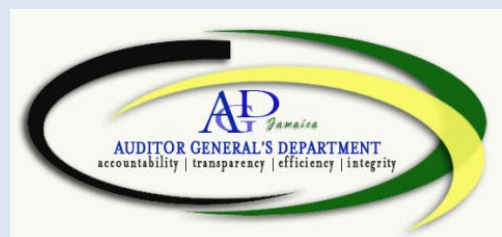


**AUDITOR GENERAL'S DEPARTMENT
FOLLOW-UP PERFORMANCE AUDIT REPORT
NATIONAL ENVIRONMENT AND PLANNING AGENCY**

The Auditor General is appointed by the Governor General and is required by the Constitution, Financial Administration and Audit Act, other sundry acts and letters of engagement, to conduct audits at least once per year of the accounts, financial transactions, operations and financial statements of central government ministries and departments, local government agencies, statutory bodies and government companies.

The Department is headed by the Auditor General, Pamela Monroe Ellis, who submits her reports to the Speaker of the House of Representatives in accordance with Section 122 of the Constitution of Jamaica and Section 29 of the Financial and Administration and Audit Act.

This report has been prepared by the Auditor General's Department of Jamaica for presentation to the House of Representatives.



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Foreword

The National Environment and Planning Agency (NEPA) is an Executive Agency of the Government of Jamaica charged with the responsibility to protect Jamaica's environment and promote sustainable development. NEPA's mission is to 'promote sustainable development by ensuring protection of the environment and orderly development in Jamaica through highly motivated staff performing at the highest standard'.

In December 2010, I submitted a performance audit report, which outlined weaknesses in NEPA's monitoring and enforcement activities. I commissioned a follow-up audit sought to verify whether NEPA had taken the requisite actions to address the deficiencies that were identified and reported on, in the said report.

The follow-up audit revealed improvements in NEPA's performance as it pertains to monitoring and enforcement. NEPA has finalized Development Orders for the majority of parishes/designated areas, which would serve to facilitate their orderly development. Further, NEPA has increased its use of enforcement tools and improved its record keeping. NEPA's response to environmental threats reported by the public improved significantly, moving to 90 per cent of complaints during the period April 2010 to March 2015, when compared to 42 per cent reported in the prior audit report.

I wish to commend NEPA for its commitment to improve its business processes and I encourage NEPA to pursue corrective measures to address outstanding issues. I also wish to express my sincere thanks to the management and staff for the cooperation given to the audit team.



Pamela Monroe Ellis, FCCA, FCA, CISA
Auditor General

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Executive Summary

The National Environment & Planning Agency (NEPA) was formed out of the merger of the National Resources and Conservation Authority (NRCA), Town and Country Planning Authority (TCPA) and the Land Development and Utilisation Commission (LDUC). NEPA is mandated to protect the environment and promote sustainable development. Jamaica's Vision 2030 National Development Plan (NDP) identified uncontrolled and disorderly growth of urban areas caused in part by underdeveloped rural areas and weaknesses in planning systems. Vision 2030 outlined the need for the development of efficient and effective governance structures for environmental management as well as, the creation of an appropriate framework for sustainability planning and the management of all forms of waste.

In 2010, we conducted a performance audit aimed at determining whether NEPA was effective in executing its statutory duties and had supplied value to taxpayers for funds invested in it, through budgetary allocation. The audit found significant managerial weaknesses in the overall operations of NEPA and inadequate implementation of measures to maintain natural resources. The report also revealed that strategies employed by NEPA were not designed to foster efficiency and generate growth in its operations. We recommended improvements to business processes and management practices in respect of the natural and built environment to achieve sustainable development. The objectives of this follow-up audit were to (i) determine the extent to which NEPA has implemented the recommendations made in the Performance Audit Report issued in 2010, (ii) evaluate the adequacy of actions taken in achieving performance improvement and, (iii) identify improvements in monitoring, enforcement and accountability functions.

