPAC software to a version that supports a fixed asset module, as this will allow for better management and valuing of the fixed assets.</p> <p>Unsubstantiated debt/ accounts payable balances</p> <p>3.2.219. JLS has not been proactive in performing periodic reviews of its accounts payable subsidiary ledgers to ensure that the amounts presented in its records are accurate and legitimate obligations. At the time of reporting, we noted that the accounts payable included invoices totaling \$37 million that JLS could not provide documentary evidence to substantiate the carrying amount. Included in this amount were unsettled invoices totalling \$19.1 million from a utility company, for the period April 2014 to March 2019; despite JLS indication that the bills were paid by its Portfolio Ministry. In this situation, we were unable to place any reliance on the records that supports the financial statements. This also exposes JLS to erroneous and fraudulent payments.</p> <p>3.2.220. JLS subsequently acknowledged the discrepancies and advised that the Finance Branch is now taking steps to correct the errors and reduce the accounts payable balance.</p> <p>Unspent grants /contributions</p> <p>3.2.221. JLS did not account for grants and contributions in accordance with the International Public Sector Accounting Standards (IPSAS) and GoJ guidelines. We noted that the Financial Statements reflected grant/contributions totalling \$205.29 million that remain unspent for financial periods April 2015 to March 31, 2019. However, despite our requests, JLS did not present a detailed schedule with the relevant Memorandum of Understanding or Service Level Agreement to assess the nature of the fundings and whether the amounts received were spent as intended by the donor agencies. In this regard, JLS's failure to implement proper internal controls over the accounting of grants and contributions has resulted in the material misstatement of the Financial Statements and render the financial information unreliable for decision-making purposes.</p>	<p>\$37 Million</p> <p>\$205.29 million</p>

ISSUES/CONCERNS	FINANCIAL EXPOSURE
<p>3.2.222. Subsequent to the audit report JLA advised that steps have be taken to review the grants and contributions received and revise its chart of accounts to adequately account the income and expenditure from donor agencies.</p> <p>Non- presentation of financial statements from Parish Libraries led to unverified transactions</p> <p>3.2.223. Our review disclosed that for the five-year period, April 1, 2014, to March 31, 2019, the MOEYI allocated \$3.017 billion to the parish libraries to support their operations. However, contrary to the JLS’ Act⁵, JLS did not provide evidence that the parish libraries submitted annual statements of receipt and payments for the respective financial years. Therefore, we were unable to verify whether the amounts allocated to the parish libraries were spent in accordance with the intent of the Parliament and the Portfolio Ministry. Additionally, we could not validate the amounts received from and paid to the parish libraries as reflected in JLS’s general ledger, financial statements and the supporting schedule presented for audit scrutiny.</p> <p>3.2.224. Further, though JLS records indicated that approval was granted for a consolidated financial statement to be prepared, management did not provide the evidence of who granted the approval or implement an appropriate system to facilitate the consolidation of its operations. At the time of reporting, we found no evidence in the Board Minutes that the matter relating to the outstanding statement of receipts and payments of the parish libraries and consolidation of the financial statements were discussed and decision taken on the way forward.</p> <p>3.2.225. The Jamaica Library Service advised that it is in the process of gathering Receipts and Payments Statements from the parish libraries for the period under review.</p> <p>Recommendation</p> <p>3.2.226. JLS should take the necessary steps to review its accounting procedures with the view of implementing proper systems of controls that will ensure the preparation of the financial statements in keeping with the financial reporting framework and adherence to GoJ established guidelines, whilst minimizing the risk of financial losses.</p>	<p>\$3.017 Billion</p>

o ⁵ Section 15(1) of the JLS Act states that it the duty of the Parish Library Committee to “prepare and submit to the Board and the Parish Council of the parish not later than the 31st day of May in each year, a report of the activities of the Committee and a financial statement of all receipts and expenditure by the Committee during the preceding financial year”.

HEAD 42000: MINISTRY OF HEALTH & WELLNESS

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.227. The audit of the Ministry of Health and Wellness (MoHW) financial and accounting records disclosed the following:</p> <p>Regulatory breach in the submission of Appropriation Accounts</p> <p>3.2.228. MoHW did not meet the Legislative requirement in the preparation of Appropriation Accounts as, up to the time of reporting, accounts for the FYs 2015/16 to 2020/21 with a budgetary allocation of approximately \$472.82 billion were not submitted (see table # below). Additionally, MoHW took up to 3 years to submit accounts for the Recurrent Head financial years 2012/13 and 5 years for the Capital B Head financial year 2014/15.</p> <p>3.2.229. In the context where MoHW is allocated a lion share of the national budget to respond to the current pandemic, MoHW's failure to submit the Financial Statements on the result of the implementation of the budget within the prescribed period, denied Parliament and the MoFPS timely information to effectively execute their oversight responsibilities of assessing the use of public fund as well as to guide the reviews and approval of subsequent budgets.</p> <p>3.2.230. The Ministry of Health and Wellness acknowledged the regulatory breach in the submission of Appropriation Accounts and advised that the Ministry is making every effort to ensure that the accounts are completed and submitted on time. The main reason for the late or non-submission of the Appropriation Accounts was the breakdown of the FINMan Server for an extended period, no one was able to access the required information. The server has since been repaired and the Appropriation Accounts for 2015/2016 to 2019/2020 have been completed and sent to the Internal Audit for verification. The 2020/2021 Appropriation Account is 70% completed and will be finalized by December 10, 2021.</p> <p>Unrecorded project expenses funded by the National Health Fund</p> <p>3.2.231. The audit of the Capital A Appropriation Accounts for Financial Years (FY) 2010/11 and 2011/12 disclosed that the Ministry did not reflect the correct amount expended for projects during the financial year. Our review disclosed that during the period under review, the MoHW received \$366,365,138.67 as Appropriation-In-Aid (AIA) from the National Health Fund to finance several projects implemented by its regional agencies. However, only \$182,442,606.37 was disclosed in the Appropriation Account, resulting in actual expenditure being understated by \$183.92 million.</p> <p>3.2.232. Additionally, MoHW did not provide explanations for the shortfall reported for the AIA collection against the budgeted amount, as required by the financial reporting framework. As such, the absence of the explanations for the AIA variance</p>	

and misstatement reduces the reliance that can be placed on the financial information for strategic decision making and budget forecasting.

The MoHW in its December 17, 2021, response, explained that:

3.2.233. The MoHW approved Capital Projects funded by the National Health Fund (NHF) as AIA is without a proper system to determine the level of funding the Regional Health Authorities (RHAs) received directly from the NHF. This in a context where applications by the RHA's are submitted to the NHF independent of the MoHW- and are funded directly by the NHF to each RHA.

3.2.234. The MoHW further indicated that the Finance Division after verifying expenditure incurred by the RHA's on the specific projects for which funds were received from the NHF will make the necessary reimbursement.

Non-Presentation of approval for reallocation of approved budget

3.2.235. The MoHW did not prepare and submit for audit review approved virement for the reallocation of appropriated funds within the Capital B Head - 42000B, totalling \$110,487,277.07. MoHW's failure to submit the requisite approval for the reallocation of the budgeted funds not only undermines the GoJ established accountability and transparency process but also prevented the auditors in determining whether the sums reallocated to facilitate the excesses for the relevant activities were duly approved and were in keeping with the GoJ's Virement Policy.

\$110.49 Million

3.2.236. The MoHW acknowledged that the reallocation/virement schedule was prepared but not approved. As such, the schedules will be sent to the Permanent Secretary for his approval and forwarded to the MoFPS for inclusion in Final Supplementary Estimate.

3.2.237. MoHW was advised to implement proper systems that will ensure the Appropriation Accounts are prepared and submitted within the statutory deadline and in accordance with the financial reporting framework

Budgetary Allocation to MoHW FYs 2013/14 to 2020/2021

FY	Recurrent \$'000	Capital A \$'000	Capital B \$'000	Capital C \$'000	Approved Budgetary allocation \$'000
2013/14	36,337,672	-	-	-	36,337,672
2014/15	40,367,831	-	-	-	40,367,831
2015/16	51,379,202	10,000	1,158,653	-	52,547,855
2016/17	55,466,427	28,262	1,598,728	-	57,093,417
2017/18	62,207,087	106,852	1,918,344	-	64,232,283
2018/19	66,689,676	-	1,898,908	-	68,588,584
2019/20	68,345,615	-	-	3,468,533	71,814,148
2020/21	78,897,495	-	-	2,938,452	81,835,947
TOTAL	459,691,005	145,114	6,574,633	6,406,985	472,817,737

HEAD 42000: MINISTRY OF HEALTH & WELLNESS – NATIONAL COUNCIL ON DRUG ABUSE

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
3.2.238. During the period under review, I completed the audit of the 2010/2011 Financial Statements of the National Council on Drug Abuse (NCDA). The Financial Statements gave a true and fair view of the financial position of the NCDA as at the end of the financial year and of its financial performance, and its cash flows in accordance with International Public Sector Accounting Standards.	N/A

HEAD 46000: MINISTRY OF CULTURE, GENDER, ENTERTAINMENT & SPORT – JAMAICA NATIONAL HERITAGE TRUST

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
CORPORATE GOVERNANCE	
3.2.239. During the period under review, I completed the audit of the 2007/2008 Financial Statements of the Jamaica National Heritage Trust (JNHT). The Financial Statements gave a true and fair view of the financial position of the JNHT as at the end of the financial year and of its financial performance, and its cash flows in accordance with International Public Sector Accounting Standards.	