Key Findings

1. Since 2010, NEPA has showed improvements in the submission of Development Orders for parishes/designated areas, to the Forward Planning Committee (FPC) of the Town and Country Planning Authority and Chief Parliamentary Council (CPC) for review. As at July 2016, three Development Orders were with the FPC while six were with the CPC. This compares favorably with three and zero Development Orders with the FPC and CPC, respectively for review in 2010. Development Orders for Manchester, Negril & Green Island, Portland and Trelawny were confirmed by the Portfolio Minister in April and May 2015.
2. NEPA implemented the AuGD's recommendation to integrate the preparation of State of the Environment Reports (SoE) in their planning process and prepared two reports which outline the condition of the country's natural and environmental resources. While the SoE Report for 2010

Executive Summary

was published in 2011, the 2013 SoE report is yet to be published. NEPA advised that the 2013 report was delayed due to inadequate funding support from the Government of Jamaica.

3. NEPA made greater use of its enforcement tools to increase compliance. Over the 5-year period April 2010 to March 2015, enforcement activities totalled 3,604 compared to 922 for the previous assessed period. Further, NEPA's record keeping of enforcement actions improved when compared to the prior audit period.
4. NEPA's response to environmental threats reported by the public improved significantly. NEPA investigated 90 per cent of complaints during the period April 2010 to March 2015, compared to 42 per cent reported in the prior audit report.
5. NEPA's monitoring targets were not appropriately aligned with the number of approved permits/licences. Further, NEPA did not conduct the required monitoring on a timely basis to ensure that approved activities were being carried out in accordance with the terms and conditions of the permits/licences. For example, we found that for 60 permits/licences, there were significant gaps of up to 5 years between the time of licence issuance and the conduct of the first monitoring visit. We also observed that NEPA did not strictly adhere to its procedures in relation to the periodic monitoring of permits/licences.
6. Model B Executive Agencies are required to earn between 40 per cent and 90 per cent of budgeted expenditures from fees. Total fees collected by NEPA for the period 2010/11 to 2014/15 averaged 11.1 per cent of actual expenditure for the 5-year period. However, NEPA processes planning and subdivision applications for the Local Authorities, from which it earns no revenue and for which the expenditure is not recoverable. As a consequence, NEPA continued to rely heavily on Government subvention, which accounted for an average of 94 per cent of total expenditure.

Part One

Introduction

Overview of NEPA

- 1.1 Jamaica’s Vision 2030 National Development Plan identified, as important issues and challenges, uncontrolled and disorderly growth of urban areas caused in part by underdeveloped rural areas and weaknesses in planning systems. Accordingly, a long-term action plan was articulated in Vision 2030, which identified key strategies, to be prioritised over a three-year period ending in 2012, geared towards ensuring sustainable management and use of environmental and natural resources. These included the development of efficient and effective governance structures for environmental management, the creation of appropriate framework for sustainability planning and the management of all forms of waste.

- 1.2 The National Environment and Planning Agency (NEPA) is an Executive Agency of the Government of Jamaica that became operational on April 1, 2001. NEPA was founded to carry out the technical (functional) and administrative mandate of three statutory bodies "the Natural Resources & Conservation, Authority (NRCA), the Town & Country Planning Authority (TCPA), and the Land Development & Utilisation Commission (LDUC)". Its mandate is to protect the environment and promote sustainable development.

- 1.3 NEPA is organized into six divisions with the following seven core functions:



1.4 NEPA operates under the following Acts:

1. Executive Agencies Act
2. The Natural Resources Conservation Act
3. The Town and Country Planning Act
4. The Land Development and Utilization Act
5. The Beach Control Act
6. The Watersheds Protection Act
7. The Wild Life Protection Act
8. Endangered Species (Protection, Conservation and Regulation of Trade) Act

Financing and Staffing

1.5 NEPA's operations are financed by recurrent budget allocations from the Government of Jamaica (GOJ) Consolidated Fund through the Ministry of Finance, and Appropriation-in-Aid through Natural Resources Conservation Authority (NRCA) fees derived from permits and licences. Projects are funded from budget allocations from the GOJ Consolidated Fund (Capital "A" and "B") and from technical assistance grants and project financing from NRCA funds, and various international donor organisations.

1.6 NEPA received a total of \$3.2 billion or 95 per cent of the budget allotted for the period 2010/11 to 2014/15 from the Consolidated Fund while Appropriation-in-Aid for the same period amounted to \$148 million (**Table 1**). NEPA is required to remit 50 per cent of surplus after GOJ financing to the Consolidated Fund.

Table 1: NEPA's 2010 to 2015 Budget

Period	Budget approved inclusive of Appropriation in Aid (\$000)	Amount Received (\$000)		
		Vote	Appropriation-in-Aid	Total
2014/15	748,644	694,068	36,975	731,043
2013/14	694,782	686,549	35,095	721,644
2012/13	731,051	665,990	25,000	690,990
2011/12	612,208	584,303	28,150	612,453
2010/11	587,271	572,807	22,700	595,507
Total	3,373,956	3,203,717	147,920	3,351,637

Source: AuGD's Compilation of NEPA financial Data

Part One

- 1.7** At 31 March 2015, NEPA employed 263 staff with 8% (21) being temporary employees. The incumbent has occupied the post of Chief Executive Officer for the past seven years.
- 1.8** Section 15 of the Executive Agencies Act (2002) requires each public body to submit to the responsible Minister, the annual report and audited financial statements within three months of the end of the financial year for tabling in the House of Representatives and the Senate. At the time of our audit, the last annual report tabled was for 2008/09.

NEPA reported that the 2009/10 and 2010/11 were submitted to the responsible Minister, while the 2011/12 and 2013/14 reports will be submitted by September 2016. NEPA further indicated that the reports for 2014/15 and 2015/16 will be finalized by December 2016. The 2012/13 Annual Report was reviewed by the portfolio Ministry and feedback sent to NEPA.

Follow-up objective, scope and methodology

- 1.9** In 2010, we conducted a performance audit, which identified weaknesses in monitoring and enforcement activities. The objectives of this follow-up audit were to (i) determine the extent to which NEPA has implemented the recommendations made in the AuGD's Performance Audit Report issued in 2010, (ii) identify improvements in monitoring, enforcement and accountability and, (iii) evaluate the adequacy of actions taken in achieving performance improvement. The recommendations and the findings from the 2010 report formed the scope of the follow-up audit.

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Part Two

Strategy towards Environmental Protection

Key finding No. 1 from the 2010 audit

NEPA does not have a proactive strategy towards the protection of the environment. NEPA is not assessing the current state of the environment to inform its planning decisions. Plans to implement monitoring systems over the period April 2005 to March 2010 failed to materialise as data required to conduct this exercise was only undertaken once. In addition, taxpayers received no value from this exercise as there was no evaluation of the data.

Recommendation from the 2010 audit.

NEPA should consider preparing reports on the state of the environment at least triennially. This would allow for more purposeful and effective planning decisions that will assist in promoting sustainable development. This report should be established as a specific Key Performance Indicator and assigned a high level of priority in the Corporate Plan.

- 2.1 Since the 2010 audit, NEPA prepared two State of the Environment (SoE) Reports, which outlined the condition of the country's natural and environmental resources, the issues that threaten the conservation of environmental assets and the actions to be taken to ensure sustainable development. These reports, which represent a source of information on the state on the environment for stakeholders, also informed NEPA's Corporate Plans for the years 2010 to 2016.
- 2.2 We noted that one of the two SoE reports, which covered the period 2011 to 2013, is yet to be published. NEPA advised that the 2013 report was delayed due to inadequate funding support from the Government of Jamaica. The 2010 SoE report which covered the period 2008 to 2010, was published in 2011.

Development Orders

Key finding No. 3 from the 2010 audit

There has been limited progress in NEPA's forward planning function since 2001. Some Development Orders needed to inform planning decisions are 30 years old. Seven parishes are not fully covered by Development Orders. The finalisation of the Orders is not being prioritized. The draft Orders prepared during April 2001 to March 2010, were not promulgated as at July 31, 2010. The preparation of which can cost up to \$29 million. Further extended delays in finalisation could require additional research which would result in increased costs to the public.

Recommendation from the 2010 audit

NEPA should finalise its draft Development Orders immediately. This activity should be prioritized based on the level of comparative assessed risk associated with its non-implementation. The TCPA Board should define their requirements in the initial stages and conduct regular reviews of the progress of these orders to ensure that they are designed to meet expected standards and prevent unnecessary delays in the review and process.