HEAD 51000: MINISTRY OF AGRICULTURE & FISHERIES – JAMAICA 4-H CLUBS

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
3.2.240. During the period under review, I completed the audit of the Financial Statements of the Jamaica 4-H Clubs for the financial year 2015/2016. The audit revealed the following areas of concern: Biological Assets 3.2.241. I was unable to verify the accuracy and completeness of the biological assets balance of \$7.498 million as the year-end inventory count conducted by management was incomplete. Management indicated that the Jamaica 4-H Clubs has since instituted procedures to ensure that inventory counts are done for all locations and that these counts are verified by a senior officer.	\$7.498 Million

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>Utilities Expense</p> <p>3.2.242. I was unable to verify the accuracy and completeness of utilities expenses of approximately \$8.02 million recorded in the accounts because management was unable to provide the requisite utility bills to substantiate the related expenditure. Management indicated that the organization's utility bills were submitted directly to the parent Ministry by the utility companies. The Ministry then pays the bills on their behalf and subsequently deducts these from the monthly subvention. However, neither the bill nor the receipt from the utility company was provided to the Clubs to indicate that the bills were paid. Management indicated that the Jamaica 4-H Clubs has since put in place a system where utility bills are generated monthly. A register is also maintained of charges and payments made on the utility accounts.</p>	\$8.02 million

HEAD 51000: MINISTRY OF AGRICULTURE & FISHERIES – PROMOTING COMMUNITY-BASED CLIMATE RESILIENCE IN THE FISHERIES SECTOR PROJECT

ISSUES/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
<p>3.2.243. The objective of the <i>Promoting Community-Based Climate Resilience in the Fisheries Sector Project</i> (PCCR) is to enhance community-based climate resilience among targeted fishing and fish farming communities in Jamaica. The Project, which is financed by a US\$4,875,000 grant from the International Bank for Reconstruction and Development, is expected to last for 5 years from March 28, 2018, to March 31, 2023.</p> <p>Project targets not achieved as planned</p> <p>3.2.244. The audit of the accounting records and financial transactions of the PCCR for the financial year ended March 31, 2021, revealed that the project did not achieve three of its eight planned targets for the period under review. Of these outstanding targets, one was rolled forward and completed in May 2021, whilst for the remaining two targets, contracts have since been awarded for works to commence.</p> <p>Recommendation</p> <p>3.2.245. Management should strengthen the review, planning, monitoring and oversight of its project activities taking into consideration the current COVID-19 pandemic and the associated restrictions as well as the expected procurement timelines for planned targets to ensure that the Project's objectives are met within the agreed timelines.</p>	N/A

HEAD 53038: MINISTRY OF INDUSTRY, INVESTMENT & COMMERCE - COMPANIES OFFICE OF JAMAICA

ISSUES/CONCERNS	FINANCIAL EXPOSURE
CORPORATE GOVERNANCE	
3.2.246. The audit of the accounting records and financial transactions of the Companies Office of Jamaica (COJ) for the financial year 2018/2019 revealed a generally satisfactory state of affairs. However, COJ was encouraged to strengthen its controls to ensure that all unidentified deposits are appropriately allocated and amounts in its Suspense Account are reconciled and resolved in a timely manner to reduce the risk of material errors or irregularities going undetected.	N/A

HEAD 56000: MINISTRY OF SCIENCE, ENERGY & TECHNOLOGY

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
3.2.247. The audit of the accounting records and financial transactions of the MSET identified shortcomings in fixed asset management as well as management's failure to submit motor vehicle damage reports to the relevant authorities in a timely manner as required by GOJ guidelines. Management was advised that the weaknesses could lead to loss of GoJ assets and other irregularities. Subsequent to the audit, MSET advised that steps have been taken to strengthen the management of fixed assets and communication of asset damage, to designated external bodies.	N/A

HEAD 56000: MINISTRY OF SCIENCE, ENERGY & TECHNOLOGY – PETROLEUM CORPORATION OF JAMAICA (PCJ)

ISSUE/CONCERNS	FINANCIAL EXPOSURE
CORPORATE GOVERNANCE	
RESOURCE MANAGEMENT	
3.2.248. Up to March 31, 2020, the Petroleum Corporation of Jamaica (PCJ) was the government agency responsible for managing Jamaica's energy needs, with the primary focus to reduce the country's dependence on imported fuel while securing affordable, sustainable energy supplies. Effective April 1, 2020, PCJ was subsumed within the Ministry of Science Energy and Technology (MSET) which is responsible for energy. In addition to its core functions, PCJ/MSET owned and managed several properties, which generated lease/rental income but also incurred expenditure in the process.	N/A
3.2.249. Upon the request of the Permanent Secretary of MSET, an audit of PCJ's lease and rental income properties was undertaken. The audit, which covered the financial years 2017/18 to 2019/20, sought to determine whether PCJ adequately	

ISSUE/CONCERNS	FINANCIAL EXPOSURE
CORPORATE GOVERNANCE	
RESOURCE MANAGEMENT	
<p>managed its lease/rental properties to optimize and account for all revenue; also, to determine whether justification was provided for below market rates leases, while maintaining related expenditures in an economical manner.</p> <p>Poor governance oversight and weak internal processes.</p> <p>3.2.250. We expected PCJ to have documented policy and process in place to guide the management of properties, given the significance of the Investment Property portfolio, which also generate income. The policy should, among other things, lay out the operating processes including communication and reporting controls, as well as identifying the designated personnel/department with the specific areas of responsibilities. Despite request, PCJ/MSET did not provide such policy to confirm its existence. The Ministry accepted that there was no written property management policy at PCJ and indicated that PCJ's accounting manual provided guidance in relation to accounting for tenant receivables.</p> <p>3.2.251. The Ministry also indicated that PCJ's property management functions involved the Legal Department, Property Department, the Accounts Department as well as, the Board for approval, to the extent that the lease is due for renewal. However, without a documented policy in place, this resulted in inconsistent approach or the failure to undertake the necessary functions in property management without holding (an) officer/s accountable. This was manifested by the following findings:</p> <p>3.2.252. Contrary to Section 3, subsection (2) of the Public Bodies Management and Accountability (PBMA) Act, which requires the board of public bodies to submit its audited financial statements and annual report to the responsible Minister within four months after the end of the applicable financial year, PCJ failed to produce timely audited financial statements beyond FY2017/18. Further, there was no consistent mechanism to ensure routine valuation of the properties (Investment Properties) to determine the fair value to be recognized in the financial statements or an appropriate market value to serve as a basis for determining a reasonable lease income for each property. This underscores the weakness in governance given the failure of the Board to carry out its fiduciary responsibilities of ensuring that audited financial statements are produced in a timely manner.</p> <p>3.2.253. The Ministry advised that the primary person responsible for the preparation of the accounts, separated in July 2020 and this impacted the timely finalization of the accounts. Notwithstanding, MSET and the transition Board are still active and will carry-out its financial reporting responsibilities and other applicable functions to March 31, 2022.</p>	

ISSUE/CONCERNS	FINANCIAL EXPOSURE
CORPORATE GOVERNANCE	
RESOURCE MANAGEMENT	
<p>PCJ failed to conduct annual review of lease agreements to timely address discrepancies in lease income.</p> <p>3.2.254. PCJ had not been faithfully conducting the review of its property lease arrangements on an annual basis, with only two reviews conducted in the last 10 years – one in March 2013 by Accounting Firm #1 and the other in October 2020 by Accounting Firm #2. Of note, MSET indicated that a review was done by Accounting Firm #1 in 2017, covering the period 2014 to 2019. However, the related draft report was not accepted based on the methodology used.</p> <p>3.2.255. As the annual review would, among other factors, help to determine the actual maintenance charges in keeping with Section 6.3.4 of the standard lease agreement, PCJ/MSET heightened the risk of not recovering all the funds it is owed. For example, we noted that from the last review by Accounting Firm #2, the result showed the tenant of the Total Resource Centre (Head Office building) had adjusted receivables as at March 31, 2020, totalling \$105.9 million. To its credit, coming from the 2013 review, PCJ advised the tenants via letters dated in September 2013 regarding the “uncharged” maintenance costs being owed, referring to Section 6.3.4 of the Lease Agreement. However, these amounts remain uncollected, and according to the report by Accounting Firm #2, the tenants were not billed for the period 2014 to 2019.</p> <p>Interest charges omitted from outstanding Receivables from Lease income.</p> <p>3.2.256. We noted that PCJ/MSET may have been understating its lease income and arrears, given that it had not been applying the interest charges to the outstanding leases in keeping with the standard lease agreement⁶PCJ/MSET failed to apply and collect the interest on the outstanding amounts for leases and maintenance that remain uncollected and amounted to \$105.9 million as at October 2021.</p> <p>3.2.257. The Ministry indicated that, though it did not communicate with the tenants regarding the need to apply interest charges to the outstanding lease/maintenance, most of the tenants disputed their respective outstanding balances for lease/maintenance when they were advised of same. Therefore, the Ministry’s failure to recover the interest charges exacerbated the losses in lease income, which in instances remain uncollected from as far back as 2007/2008.</p> <p>Expired leases for protracted periods</p> <p>3.2.258. PCJ was not proactive in ensuring that expired lease agreements were renewed as 18 out of the 19 lease agreements were expired for periods ranging from</p>	

⁶ Section 5.6 of the standard lease agreement stipulates that, “If the lessee fails to pay the rent or any sum due under the lease agreement the lessee shall pay the lessor interest upon such arrears at a rate equivalent to the highest interest payable, or which would be payable by the lessor on an overdraft with its commercial bankers on an amount equivalent to such an arrears”.