- 2.3 NEPA is required to prepare Development Orders¹ governing land use in all parishes aimed at fostering economic, environmental, cultural, physical and social growth and development.
- 2.4 Since 2010, NEPA has showed improvements in the submission of Development Orders for parishes/designated areas, to the Forward Planning Committee (FPC) of the Town and Country Planning Authority and Chief Parliamentary Council (CPC) for review. As at July 2016, three Development Orders were with the FPC while six were with the CPC. This compares favorably with three and zero Development Orders with the FPC and CPC, respectively for review in 2010. (**Table 2**). Development Orders for Manchester, Negril & Green Island, Portland and Trelawny were confirmed by the Portfolio Minister in April and May 2015.

NEPA indicated that a draft Development Order for Portmore would be completed by July 2017. NEPA advised that the Saint Elizabeth and the Kingston & Saint Andrew draft Development Orders were returned from the CPC on August 15, 2016.

¹ Development orders are legal documents that prescribe the types of development, which are allowed to take place on land and require receipt of permission in the area where the order relates. Excell, (n.d.). *The Enforcement of Planning Laws in Jamaica*. Retrieved from www.nepa.gov.jm

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Table 2 Status of Draft Development Orders

No	Draft Development Order Prepared by Local Area Planning Branch	Proposed Completion Date for Draft	Date Draft Completed	Date Draft Submitted to Forward Planning Committee	Date Draft Submitted to the Chief Parliamentary Counsel
1	Kingston & St. Andrew Parish	FY 2008/09	Qtr 3-2008	24-Nov-09	09-Jul-14
2	St. Catherine Area	FY 2008/09	Qtr 4-2009	03-Dec-14	29-Dec-14
3	St. Thomas Parish	FY 2010/11	Qtr 4-2011	03-Dec-14	27-Jan-16
4	Hanover Area	FY 2014/15	Qtr 4-2015	04-Nov-15	19-Feb-16
5	Clarendon Parish	FY 2013/14	Qtr 4-2014	03-Dec-14	29-Dec-14
6	St. James Parish	FY 2009/10	Qtr 4-2010	06-Jul-16	Not Yet Submitted
7	St. Elizabeth Parish	FY 2013/14	Qtr 4-2014	04-Nov-15	19-Jul-16
8	Westmoreland Area	FY 2015/16	Qtr 3-2016	06-Jul-16	Not Yet Submitted
9	St. Mary Parish	FY 2015/16	Qtr4-2016	06-Jul-16	Not Yet Submitted

Source: NEPA

Monitoring and Enforcement

Key finding No. 5 from the 2010 audit

There are also severe weaknesses in NEPA's coordination of its monitoring and enforcement activities. There are no formal procedures to indicate how the Enforcement Branch is advised of newly approved permits and licences. For example, 48 per cent of permits and licences are transferred only after 90 working days, leading to inevitable delays in monitoring and enforcement activities. As a consequence, NEPA is at risk of not being able to pursue enforcement action against clients if breaches are not identified within 12 months of being committed. Further, NEPA management and staff did not adequately manage the monitoring of permits and licences. For example, two of the four coordinators were unable to provide a list of the permits and licences under their purview. Whilst the other two coordinators did not inform their monitoring and enforcement staff of 33 per cent of the permits and licences they should be monitoring.

Recommendation from the 2010 audit

Specific enforcement team delivery and reporting requirements should be established and implemented immediately to allow NEPA senior management to track the performance of its enforcement team as well as individual clients.

NEPA improves enforcement monitoring procedures

- 2.5 Formal procedures are now in place at NEPA to notify the enforcement branch of newly approved permits/licences. In August 2012, NEPA completed the revision of its procedures for

Part Two

conducting post permit/licence approval monitoring to strengthen the effectiveness and efficiency of monitoring activities. In addition, NEPA developed procedures for preparing, reviewing and archiving of reports. Improvements were also made to data capturing mechanisms to enable enforcement officers to more accurately and readily identify breaches of the conditions specific to each permit/licence.

Key finding No. 6 from the 2010 audit

NEPA has not implemented appropriate mechanisms to manage its operations to facilitate the effective achievement of its mission “to promote sustainable development by ensuring the protection of the environment and orderly development in Jamaica”. Less than 50 per cent of NEPA’s staff is working in core technical areas and only 26 per cent are engaged to monitor the environment.

- 2.6 NEPA indicated that classification of staff is based on its seven core functions. As at March 2015, NEPA had 263 members of staff, of which 167 were classified as technical which included 83 persons (32 per cent) involved in monitoring and enforcement activities (**Table 3**). This compared favourably with the 26 per cent of staff engaged to monitor the environment in 2010.

Table 3 Analysis of NEPA Staff Allocation

	Staff Category	NEPA Staff Allocation 2014/15	Percentage	NEPA Staff Allocation 2009/10	Percentage
Core	Technical	167	63.5	117	49.4
	<i>o/w Monitoring & Enforcement</i>	83	31.6	61	25.7
Non-Core (Support)	Administrative	78	29.7	104	43.9
	Ancillary	18	6.8	16	6.7
	Total	263	100	237	100

Source: NEPA

Key finding No. 7 from the 2010 audit

NEPA staff is monitoring less than half of approved developments. Although NEPA has prioritised the monitoring of developments that present a serious threat to the Jamaican environment, only 28 per cent are monitored. Lack of coordination in monitoring and enforcement activities has resulted in the underperformance of enforcement staff, who spend 60 per cent of their time performing administrative tasks, as opposed to working in the field. In addition, staff did not account for 32 per cent of their time. There is also no verification of the activities reportedly undertaken by at least 89 per cent of these officers.

Recommendation from the 2010 audit

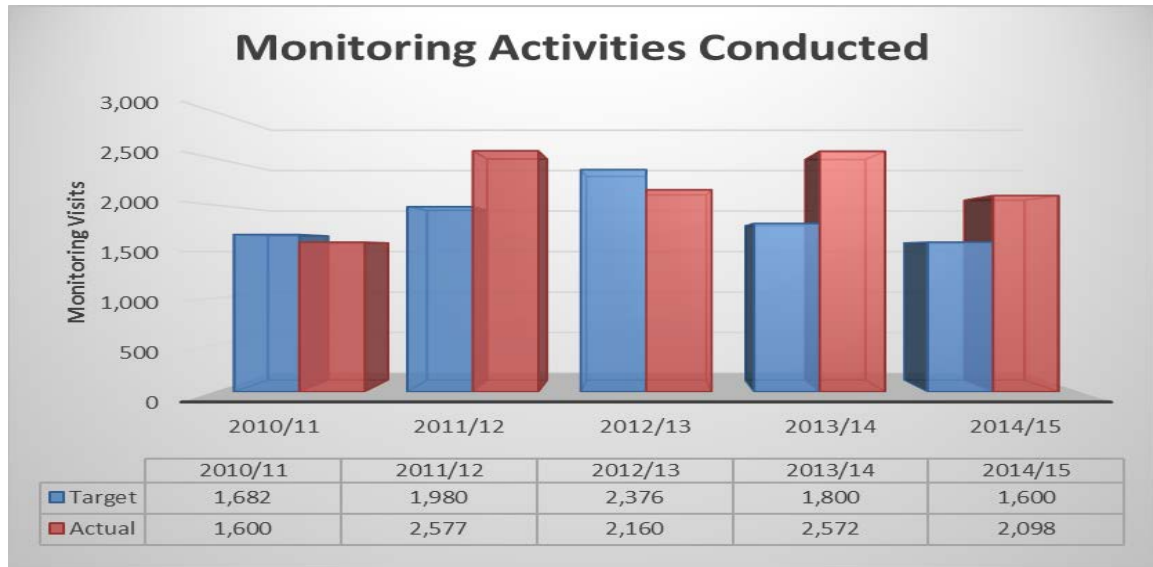
The activities of the Enforcement Branch need to be transformed and re-energized over the next year. The enforcement team needs to be managed properly and made accountable for the use of their time and delivery requirements. Targets should be assigned by NEPA senior management to the Enforcement Branch that delivers improved performance. NEPA should also maintain and review proper records that track the life cycle of each licence and permit issued.