ISSUE/CONCERNS	FINANCIAL EXPOSURE
CORPORATE GOVERNANCE	
RESOURCE MANAGEMENT	
<p>one year to six years. Despite the ability to convert the lease to monthly tenancy as allowable under the lease agreements, the organization might not be protecting its economic interest without justification for the delays in the renewal of leases. Included among the list of expired lease agreements is a property at Hope Estate, which is owned by the Commissioner of Lands/ National Land Agency (COL/NLA) that was leased to the PCJ for storage purpose from 1981 for a period of 25 years.</p> <p>3.2.259 As of October 2021, PCJ remains in control of the Hope Estate Property, 15 years after expiration in April 2006, and there is no consensus on a new lease amount to bring the figure in line with market rate. Notwithstanding, PCJ has since sub-leased the property starting in 1995 to two tenants under separate lease agreements; these ongoing sub-lease agreements expired in April 2014 and had not been renewed as at October 2021.</p> <p>3.2.260. MSET advised that PCJ had been in dialogue with NLA for the past 10 years, trying to arrive at an amicable agreement on this property. The latest correspondence was sent by MSET in August 2020, in trying to arrange a meeting with the responsible officers at NLA but this seems futile. MSET intends for NLA to assume full responsibility for the leasing arrangements of the current two tenants on this property.</p> <p>PCJ faces financial exposure on lease below market rate</p> <p>3.2.261. PCJ/MSET does not have documented criteria or justification that provides for the below-market rate for the two sub-lease arrangements at the Hope Estate property. Our examination disclosed that PCJ sub-leased to two lessees at below market rates of \$10,000.00 and \$20,000.00 per month respectively, which have not been revised even after the sub-leases expired in April 2014. By reference to listings for five properties on various realtors' listings, the average monthly rental in the area in 2021 was \$252.21 per square foot, indicating that the market monthly lease for the two properties should be closer to \$197,181.69 and \$414,709.52, respectively. Given the unresolved issue between PCJ and COL/NLA over the lease amount in the renewed lease agreement, which could be closer to an established market rate, PCJ is exposed to financial losses as its potential lease payment to the COL/NLA could be significantly higher than its current collections from the related sub-leases.</p> <p>Unoccupied Properties incurring high costs</p> <p>3.2.262. As of September 2020, PCJ had seven properties in its portfolio, which were not occupied or leased for periods ranging from seven to 30 years. Meanwhile, these unoccupied properties have been incurring costs relating primarily to property taxes, utilities, maintenance, and security (staff and contracted) during the period of non-occupancy. For the period December 2014 to September 2020, total property-related cost was \$102.3 million, of which \$80.7 million (79 per cent) were staff cost, relating to maintenance and security. In a context where management of lease properties is</p>	

ISSUE/CONCERNS	FINANCIAL EXPOSURE
CORPORATE GOVERNANCE	
RESOURCE MANAGEMENT	
<p>considered a non-core function of PCJ, lease income generated should be able to cover the respective costs for each property. However, by having unleased properties in the portfolio, PCJ/MSET and by extension Government of Jamaica are not maximizing the earning potential of the assets.</p> <p>3.2.263. Management concurred that they are still incurring cost on these unoccupied properties, and this may have to continue for a while. They stated that these properties were bought for various investment purposes, which did not materialise. MSET management also indicated that Cabinet gave approval (via Cabinet Decision #23/21 dated May 31, 2021) for the Font Hill Property to be handed over to the Urban Development Corporation (UDC) and all the others to the NLA.</p> <p>Recommendations</p> <p>3.2.264. The Government, through the National Land Agency, should ensure that its practice pertaining to leased properties adhere to the criteria regarding leases below market rate and sub-leases with the aim of securing its economic interest.</p> <p>3.2.265. Timely action is necessary to streamline the lease arrangement with the PCJ for the Hope Estate property to discontinue the sub-lease arrangement given that the PCJ had no operational interest in the property.</p> <p>3.2.266. MSET/GOJ should accelerate its action with the aim of collecting outstanding amounts due to the public purse as well as ensuring the timely handing over of the unoccupied properties in an effort to minimise the cost associated with operating the properties.</p> <p style="text-align: center;"><i>Part of Font Hill (Beach Park), St. Elizabeth</i></p> <div style="display: flex; justify-content: space-around;">   </div>	

ISSUE/CONCERNS	FINANCIAL EXPOSURE
CORPORATE GOVERNANCE	
RESOURCE MANAGEMENT	
<div data-bbox="241 487 652 718" data-label="Image"> </div> <p data-bbox="706 516 1084 856"> 3.2.267. The beach park is part of a larger Font Hill property comprising 2934 acres, which also includes nature reserve and farm. The beach park is currently not operational, as the last tenant vacated the premises in 2014. The building structure is currently in disrepair due to inadequate upkeep. The beach is completely eroded, which is reportedly the cause of the dwindling patrons and its ultimate </p> <p data-bbox="483 915 854 945" style="text-align: center;"><i>Part of Sheffield, Westmoreland</i></p> <div data-bbox="241 953 675 1287" data-label="Image"> </div> <p data-bbox="690 976 1123 1283"> 3.2.268. The property is approximately 129 acres in total. It is situated in the Negril wetland area, primarily consist of wetland, grassland, as well as large number of palm trees on site. It was reported that the property also serves as a protected area for the Negril coastal town. The Property was last leased in June 2010, as an attraction for day tour, nature walk, bird watching and similar activities. </p> <div data-bbox="203 1369 634 1782" data-label="Image"> </div> <div data-bbox="664 1373 1097 1782" data-label="Image"> </div>	

HEAD 56039: MINISTRY OF SCIENCE, ENERGY & TECHNOLOGY - POST & TELECOMMUNICATIONS DEPARTMENT

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.269. The audit of the Appropriation Accounts of the Post and Telecommunications Department (PTD) for the financial year 2016/2017 revealed the following area of concern:</p> <p>Unauthorized Excess Expenditure</p> <p>3.2.270. There was a breakdown in the PTD's commitment planning and control system resulting in excess expenditure totalling \$20,859,900.71 on three Objects. There was no evidence that the Accounting Officer or the Ministry of Finance gave approval for the virement of funds to cover these excesses.</p>	\$20,859,900.71

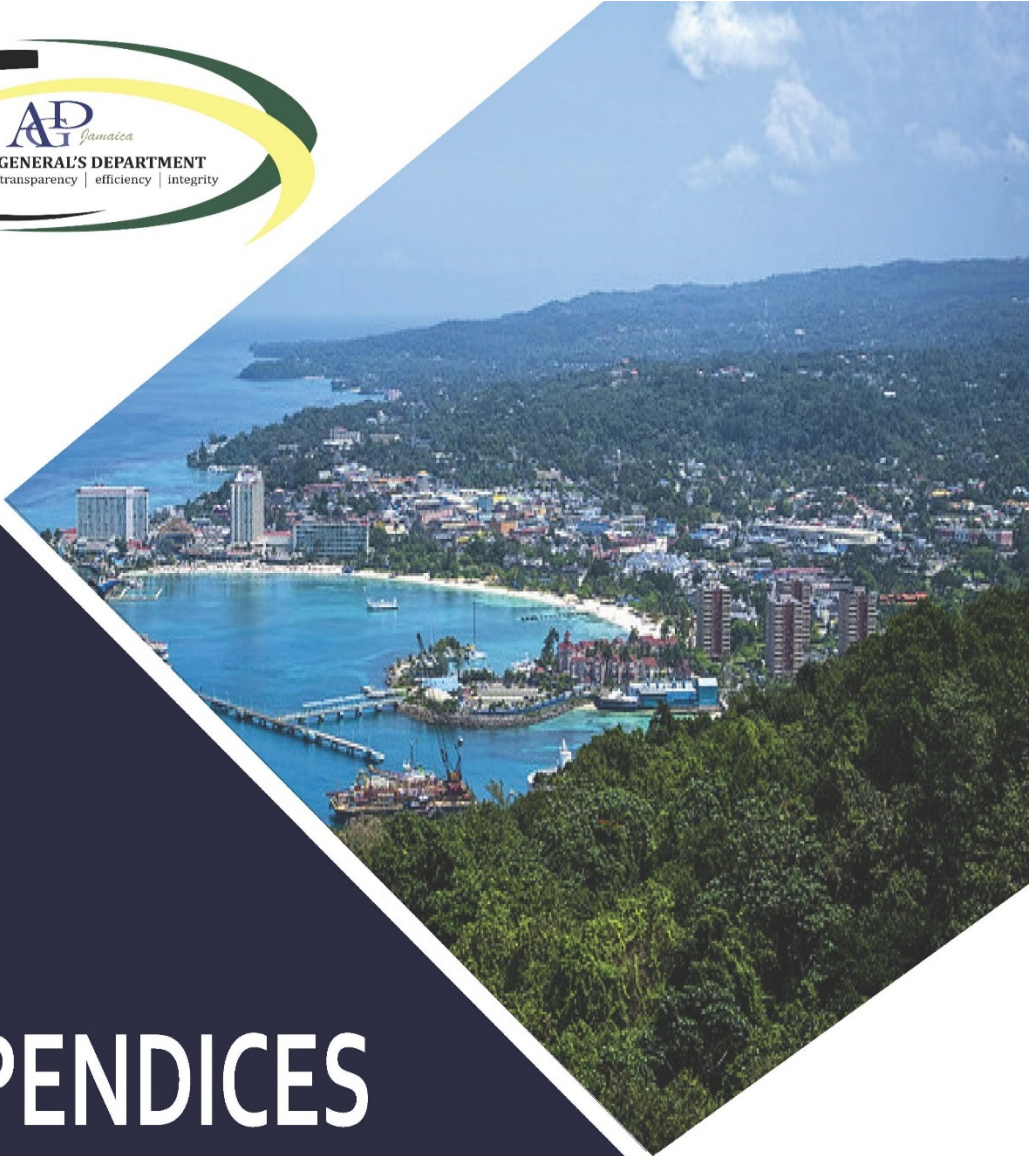
HEAD 68000: MINISTRY OF TRANSPORT & MINING

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.271. The audit of the accounting records and financial transactions of the Ministry of Transport and Mining (MTM) for financial years disclosed the following:</p> <p>Regulatory Breach results in Excess expenditure on Compensation of Employees and Utility and Communication Services.</p> <p>3.2.272. A breakdown in the Ministry's commitment planning and control system and its failure to adhere to the guidelines of Section 3.7 of the FAA Act Instructions resulted in excess expenditure of \$17.7 million for Compensation of Employees (Object 21) and Utilities and Communication Services (Object 24) in 2018/2019 and 2019/2020.</p> <p>3.2.273. Section 3.7 of the Financial Instructions prohibits Accounting Officers to reallocate funds to, from and within Object 21 – Compensation of Employees, Object 23 – Rental of Property and Machinery, Object 24 Utilities and Communications and activity that is not provided for by an Appropriation Act. However, contrary to the established policy, the MoFPS granted approval for budgetary reallocations clearing \$6,889,545.78, and amounts totalling \$6,755,504.59 remained uncleared for 2018/19; while MTM subsequently requested approval from the MoFPS for the excess \$4,190,230.00 and was advised that the amounts would be included in final supplementary estimates for 2019/2020.</p> <p>3.2.274. Up to the time of reporting, MTM did not provide any evidence to indicate how the excess payments were funded. MTM's failure to adhere to GoJ's guidelines</p>	\$6,755,504.59