- 2.7 NEPA revised downward its monitoring targets by 24 and 11 per cent in 2013/14 and 2014/15 respectively, despite an increase in the number of field officers as well as approved permits/licences. We noted that following NEPA's revision to its monitoring targets, actual monitoring visits exceeded the respective targets for 2013/14 and 2014/15 by 43 per cent and 31 per cent, suggesting overcompensation in the adjustment of previously ambitious targets (**Figure 1**).

NEPA indicated that the downward revision in the target arose in a context where human resource constraints made it impossible to meet the target set for post permit monitoring for the period 2012/13. *"Recognising the increase in investigations, the Agency took a strategic decision to revise the post permit monitoring target for the subsequent financial years."*

In order to achieve a more realistic target setting mechanism, NEPA should conduct a workload assessment to appropriately align monitoring targets with the number of permits/licences.

Figure 1 Monitoring Activities Conducted During 2010/11 to 2014/15



Source: NEPA

- 2.8 NEPA has in place a Special Monitoring List (SML) that prioritizes the monitoring of developments that present a serious threat to the environment. At a minimum, NEPA should monitor all activities on this list on a quarterly basis. NEPA provided the SML consisting of 25 permits/licences as at April 2014, which were to be monitored during the 2014/15 period. From the list provided, we did not review five permits/licences as three had expired, one project was yet to be implemented, while monitoring was already completed for one. Of the remaining 20, we found that 13 were adequately monitored in accordance with the standard, while seven were not consistently monitored. NEPA could not verify the status of nine sewage/wastewater treatment facilities to determine whether they were operational and discharged sewage and trade effluent.
- 2.9 NEPA did not conduct the required monitoring on a timely basis to ensure that approved activities were being carried out in accordance with the terms and conditions of the permits/licences. For example, we found that for 60 permits/licences, there were significant gaps of up to 5 years between the time of licence issuance and the conduct of the first monitoring visit. We also observed that NEPA did not strictly adhere to its procedures in relation to the periodic monitoring of permits/licences. (**Appendix 1**). From a sample of 108 permits/licences, we found that 20 permits/licences were not monitored in accordance with schedule and 18 were not monitored (**Appendix 2**). Timely monitoring of activities would assist

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NEPA in the detection of breaches of the conditions specific to the permits/licences and implementation of appropriate enforcement actions.

- 2.10 NEPA's Enforcement Coordinators were not consistent in the review of monitoring reports. We observed that only 17 per cent or 87 of 498 sampled monitoring reports, showed evidence of review relating to the period 2010/11 to 2014/15. Further, NEPA requires verification of the monitoring reports by the Enforcement Coordinators. It can be conducted by one of three methods namely telephone; conducting joint site visit with the assigned officer; and conducting an independent site visit without the knowledge of the officer. However, we were unable to validate that the stipulated verification process was conducted as only 28 verification reports were presented for the two-year period 2013/14 to 2014/15.

Key finding No. 8 from the 2010 audit

NEPA is not placing sufficient priority on the legal and enforcement arm of its business. For example, NEPA could not present the status of 64 per cent of the 106 cases referred for legal action. Despite the legal requirement to prosecute clients who are required to submit reports on waste disposal plants, NEPA did not take any action against the 65 per cent of clients who failed to submit reports.

Key finding No. 9 from the 2010 audit

NEPA can only be effective if it works with and gains the respect of the public. However, NEPA's repeated lack of decisive action on the identification and reporting of environmental breaches has increased the difficulty of its task to protect the environment. NEPA did not address 42 per cent of the environmental concerns reported by the public during the period April 2007 to March 2010.

NEPA's enforcement activities have improved

- 2.11 NEPA made greater use of its enforcement tools in an effort to increase compliance. Over the 5-year period April 2010 to March 2015, enforcement activities totalled 3,604 compared to 922 for the previous assessed period. Further, NEPA's record keeping of enforcement actions improved when compared to the prior audit period. The Enforcement Branch now maintains a database of all enforcement actions taken as well as files containing copies of the instruments served during each financial year.
- 2.12 NEPA's records showed that, 452 cases were referred to its Legal Branch during the period April 2012 to March 2015. Of this amount, we were able to identify the various actions taken against 416 or 92 per cent of alleged offenders (**Table 4**). As at May 2016, NEPA had 11 criminal cases before the Courts.