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>regarding reallocation of appropriated funds undermines the transparency and accountability principles of public financial management and exposes the Ministry to budget over-runs.</p> <p>3.2.275. Management explained that there was an error in budgeting under object 25 and acknowledged the breach under Object 21. The MTM further advised that they had challenges in prior years with the process of regularising issues under Object 21, where there were overall savings, but a shortfall on specific programmes. The Ministry added: <i>"We recognise that any amendments to be made should be sent as requests to the Ministry of Finance so that reallocations can be made in the Supplementary Estimates prior to the closure of the financial year. As such, going forward, the correct procedure will be implemented, and we have already commenced doing so for the current 2021/22 year."</i></p> <p>Engagement of Consultant/Advisor not in keeping with GOJ Policy</p> <p>3.2.276. MTM's human resources processes in the engagement of an officer as Advisor/Consultant were not always consistent with good practices, its own employment procedures and relevant circulars issued by the MoFPS. The MoFPS Circular, which included the revised salary scale is applicable for persons employed as full-time advisors/consultant and as special, executive and personals assistants to certain members of the political directorate. We found that MTM engaged an officer without evidence of the requisite experience as Consultant/Advisor 1 and Consultant/advisor 3 in October 2018 and October 2020, as well as temporary acting appointment as Legal Officer 1 in MTM's Legal Services Unit for seven months ending September 2019.</p> <p>In December 2021, MTM responded as follows:</p> <p>3.2.277. "Engagement of Advisor/Consultants to the Minister is done based on the selections made by the Minister. Such persons must be those he can trust and depend on to offer the support that is needed. There are instances when the guidelines are not strictly adhered to, and where there are significant deviations, the approval of the Ministry of Finance should be sought."</p> <p>Service records were not updated for up to 16 years.</p> <p>3.2.278. Human Resource best practice requires that service records are updated promptly and accurately to facilitate the payment of pension benefits in a timely manner. However, MTM was not proactive in ensuring that the service records of its employees were updated to allow accurate and timely processing of pension benefit. As such, we noted that the Service records for eight employees were not updated for periods spanning four to 16 years. Thus, increasing the risk of delays in retirees' access to pension benefits. Three of the employees would have already</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>qualified for early retirement. The remaining five employees would qualify for early retirement between January 2022 to December 2024.</p> <p>3.2.279. MTM was advised to ensure that service records are updated timely to prevent any delays in separation payments. The Ministry gave a commitment to address this shortcoming in a timely manner.</p> <p>Poor management of motor vehicles resulted in five (5) missing vehicles.</p> <p>3.2.280. MTM could not account for four of 15 vehicles reportedly sent to the Caribbean Maritime University (CMU) under an arrangement for servicing and repairs, as part of CMU's training programme. MTM failure to obtain the required approval and failure to maintain appropriate information, including the condition and date when the 15 vehicles were sent to CMU, demonstrates the absence of a proper system of control over public property to safeguard assets under its stewardship.</p> <p>3.2.281. Seven of the vehicles were still at CMU, but not in working condition. At the time of audit November 2021, two vehicles were currently in use at CMU. The remaining two were returned to MTM, but were not in working condition, at the time of the audit. MTM did not a keep record of the time or condition in which the vehicles were returned. The GoJ Asset Management Policy requires the approval of the Financial Secretary for the transfer and loan of assets; however, we found no evidence of the MoFPS's approval, authorizing the transfers of the motor vehicles to the CMU or loan to the Jamaica Urban Transport Company (JUTC).</p> <p>3.2.282. Improper record keeping, and the failure of the MTM to proactively manage the vehicles under its control may have resulted in the poor administration of another 10 vehicles, one of which cannot be located. Another vehicle loaned to JUTC was scrapped of steering, front seat, engine, and electrical parts. The other seven vehicles have been out of commission for protracted periods.</p> <p>3.2.283. The MTM did not do an assessment of the vehicles for the timely recommendation for Board of Survey (BOS) in keeping with the GOJ guidelines. One vehicle was involved in an accident in December 2018, but MTM did not advise the Financial Secretary and the Auditor General until 18 months later, on June 10, 2020.</p> <p>3.2.284. The weaknesses in the motor vehicle management system may have resulted in significant deterioration and loss of Government assets. As such, the responsible officers may become subject to surcharge proceedings.</p> <p>3.2.285. The MTM indicated that steps have begun to strengthen the motor vehicle management system.</p>	

ISSUES/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>Recommendations</p> <p>3.2.286. MTM was encouraged to improve its commitment planning and control process to minimize the risks of excess expenditure in breach of the FAA Act Instructions.</p> <p>3.2.287. Recruitment of Consultants should adhere to the policies established by the Ministry of Finance and Planning.</p> <p>3.2.288. Urgent steps should be taken to update the motor vehicle management and monitoring system to properly account for vehicles under the Ministry's portfolio.</p>	



APPENDICES

APPENDICES

Appendix 1: SCHEDULE OF APPROPRIATION AUDITS PLANNED FOR FY2020/21

Name of Client	Planned/Unplanned As (WIP/NEW)	Type of Audit	# Of Statements	Status as of March 31, 2021	Certified	Audits Conducted	Audits in Progress	Pending
Accountant General's Dept. 2017/18	New - Planned	Statement J	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2008/09	Unplanned	Statement F	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2009/10	Unplanned	Statement F	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2010/11	Unplanned	Statement F	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2011/12	Unplanned	Statement F	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2012/13	Unplanned	Statement J	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2012/13	Unplanned	Statement E	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2012/13	Unplanned	Statement F	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2013/14	Unplanned	Statement E	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2014/15	New - Planned	Statement J	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2014/15	Unplanned	Statement E	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2014/15	Unplanned	Statement F	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2015/16	New - Planned	Statement J	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2015/16	WIP - Planned	Statement C	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2015/16	Unplanned	Statement F	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2016/17	New - Planned	Statement J	1	Returned to Client for Correction	-	1	-	-

Name of Client	Planned/Unplanned As (WIP/NEW)	Type of Audit	# Of Statements	Status as of March 31, 2021	Certified	Audits Conducted	Audits in Progress	Pending
Accountant General's Dept. 2016/17	WIP - Planned	Statement C	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2017/18	WIP - Planned	Statement C	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2018/19	New - Planned	Statement J	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2013/14	New - Planned	Statement J	1	Returned to Client for Correction	-	1	-	-
Accountant General's Dept. 2013/14	Unplanned	Statement F	1	Returned to Client for Correction	-	1	-	-
AcGD Head 20011 19/20	New - Planned	Appropriation Accounts	1	Pending	-	-	-	1
AcGD Head 2019- Statutory 2013//14	New - Planned	Appropriation Accounts	1	Certified	1	-	-	-
AcGD: Head 2011: 18/19	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
Admin Gen. 15/16	Unplanned	Appropriation Accounts	1	Certified	1	-	-	-
Admin Gen. 16/17	Unplanned	Appropriation Accounts	1	Certified	1	-	-	-
Admin Gen. 18/19	WIP - Planned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
Admin. Gen. 17/18	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
Administrator General's Department 2019	Unplanned	Appropriation Accounts	1	Returned to Client for Signature	-	1	-	-
Administrator General's Department 2020	Unplanned	Appropriation Accounts	1	WIP	1	-	-	-
GC: 2015/2016	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
GG 2014/15	Unplanned	Appropriation Accounts	1	Certified	1	-	-	-
GG and Staff 2016/17	Unplanned	Appropriation Accounts	1	WIP	-	-	1	-
GG: 2013/2014	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
GG: 2018/19	New - Planned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
GG: 2015/2016	WIP - Planned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-

Name of Client	Planned/Unplanned As (WIP/NEW)	Type of Audit	# Of Statements	Status as of March 31, 2021	Certified	Audits Conducted	Audits in Progress	Pending
GG:2016/2017	WIP - Planned	Appropriation Accounts	1	Pending	-	-	-	1
House of Parliament 2013/14	Unplanned	Appropriation Accounts	1	WIP	-	-	1	-
House of Parliament 2014/15	Unplanned	Appropriation Accounts	1	WIP	-	-	1	-
House of Parliament 2015/16	Unplanned	Appropriation Accounts	1	WIP	-	-	1	-
House of Parliament 2016/17	Unplanned	Appropriation Accounts	1	WIP	-	-	1	-
House of Parliament 2017/18	Unplanned	Appropriation Accounts	1	WIP	-	-	1	-
INDECOM 2017/18	Unplanned	Appropriation Accounts	1	WIP	-	-	1	-
INDECOM 2018/2019	Unplanned	Appropriation Accounts	1	WIP	-	-	1	-
INDECOM 2019/20	Unplanned	Appropriation Accounts	1	WIP	-	-	1	-
Independent Commission of Investigations 2018/19	Unplanned	Appropriation Accounts	1	WIP	-	-	1	-
JIS: 2017/18	WIP - Planned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
JIS: 2018/19	New - Planned	Appropriation Accounts	1	Pending	-	-	-	1
Local Gov. 16/17 Recurrent, Cap A & B	WIP - Planned	Appropriation Accounts	3	CAP A Certified, Recurrent and CAP B - WIP	1	-	2	-
Local Gov. 17/18 Recurrent, Cap A&B	WIP - Planned	Appropriation Accounts	2	WIP	-	-	2	-
Local Gov.15/16 Recurrent	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
LRD 18/19	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
MCGES Capital A: 2015/16	New - Planned	Appropriation Accounts	1	Pending	-	-	-	1
MCGES Capital B: 17/18	New - Planned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
MCGES Capital B: 2015/16	New - Planned	Appropriation Accounts	1	Certified	1	-	-	-

Name of Client	Planned/Unplanned As (WIP/NEW)	Type of Audit	# Of Statements	Status as of March 31, 2021	Certified	Audits Conducted	Audits in Progress	Pending
MCGES Recurrent: 17/18	New - Planned	Appropriation Accounts	1	Certified	1	-	-	-
MCGES Recurrent: 2015/16	New - Planned	Appropriation Accounts	1	Certified	1	-	-	-
MEGJC 17/18 Recurrent & Cap A	WIP - Planned	Appropriation Accounts	2	WIP	-	-	2	-
MFAFT 2005/06 Recurrent	Unplanned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
MFAFT 2006/07 Recurrent	Unplanned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
MFAFT 2009/10	Unplanned - WIP (Follow-up)	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
MFAFT 2014/15 Recurrent	Unplanned	Appropriation Accounts	1	WIP	-	-	1	-
MFAFT 2018/19 Recurrent	Unplanned	Appropriation Accounts	1	WIP	-	-	1	-
MFAFT Recurrent: 17/18	New - Planned	Appropriation Accounts	1	WIP	-	-	1	-
MFAFT Recurrent: 2016/17	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
MICAF 15/16 Recurrent, Cap A&B	WIP - Planned	Appropriation Accounts	3	Recurrent - WIP, CAP A&B Certified	2	-	1	-
MICAF: Recurrent & Capital 2016/17	New - Planned	Appropriation Accounts	2	Returned to Client for Correction	-	2	-	-
Min Transport & Mining 2018/19 (Recurrent & Capital)	New - Planned	Appropriation Accounts	2	Pending	-	-	-	2
Min Transport 17/18 Recurrent, Cap A	WIP - Planned	Appropriation Accounts	2	Pending	-	-	-	2
MIND: 2019/20	New - Planned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
Ministry of Education, Youth, and Information Recurrent 2013/14	Unplanned - WIP (Follow-up)	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
Ministry of Industry, Commerce, Agriculture and Fisheries CAP A 2017/18	Unplanned - WIP (Follow-up)	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
Ministry of Industry, Commerce, Agriculture and Fisheries Recurrent, CAP A & B 2017/18	Unplanned - WIP (Follow-up)	Appropriation Accounts	3	Returned to Client for Correction	-	3	-	-

Name of Client	Planned/Unplanned As (WIP/NEW)	Type of Audit	# Of Statements	Status as of March 31, 2021	Certified	Audits Conducted	Audits in Progress	Pending
Ministry of Industry, Investment and Commerce 2013/14 Recurrent, CAP A & CAP B	Unplanned - WIP (Follow-up)	Appropriation Accounts	3	Returned to Client for Correction	-	3	-	-
Ministry of Youth and Culture Recurrent 2015/16	Unplanned - WIP (Follow-up)	Appropriation Accounts	1	Certified	1	-	-	-
MLGCD 2018/19 Recurrent, Capital A & B	New - Planned	Appropriation Accounts	3	WIP	-	-	3	-
MLSS 2008/09, 2009/10, 2014/15 & 2017/18 Recurrent	Unplanned - WIP (Follow-up)	Appropriation Accounts	4	Returned to Client for Correction	-	4	-	-
MLSS 2013/14 CAP B	Unplanned - WIP (Follow-up)	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
MLSS 2015/16 CAP B	Unplanned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
MLSS 2018/19, Recurrent, Capital A and B	New - Planned	Appropriation Accounts	3	Pending	-	-	-	3
MLSS Recurrent & CAP B 2015/16	Unplanned - WIP (Follow-up)	Appropriation Accounts	2	Returned to Client for Correction	-	2	-	-
MLSS Recurrent & CAP B 2016/17	Unplanned - WIP (Follow-up)	Appropriation Accounts	2	Returned to Client for Correction	-	2	-	-
MNS Capital A: 2017/2018	New - Planned	Appropriation Accounts	1	WIP	-	-	1	-
MNS Capital B: 2017/2018	New - Planned	Appropriation Accounts	1	WIP	-	-	1	-
MNS Recurrent 2018/19, Recurrent, CAP A & B (Compliance Audit included)	Unplanned	Appropriation Accounts	3	WIP	-	-	3	-
MNS Recurrent: 2017/2018	New - Planned	Appropriation Accounts	1	WIP	-	-	1	-
MoEYI: Recurrent & Capital	New - Planned	Appropriation Accounts	2	WIP	-	-	2	-
MoFPS Recurrent 2017/18	Unplanned	Appropriation Accounts	1	WIP	-	-	1	-
MOFPS Recurrent, Cap A & 18/19	New - Planned	Appropriation Accounts	2	Pending	-	-	-	2
MOH Capital A 2013/14	Unplanned - WIP (Follow-up)	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
MOH Capital A: 2014/15	WIP - Planned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
MOH Capital B: 2014/15	WIP - Planned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-

Name of Client	Planned/Unplanned As (WIP/NEW)	Type of Audit	# Of Statements	Status as of March 31, 2021	Certified	Audits Conducted	Audits in Progress	Pending
MOH Recurrent 2011/12	Unplanned - WIP (Follow-up)	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
MOH Recurrent 2012/13	Unplanned - WIP (Follow-up)	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
MoFPS Recurrent & CAP B	Unplanned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
MSET 17/18 Recurrent & Cap A	WIP - Planned	Appropriation Accounts	2	WIP	-	-	2	-
MSET 18/19 Recurrent	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
MWLECC 15/16 Recurrent & Cap B.	WIP - Planned	Appropriation Accounts	2	Pending	-	-	-	2
MYC Recurrent: 2015/16	New - Planned	Appropriation Accounts	1	Certified	1	-	-	-
OCA 2016/17	Unplanned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
OCA: 2015/2016	WIP - Planned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
OCA: 2017/2018	WIP - Planned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
OCA: 2018/2019	WIP - Planned	Appropriation Accounts	1	Returned to Client for Correction	-	1	-	-
OCPC 2018/19	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
OoC 2015/16 and 2016/17 Capital B	WIP - Planned	Appropriation Accounts	2	Pending	-	-	-	2
OPM 2015/16 Recurrent, Cap. A&B	WIP - Planned	Appropriation Accounts	3	Pending	-	-	-	3
OPM 2016/17 Capt. A & B	WIP - Planned	Appropriation Accounts	2	Pending	-	-	-	2
OPM 2016/17 Recurrent	WIP - Planned	Appropriation Accounts	1	Pending	-	-	-	1
OPM 2018/19 Recurrent, Cap. A & CAP B	WIP - Planned	Appropriation Accounts	3	Pending	-	-	-	3
OSC 18/19	New - Planned	Appropriation Accounts	1	Pending	-	-	-	1
OSC 19/20	New - Planned	Appropriation Accounts	1	Pending	-	-	-	1
OSC: 2012/2013	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-

Name of Client	Planned/Unplanned As (WIP/NEW)	Type of Audit	# Of Statements	Status as of March 31, 2021	Certified	Audits Conducted	Audits in Progress	Pending
Parliament: 2010/2011	WIP - Planned	Appropriation Accounts	1	Returned to Client for Signature	-	1	-	-
Parliament: 2011/2012	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
Parliament: 2012/2013	WIP - Planned	Appropriation Accounts	1	Returned to Client for Signature	-	1	-	-
Pension Head 20019: 2018/2019	New - Planned	Appropriation Accounts	1	Pending	-	-	-	1
Police Department 2017/18	Unplanned	Appropriation Accounts	1	WIP	-	-	1	-
Post & Telecom: 2015/2016	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
Post & Telecom: 2016/2017	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
Post and Telecommunications Department 2017/18	Unplanned	Appropriation Accounts	1	WIP	-	-	1	-
RGD 16/17	New - Planned	Appropriation Accounts	1	Certified	1	-	-	-
RM Courts: 2011/2012	New - Planned	Appropriation Accounts	1	WIP	-	-	1	-
Supreme Court: 2011/2012	New - Planned	Appropriation Accounts	1	WIP	-	-	1	-
Supreme Court: 2018/2019	New - Planned	Appropriation Accounts	1	WIP	-	-	1	-
TAJ 18/19	New - Planned	Appropriation Accounts	1	Certified	1	-	-	-
TAJ 2016/17	Unplanned	Appropriation Accounts	1	Certified	1	-	-	-
TAJ 2017/18	Unplanned	Appropriation Accounts	1	Certified	1	-	-	-
TOTALS	161				22	63	47	29
					132 actioned		29 pending/not submitted	

APPENDIX 2: SCHEDULE OF FINANCIAL STATEMENT AUDITS FY 2020/21

Name of Client	Planned/ Unplanned As (WIP/NEW)	Type of Audit	# Of Statement	Status as of March 31, 2021	Certified	Audit Conducted	Audit In progress	Pending	Comments
Access to Finance for MSMEs IDB – 2019/20	New - Planned	Financial Statements	1	Certified	1	-	-	-	-
Access to Finance for MSMEs WB – 2019/20	New - Planned	Financial Statements	1	Certified	1	-	-	-	-
Antidumping 16/17	Unplanned - New	Financial Statements	1	Certified	1	-	-	-	-
Anti-dumping and Subsidies Commission 17/18	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
Anti-dumping and Subsidies Commission 18/19	New - Planned	Financial Statements	1	Not Submitted by Client	-	-	-	1	-
Bath Fountain Hotel & Spa 19/20	New - Planned	Financial Statements	1	Certified	1	-	-	-	-
CCCJ 18/19	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
CCCJ 19/20	New - Planned	Financial Statements	1	WIP	-	-	1	-	audit was certified in 21/22
Clarendon Municipal Corp. 10/11 ,11/12 &12/13	WIP - Planned	Financial Statements	3	Suspended - Backlog Audit Project, Phase 1	-	-	-	3	-
COJ – 2018/19	WIP - Planned	Financial Statements	1	Returned to Client for Correction	-	1	-	-	-
Early Childhood Commission FY2019/20	Unplanned - WIP (Follow-up)	Financial Statements	1	Certified	1	-	-	-	-
Export Division 12/13	WIP - Planned	Financial Statements	1	Pending	-	-	-	1	-
Export Division 13/14	WIP - Planned	Financial Statements	1	Pending	-	-	-	1	-
Export Division 14/15	WIP - Planned	Financial Statements	1	Not Submitted by Client	-	-	-	1	-
FID 19/20	New - Planned	Financial Statements	1	Not Submitted by Client	-	-	-	1	-
FLA – 2017/18	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
FLA – 2018/19	New - Planned	Financial Statements	1	WIP	-	-	1	-	-
FOR – 2015/16	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-