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Table 4 Enforcement Actions Taken during 2012/13 to 2014/15

YEAR	Enforcement Notices (NRCA/TCPA)	Cessation Orders (NRCA)	Stop Notices (TCPA)	Notice of Intention to Revoke Permit or Licences	Notice of Intention to Suspend Permit or Licences	Warning Notices & Control Order (WWRS)	Suspension Notice	Summons Served	Total Enforcement Actions
2012/13	80	13	27	-	18	1	-	10	149
2013/14	43	28	20	-	23	-	1	17	132
2014/15	40	18	23	1	9	19	-	25	135
Total	163	59	70	1	50	20	1	52	416

Source: NEPA

- 2.13 NEPA investigated 90 per cent of the 1,217 complaints reported by the public during the period April 2010 to March 2015. In addition, NEPA was able to report achievements of 80 to 100 percent of targeted response lead-time. NEPA requires that pollution and non-pollution incidents be responded to within 24 and 72 hours respectively, upon receipt of complaint. However, we observed inconsistencies in record keeping where the time the complaint was received, referred for action or addressed, was not at all times recorded.

Key finding No. 10 from the 2010 audit

NEPA's diminutive fines ranged from \$100 to \$40,000; such fines do not act as a deterrent. This is an urgent issue if NEPA is to find ways of better preventing illegal environmental activity. We identified that similar organisations in at least two Caribbean countries charged fines which were at least 351 per cent higher than those charged by NEPA.

Recommendation from 2010 audit

The Acts, which relate to NEPA should be revised and provisions should be made to ensure that fines are reflective of damages incurred and that there are revisions every five years to ensure that they remain relevant and effective.

NEPA proposes increased legislative fines

- 2.14 In March 2015, NEPA prepared gap analyses of the Wildlife Protection and NRCA Acts, which indicated that the level of fines was not a deterrent to environment breaches. Accordingly, NEPA has prepared draft amendments to the NRCA Act, which proposed new levels of fines, and has advised that drafting instructions will be submitted to the portfolio Ministry by March 2017.

Part Three

Financial Status

Key finding No. 11 from the 2010 audit

NEPA is not achieving its legislative requirement to manage its costs and implement suitable strategies to ensure that at least 40 to 90 per cent of costs are recovered from fees charged for services provided. On the contrary, since its inception in 2001, 95 per cent of NEPA's operation has been supported by public funds and NEPA has only generated revenue of 10 per cent of its budgeted expenditure for the past five years.