Name of Client	Planned/ Unplanned As (WIP/NEW)	Type of Audit	# Of Statement	Status as of March 31, 2021	Certified	Audit Conducted	Audit In progress	Pending	Comments
FOR – 2016/17	New - Planned	Financial Statements	1	WIP	-	-	1	-	-
FOR – 2017/18	New - Planned	Financial Statements	1	Not Submitted by Client	-	-	-	1	-
FTC – 2015/16	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
FTC – 2016/17	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
ICDIMP – 2019/20	New - Planned	Financial Statements	1	Certified	1	-	-	-	-
INDECOM - Administration 18/19	New - Planned	Financial Statements	1	WIP	-	-	1	-	-
INDECOM - Anti-Corruption and Prevention 19/20	New - Planned	Financial Statements	1	Certified	1	-	-	-	-
INDECOM - Project 18/19	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
INDECOM 18/19 Project	Unplanned - New	Financial Statements	1	Certified	1	-	-	-	-
IOJ – 2014/15	WIP - Planned	Financial Statements	1	WIP	-	-	1	-	-
Jamaica 4 H Clubs – 2014/15	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
Jamaica 4 H Clubs – 2015/16	WIP - Planned	Financial Statements	1	WIP	-	-	1	-	-
Jamaica 4 H Clubs – 2016/17	New - Planned	Financial Statements	1	WIP	-	-	1	-	-
Jamaica 4 H Clubs – 2017/18	New - Planned	Financial Statements	1	Financial Statements to be Resubmitted	-	-	-	1	-
JCA 16/17	WIP - Planned	Financial Statements	1	WIP	-	-	1	-	-
JIPO 18/19	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
JIPO 19/20	New - Planned	Financial Statements	1	WIP	-	1	-	-	-
JIS – 2018/19	WIP - Planned	Financial Statements	1	WIP	-	-	1	-	-
JLS 15/16,16/17,17/18 & 18/19	WIP - Planned	Financial Statements	4	Returned to Client for Correction (x3 - 16/17 - 18/19) and WIP (x1- 15/16)	-	3	1	-	-
JNHT – 2004/05	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-

Name of Client	Planned/ Unplanned As (WIP/NEW)	Type of Audit	# Of Statement	Status as of March 31, 2021	Certified	Audit Conducted	Audit In progress	Pending	Comments
JNHT – 2005/06	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
JNHT – 2006/07	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
JNHT – 2007/08	WIP - Planned	Financial Statements	1	WIP	-	-	1	-	-
JNHT – 2008/09	New - Planned	Financial Statements	1	Not Submitted by Client	-	-	-	1	-
JSIF - DVRP 19/20	New - Planned	Financial Statements	1	Certified	1	-	-	-	Certified - within the year
JSIF - ICDP 19/20	New - Planned	Financial Statements	1	Certified	1	-	-	-	Certified - within the year
KSAMC 09/10	WIP - Planned	Financial Statements	1	Suspended - Backlog Audit Project, Phase 1	-	-	-	1	-
Manchester Municipal Corp. 11/12, 12/13 & 13/14	WIP - Planned	Financial Statements	3	Suspended - Backlog Audit Project, Phase 1	-	-	-	3	-
Manchester Municipal Corp. 11/12,12/13&13/14	WIP - Planned	Financial Statements	3	Suspended - Backlog Audit Project, Phase 1	-	-	-	3	-
Milk River Bath 19/20	New - Planned	Financial Statements	1	WIP	-	-	1	-	-
MIND – 2019/20	New - Planned	Financial Statements	1	Certified	1	-	-	-	-
MOEYI, Project	Unplanned - New	Financial Statements	1	Certified	1	-	-	-	-
MOH - CDC 18/19	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
MOH - Surveillance of Avarian & Pandemic Influenza 19/20	New - Planned	Financial Statements	1	Not Submitted by Client	-	-	-	1	-
National Council on Education 2017/18	Unplanned - WIP (Follow-up)	Financial Statements	1	WIP	-	-	1	-	-
National Youth Service 2012/13	Unplanned - WIP (Follow-up)	Financial Statements	1	WIP	-	-	1	-	-
NCDA – 2010/11	WIP - Planned	Financial Statements	1	WIP	-	-	1	-	-
NEPA - Yallahs and Hope River 19/20	New - Planned	Financial Statements	1	Certified	1	-	-	-	-

Name of Client	Planned/ Unplanned As (WIP/NEW)	Type of Audit	# Of Statement	Status as of March 31, 2021	Certified	Audit Conducted	Audit In progress	Pending	Comments
NEPA 17/18	WIP - Planned	Financial Statements	1	WIP	-	-	1	-	-
NIS 13/14	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
NIS 13/14	Unplanned - WIP (Follow-up)	Financial Statements	1	WIP	-	-	1	-	-
NIS 14/15	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
NIS 14/15	Unplanned - WIP (Follow-up)	Financial Statements	1	Certified	1	-	-	-	-
NIS 15/16	WIP - Planned	Financial Statements	1	WIP	-	-	1	-	-
NIS 16/17	New - Planned	Financial Statements	1	WIP	-	-	1	-	-
NLA 12/13	New - Planned	Financial Statements	1	WIP	-	-	1	-	-
NLA 14/15	New - Planned	Financial Statements	1	WIP	-	-	1	-	-
NLA 2010/11	WIP - Planned	Financial Statements	1	WIP	-	-	1	-	-
NLA 2012/13 - 2014/15	WIP - Planned	Financial Statements	2	Returned to Client for Signature	-	2	-	-	-
NLA-11/12	WIP - Planned	Financial Statements	1	WIP	-	-	1	-	-
NLJ 16/17	WIP - Planned	Financial Statements	1	Returned to Client for Correction	-	1	-	-	-
NLJ14/15 - 15/16	Unplanned - WIP (Follow-up)	Financial Statements	2	WIP	-	-	1	-	-
NWA 19/20	New - Planned	Financial Statements	1	Returned to Client for Signature	-	1	-	-	-
OEC – 2019/20	New - Planned	Financial Statements	1	Certified	1	-	-	-	-
PATH- ISJSPL 19/20	New - Planned	Financial Statements	1	Certified	1	-	-	-	Certified - within the year
PCOA 19/20	New - Planned	Financial Statements	1	Not Submitted by Client	-	-	-	1	-
PCR Project – 2018/19 and 2019/20	New - Planned	Financial Statements	2	Certified	1	-	-	-	-
Pharmacy Council of Jamaica 17/18	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-

Name of Client	Planned/ Unplanned As (WIP/NEW)	Type of Audit	# Of Statement	Status as of March 31, 2021	Certified	Audit Conducted	Audit In progress	Pending	Comments
PICA – 2012/13	WIP - Planned	Financial Statements	1	WIP	-	-	1	-	-
PICA – 2013/14	WIP - Planned	Financial Statements	1	WIP	-	-	1	-	-
PICA – 2014/15	New - Planned	Financial Statements	1	Not Submitted by Client	-	-	-	1	-
PIOJ – FCGP 19/20	New - Planned	Financial Statements	1	Certified	1	-	-	-	Certified - within the year
POCA 18/19	Unplanned WIP (Follow-up)	Financial Statements	1	Returned to Client for Signature	-	-	1	-	-
Portmore MC 10/11	WIP - Planned	Financial Statements	1	Suspended - Backlog Audit Project, Phase 1	-	-	-	1	-
PPCR – 1/2016 to 7/2017	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
Provident Fund 16/17	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
Provident Fund 17/18	WIP - Planned	Financial Statements	1	Certified	1	-	-	-	-
Provident Fund 18/19	New - Planned	Financial Statements	1	Certified	1	-	-	-	Certified
Provident Fund 2019/20	Unplanned - New	Financial Statements	1	Certified	1	-	-	-	-
PSRA – 2018/19	New - Planned	Financial Statements	1	Certified	1	-	-	-	-
RGD 19/20	Unplanned - New	Financial Statements	1	WIP	-	-	1	-	-
RMF 17/18	WIP - Planned	Financial Statements	1	Returned to Client for Correction	-	1	-	-	-
SDC 17/18 & 18/19	WIP - Planned	Financial Statements	2	Outsourced	-	-	-	2	Outsource - Backlog
St Elizabeth MC 13/14	WIP - Planned	Financial Statements	1	Suspended - Backlog Audit Project, Phase 1	-	-	-	1	-
St. James Municipal Corp. 06/07 & 07/08	WIP - Planned	Financial Statements	2	Suspended - Backlog Audit Project, Phase 1	-	-	-	3	-
St. Thomas Municipal Corp. 10/11&11/12	WIP - Planned	Financial Statements	2	Suspended - Backlog Audit Project, Phase 1	-	-	-	2	-

Name of Client	Planned/ Unplanned As (WIP/NEW)	Type of Audit	# Of Statement	Status as of March 31, 2021	Certified	Audit Conducted	Audit In progress	Pending	Comments
YEDAI Project – 2019/20	New - Planned	Financial Statements	1	Certified	1	-	-	-	-
YEDAIP/HEART/NSTA Trust Follow Up Review	Unplanned - New	Financial Statements	1	Certified	1	-	-	-	-
TOTALS			111	-	42	9	29	30	-

APPENDIX 3: SCHEDULE OF APPROPRIATION AUDITS FY2021-2022 (APRIL 1 – DECEMBER 3)

Name of Client	Planned/ Unplanned as (WIP/NEW)	Type of Audit	# Of Statements	Current Status	Certified	Audit Conducted	Audit in Progress	Pending
MCGES:4600A-2015/2016	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
MCGES: 46000C 2019/20	WIP- Unplanned	Appropriation Accounts	1	Certified	1	-	-	-
MTM:68000A-2017/2018	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
MTM:68000-2017/2018	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
GG-2013/2014	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
GG-2015/2016	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
GG-2016/2017	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
OSC 2012/2013	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
LRD 2016/2017	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
MOFPS – Recurrent- 2017/18	WIP - Planned	Appropriation Accounts	1	Returned to client for corrections	-	1	-	-
Ministry of Transport and Mining Appropriation2016/17 Recurrent.	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
Ministry of Transport and Mining Recurrent Appropriation2016/17 Cap A.	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
Ministry of Transport and Mining Appropriation 2016/17 Cap B	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
Ministry of Transport and Mining 2018/19 Recurrent	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
INDECOM - Administration 2019	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
INDECOM - Administration 2020	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
INDECOM - Administration 2018	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
Administrator General's Department 2019	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
TAJ – Head – 20056 – 2019/20	New - Planned	Appropriation Accounts	1	Certified	1	-	-	-

Name of Client	Planned/ Unplanned as (WIP/NEW)	Type of Audit	# Of Statements	Current Status	Certified	Audit Conducted	Audit in Progress	Pending
Ministry of Local Government and Community Development Head 7200 FY 2015-2016	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
Ministry of Local Government and Community Development Capital B- Head 7200B FY 2016/17	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
Ministry of Local Government and Community Development Capital B- Head 7200A FY 2017/18	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
National Environment and Planning Agency 2017/ 2018	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
Accountant General - Statement J 2012/13	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
Accountant General - Statement J 2013/14	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
Accountant General - Statement J 2014/15	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
Accountant General - Statement J 2015/16	WIP - Planned	Appropriation Accounts	1	Returned to client for corrections	-	1	-	-
Accountant General - Statement J 2016/17	WIP - Planned	Appropriation Accounts	1	Returned to client for corrections	-	1	-	-
Accountant General - Statement J 2017/18	WIP - Planned	Appropriation Accounts	1	Returned to client for corrections	-	1	-	-
Accountant General - Statement J 2018/19	WIP - Planned	Appropriation Accounts	1	Returned to client for corrections	-	1	-	-
JIS App 2017/18	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
MIND App 2019/20	WIP - Planned	Appropriation Accounts	1	Returned to client for corrections	-	1	-	-
GG & Staff 2018/19	WIP - Planned	Appropriation Accounts	1	Returned to client for corrections	-	1	-	-
MFAFT 2018/19	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
OSC-2012/2013	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
Cabinet (Recurrent) 2019/20	New - Planned	Appropriation Accounts	1	WIP	-	-	1	-
Cabinet (Capital) 2019/20	New - Planned	Appropriation Accounts	1	WIP	-	-	1	-
Ministry of Transport and Mining 2018/19 Capital C	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-

Name of Client	Planned/ Unplanned as (WIP/NEW)	Type of Audit	# Of Statements	Current Status	Certified	Audit Conducted	Audit in Progress	Pending
Ministry of Transport and Mining 2018/19 Recurrent	WIP - Planned	Appropriation Accounts	1	WIP	-	-	1	-
Ministry of Science Energy and Technology Capital C 2019/2020	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
Ministry of Science Energy and Technology Recurrent 2019/2020	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
Office of the Services Commission 2014	WIP - Planned	Appropriation Accounts	1	WIP	-	1	-	-
Administrator General's Department 2020	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
National Environment and Planning Agency 2017/ 2018	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
Office of the Services Commission 2015	New - Planned	Appropriation Accounts	1	WIP	-	-	1	-
Registrar General's Department 2020	New - Planned	Appropriation Accounts	1	Certified	1	-	-	-
MFAFT 2017/18	WIP - Unplanned	Appropriation Accounts	1	Certified	1	-	-	-
OPC 2016/17	WIP - Unplanned	Appropriation Accounts	1	Certified	1	-	-	-
Police 2015/16	WIP - Unplanned	Appropriation Accounts	1	Certified	1	-	-	-
MNS Capital B - 2015/16	WIP - Planned	Appropriation Accounts	1	Certified	1	-	-	-
Parliament-2011/2012	WIP - Planned	Appropriation Accounts	1	WIP	1	-	-	-
MFAFT 2017/18	WIP-Planned	Appropriation Accounts	1	Certified	1	-	-	-
Office of the Prime Minister 15000 (Recurrent, Cap. A and Cap. B) 2017/2018	WIP- Unplanned	Appropriation Accounts	3	Certified	3	-	-	-
TOTALS			55		33	8		14

APPENDIX 4: SCHEDULE OF FINANCIAL STATEMENT AUDITS FY2021/22 (APRIL – DECEMBER 3)

Name of Client	Planned/Unplanned as (WIP/NEW)	Type of Audit	# Of Statements	Current Status	Certified	Audit Conducted	Audit in Progress	Pending
JIS 2018/19	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
JNHT 2007/08	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
NCDA 2010/11	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
NCE 2017/18	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
NYS 2012/13	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
PICA 2012/13	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
COJ 2018/19	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
FOR 2016/17	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
4H Clubs 2015/16	WIP - Planned	Financial Statement	1	WIP	-	-	1	-
FLA 2018/19	WIP - Planned	Financial Statement	1	WIP	1	-	-	-
MIND 2020/21	New- Planned	Financial Statement	1	Certified	1	-	-	-
JAF 2020/21	New- Planned	Financial Statement	1	Certified	1	-	-	-
CEP 2020/21	New- Planned	Financial Statement	1	Certified	1	-	-	-
YEDAIP 202/21	New- Planned	Financial Statement	1	Certified	1	-	-	-
PPCR 2020/21	New- Planned	Financial Statement	1	Certified	1	-	-	-
ICDIMP 2020/21	New- Planned	Financial Statement	1	Certified	1	-	-	-
IDB - Boosting Innovation Growth & Entrepreneurship Eco-Systems Project	New- Planned	Financial Statement	1	Certified	1	-	-	-
National Land Agency 2011	WIP - Planned	Financial Statement	1	WIP	-	-	1	-
Jamaica Custom Agency 2017	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
National Environment and Planning Agency 2018	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
Provident Fund 2020	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
National Works Agency 2020	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
Bath Fountain Hotel & Spa 2020	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
Police Civilian Oversight Authority 2019	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
NEPA - New Project 2021	WIP - Planned	Financial Statement	1	WIP	-	-	1	-
Pharmacy Council 2019	New- Planned	Financial Statement	1	Certified	1	-	-	-
National Library of Jamaica 2016	WIP - Planned	Financial Statement	1	WIP	-	-	1	-
Council of Community Colleges of Jamaica 2020	WIP - Planned	Financial Statement	1	WIP	-	-	1	-
Registrar General's Department 2020	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
Administrator General's Department 2020	WIP - Planned	Financial Statement	1	Certified	1	-	-	-
National Library of Jamaica 2017	WIP - Planned	Financial Statement	1	WIP	-	-	1	-

Name of Client	Planned/Unplanned as (WIP/NEW)	Type of Audit	# Of Statements	Current Status	Certified	Audit Conducted	Audit in Progress	Pending
JSIF - DVRP 2021	New- Planned	Financial Statement	1	Certified	1	-	-	-
PIOJ - Foundation for Competitiveness and Growth Project 2021	New- Planned	Financial Statement	1	Certified	1	-	-	-
Jamaica Intellectual Property Office 2020	New- Planned	Financial Statement	1	WIP	-	-	1	-
JSIF - ICDP 2021	New- Planned	Financial Statement	1	Certified	1	-	-	-
Programme of Advancement Through Health and Education - ISJSPL 2021	New- Planned	Financial Statement	1	Certified	1	-	-	-
TOTAL			36		29		7	

APPENDIX 5: OUTSTANDING FINANCIAL STATEMENTS

HEAD	Ministry, Statutory Bodies and Executive Agencies	Type of Statement	Years	Total Outstanding
	Forestry Department (*)	Accrual basis	2017/2018 to 2020/2021	4
	National Environment and Planning Agency (*)	Accrual basis	2020/2021	1
	Companies Office of Jamaica	Accrual basis	2019/2020 to 2020/2021	1
	Jamaica Custom Agency (*)	Accrual basis	2018/19 to 2020/2021	3
	Jamaica Information Service	Accrual basis	2020/21	1
	Fair Trading Commission	Accrual basis	2020/2021	1
	National Commission for Science and Technology	Cash basis	2015/2016 to 2020/2021	6
	Jamaica Intellectual Property Office	Accrual basis	2020/21	1
	National Land Agency (*)	Accrual basis	2019/2020 to 2020/21	2
	Passport, Immigration and Citizenship Agency (*)	Accrual basis	2018/2019 to 2020/21	3
	Fisheries Management and Development Fund	Cash basis	2015/2016 - 2020/2021	6
	Capital Development Fund	Accrual basis	2017/2018 to 2020/2021	4
	Firearm Licensing Authority	Accrual basis	2019/2020 to 2020/21	2
	Pesticides Control Authority	Accrual basis	2015/16 to 2020/21	6
	National Council on Education	Accrual basis	2019/2020 to 2020/21	2
	Anti-Dumping and Subsidies Commission	Accrual basis	2018/2019 to 2020/2021	3
	Financial Investigations Division	Accrual basis	2020/21	1
	Institute of Jamaica	Accrual basis	2017/2018 to 2020/21	4
	Jamaica 4-H Clubs	Accrual basis	2019/2020 to 2020/2021	1
	Jamaica National Heritage Trust	Accrual basis	2009/10 to 2020/2021	12
	Jamaica Veterinary Board	Cash basis	2018/2019 to 2020/2021	3
	Land Administration Management Programme	Accrual basis	2015/2016 to 2017/2018	3
	National Council on Drug Abuse	Accrual basis	2012/2013 to 2020/2021	9
	National Gallery of Jamaica	Accrual basis	2016/2017 to 2020/2021	5
	National Insurance Scheme	Accrual basis	2019/2020 to 2020/2021	2
	National Youth Services	Accrual basis	2014/15 to 2019/2020	6
	Pharmacy Council of Jamaica	Accrual basis	2020/21	1
	Police Civilian Oversight Authority	Accrual basis	2019/2020 to 2020/2021	2
	Export Division	Accrual basis	2014/2015 to 2020/2021	7
	Social Development Commission	Accrual basis	2020/21	1
	National Library of Jamaica	Cash basis	2019/2020 to 2020/2021	2
	Jamaica Library Services	Accrual basis	2019/2020 to 2021	2

HEAD	Ministry, Statutory Bodies and Executive Agencies	Type of Statement	Years	Total Outstanding
	Clarendon Municipal Corporation	Modified Accrual Basis	2013/2014 to 2020/2021	7
	Hanover Municipal Corporation	Modified Accrual Basis	2020/2021	1
	Kingston & St. Andrew Municipal Corporation	Modified Accrual Basis	2016/2017 to 2020/2021	5
	Manchester Municipal Corporation	Modified Accrual Basis	2016/2017 to 2020/2021	5
	Portland Municipal Corporation	Modified Accrual Basis	2020/2021	1
	Portmore Municipal Council	Modified Accrual Basis	2017/2018 to 2020/2021	4
	St. Ann Municipal Corporation	Modified Accrual Basis	2009/2010 to 2020/2021	12
	St. Catherine Municipal Corporation	Modified Accrual Basis	2016/2017 to 2020/2021	5
	St. Elizabeth Municipal Corporation	Modified Accrual Basis	2019/2020 to 2020/2021	2
	St. James Municipal Corporation	Modified Accrual Basis	2013/2014 to 2020/2021	8
	St. Mary Municipal Corporation	Modified Accrual Basis	2013/2014 to 2020/2021	8
	St. Thomas Municipal Corporation	Modified Accrual Basis	2014/2015 to 2020/2021	7
	Trelawny Municipal Corporation	Modified Accrual Basis	2019/2020 to 2020/2021	2
	Westmoreland Municipal Corporation	Modified Accrual Basis	2012/2013 to 2020/2021	9
	Parochial Revenue Fund	Accrual basis	2020/21	1
01000	His Excellency the Governor General and Staff	Appropriation Account	2020/2021	1
02000	Houses of Parliament	Appropriation Account	2018/2019 to 2020/21	3
03000	Office of the Public Defender	Appropriation Account	2018/2019 to 2020/2021	3
06000	Office of the Services Commission	Appropriation Account	2017/18 to 2019/20	3
07000	Office of the Children's Advocate	Appropriation Account	2020/21	1
8000	Independent Commission of Investigations	Appropriation Account	2020/21	1
15000	Office of the Prime Minister	Appropriation Account	2018/2019	1
15000B	Office of the Prime Minister	Appropriation Account	2018/2019	1
15000C	Office of the Prime Minister	Appropriation Account	2019/2020	1
15020	Registrar General's Department (*)	Appropriation Account	2014/2015, 2015/2016 & 2020/2021	3

HEAD	Ministry, Statutory Bodies and Executive Agencies	Type of Statement	Years	Total Outstanding
16000	Office of the Cabinet	Appropriation Account	2020/21	1
16000B	Office of the Cabinet	Appropriation Account	2019/20 to 2020/21	2
16000C	Office of the Cabinet	Appropriation Account	2020/2021	1
16049	Management Institute for National Development	Appropriation Account	2020/2021	1
17000	Ministry of Tourism	Appropriation Account	2018/2019	1
19000	Ministry of Economic Growth and Job Creation	Appropriation Account	2019/2020 to 2020/2021	2
19000C	Ministry of Economic Growth and Job Creation	Appropriation Account	2019/2020 to 2020/21	2
19046	Forestry Department (*)	Appropriation Account	2013/2014 to 2020/2021	8
19047	National Land Agency (*)	Appropriation Account	2010/2011 to 2020/21	10
19048	National Environment and Planning Agency (*)	Appropriation Account	2018/2019 to 2019/2021	3
19050	National Works Agency (*)	Appropriation Account	2001/02 to 2020/2021	21
20000	Ministry of Finance and the Public Service	Appropriation Account	2018/2019 to 2020/2021	3
20000A	Ministry of Finance and the Public Service	Appropriation Account	2018/2019	1
20000B	Ministry of Finance and the Public Service	Appropriation Account	2018/2019	1
20000C	Ministry of Finance and the Public Service	Appropriation Account	2019/2020 to 2020/2021	2
20011	Accountant General	Appropriation Account	2015/16, 2016/2017, 2018/2019 & 2020/2021	4
20012	Jamaica Custom's Agency	Appropriation Account	2014/2015 to 2020/2021	7
20018	Public Debt Servicing (Interest Payments)	Appropriation Account	2013/2014 to 2014/2015, 2018/2019 to 2020/2021	5
20000A	Public Debt Servicing (Amortization)	Appropriation Account	2013/2014 to 2014/2015, 2018/2019 to 2020/2021	5
20019	Pensions	Appropriation Account	2013/2014 to 2020/2021	8
21000	Ministry of Housing, Urban Renewal, Environment and Climate Change	Appropriation Account	2020/21	1
21000C	Ministry of Housing, Urban Renewal, Environment and Climate Change	Appropriation Account	2020/21	1
26000	Ministry of National Security	Appropriation Account	2020/21	1
26000C	Ministry of National Security	Appropriation Account	2020/21	1

HEAD	Ministry, Statutory Bodies and Executive Agencies	Type of Statement	Years	Total Outstanding
26022	Police Department	Appropriation Account	2018/2019 to 2020/2021	3
26024	Department of Correctional Services	Appropriation Account	2019/20 to 2020/21	2
26057	Institute of Forensic Science & Legal Medicine	Appropriation Account	2017/2018 to 2020/2021	4
28000	Ministry of Justice	Appropriation Account	2020/2021	1
28000A	Ministry of Justice	Appropriation Account	2019/2020	1
28000C	Ministry of Justice	Appropriation Account	2020/2021	1
28000B	Ministry of Justice	Appropriation Account	2017/2018 to 2019/2020	3
28023	Court of Appeal	Appropriation Account	2019/2020 to 2020/21	2
28026	Family Courts	Appropriation Account	2019/2020 to 2020/2021	2
28027	Resident Magistrates' Courts/Parish Courts	Appropriation Account	2013/14 to 2015/2016/17, 2019/20 to 2020/21	5
28028	Revenue Court	Appropriation Account	2019/2020 to 2020/21	2
28029	Supreme Court	Appropriation Account	2013/2014, 2015/16, 2019/2020 to 2020/21	4
28031	Attorney General	Appropriation Account	2019/2020 to 2020/2021	2
28032	Trustee in Bankruptcy	Appropriation Account	2014/2015 to 2017/2018	4
28054	Court Management Services	Appropriation Account	2010/2011, 2019/2020, 2020/2021	3
30000	Ministry of Foreign Affairs & Foreign Trade	Appropriation Account	2019/2020 to 2020/2021	2
40000	Ministry of Labour & Social Security	Appropriation Account	2018/2019 to 2020/2021	3
40000A	Ministry of Labour & Social Security	Appropriation Account	2012/2013	1
40000B	Ministry of Labour & Social Security	Appropriation Account	2011/2012 to 2012/2013, 2017/2018 to 2018/2019	4
40000C	Ministry of Labour & Social Security	Appropriation Account	2019/2020 to 2020/2021	2
41000	Ministry of Education, Youth & Information	Appropriation Account	2012/2013, 2014/2015 to 2017/2018, 2020/2021	6
41000A	Ministry of Education, Youth & Information	Appropriation Account	2013/2014 to 2018/ 2019	6
41000B	Ministry of Education, Youth & Information	Appropriation Account	2013/2014 to 2018/ 2019	6
41000C	Ministry of Education, Youth & Information	Appropriation Account	2020/21	1
41051	Child Development Agency (*)	Appropriation Account	2017/2018 to 2019/2020	3

HEAD	Ministry, Statutory Bodies and Executive Agencies	Type of Statement	Years	Total Outstanding
42000	Ministry of Health	Appropriation Account	2013/2014 to 2020/2021	8
42000A	Ministry of Health	Appropriation Account	2015/2016 to 2018/2019	4
42000B	Ministry of Health	Appropriation Account	2015/2016 to 2018/2019	4
42000C	Ministry of Health	Appropriation Account	2019/2020 to 2020/2021	2
42034	Bellevue Hospital	Appropriation Account	2012/2013 to 2020/2021	9
42035	Government Chemist	Appropriation Account	2017/2018 to 2020/21	4
46000	Ministry of Culture, Gender, Entertainment & Sport	Appropriation Account	2018/2019, 2020/2021	2
46000C	Ministry of Culture, Gender, Entertainment & Sport	Appropriation Account	2020/21	1
50000	Ministry of Industry, Commerce, Agriculture & Fisheries	Appropriation Account	2015/16, 2018/19 to 2020/2021	4
50000A	Ministry of Industry, Commerce, Agriculture & Fisheries	Appropriation Account	2016/2017 to 2018/2019	3
50000B	Ministry of Industry, Commerce, Agriculture & Fisheries	Appropriation Account	2016/2017 to 2018/2019	3
50000C	Ministry of Industry, Commerce, Agriculture & Fisheries	Appropriation Account	2019/2020 to 2020/2021	2
5300	Ministry of Industry, Investment & Commerce	Appropriation Account	2011/2012 to 2014/2015	4
5300A	Ministry of Industry, Investment & Commerce	Appropriation Account	2012/2013 to 2014/2015	3
5300B	Ministry of Industry, Investment & Commerce	Appropriation Account	2011/2012 to 2014/2015	4
50038	Companies Office of Jamaica (*)	Appropriation Account	2016/2017 to 2020/2021	5
56000A	Ministry of Science, Energy & Technology	Appropriation Account	2019/2020 to 2020/21	2
56000B	Ministry of Science, Energy & Technology	Appropriation Account	2019/2020 to 2020/21	2
56039	Post & Telecommunications Department	Appropriation Account	2019/2020-2020/21	2
72000A	Ministry of Local Government & Community Development	Appropriation Account	2018/2019	1
	Total			436
	* These entities are required to prepare both Appropriation Accounts and accrual basis accounts and therefore I am only reporting on the years that the statements have not been submitted for audit.			

APPENDIX 6: MINISTRY OF TRANSPORT AND MINING (MTM) VEHICLES SEEN IN STATE OF DISREPAIR



Seen scrapped at JUTC



Seen at the Ministry's Head Office not being used



Parked at Island Traffic Authority



Vehicles at CMU