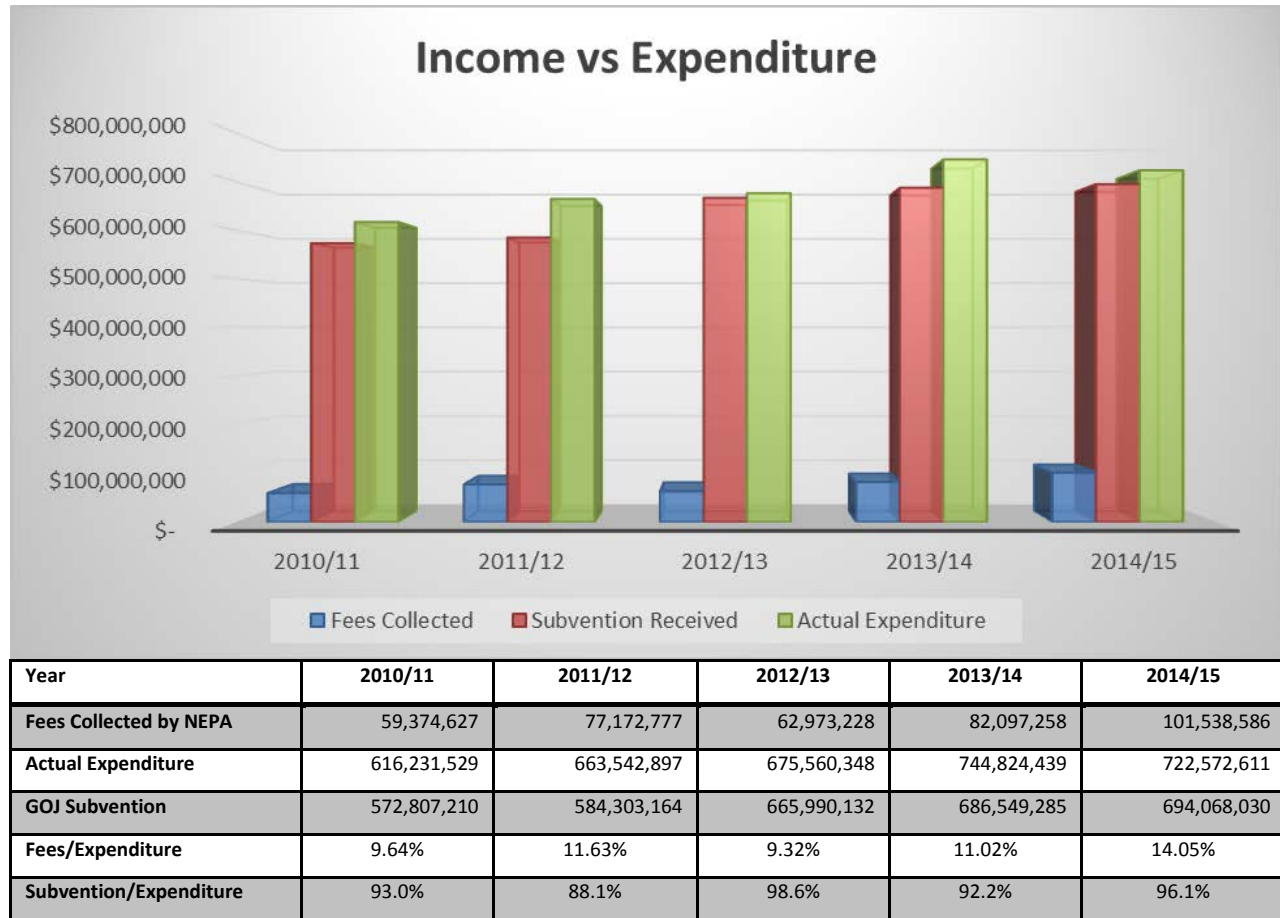
Recommendation from the 2010 audit

Specific standards should be established to assess the performance of the Finance Branch, such as, cost efficiency and revenue generation targets. NEPA should consider implementing gradual increases in fees commencing April 2011 that will allow it to achieve self-sufficiency by March 31, 2018.

- 3.1. Model B Executive Agencies are required to earn between 40 per cent and 90 per cent of budgeted expenditures from fees. Total fees collected by NEPA for the period 2010/11 to 2014/15 averaged 11.1 per cent of actual expenditure for the 5-year period (**Figure 2**). However, NEPA processes planning and subdivision applications for the Local Authorities, from which it earns no revenue and for which the expenditure is not recoverable (**Table 5**). As a consequence, NEPA continued to rely heavily on Government subvention, which accounted for an average of 94 per cent of total expenditure.

Part Three

Figure 2 Analytical Review of NEPA's Income and Expenditure



Source: NEPA's Audited Financial Statements

Table 5 Planning/Subdivision Applications as a Percentage of Total Expenditure

Year	No. of Planning/ Subdivision Applications Processed	Planning/ Subdivision Applications Cost (\$)	Total Expenditure (\$)	Planning/ Subdivision Application Cost as Percentage of Total Expenditure	GOJ Subvention	Planning and Subdivision Applications as a percentage of GOJ Subvention
2010/11	1,496	148,115,220	616,231,529	24%	572,807,210	26%
2011/12	1,168	113,354,665	663,542,897	17%	584,303,164	19%
2012/13	1,028	97,170,770	675,560,348	14%	665,990,132	15%
2013/14	1,150	109,989,095	744,824,439	15%	686,549,285	16%
2014/15	1,157	112,142,960	722,572,611	16%	694,068,030	16%
TOTAL	5,999	580,772,710	3,422,731,824	17%	3,203,717,821	18%

Source: NEPA's Financial Records

Key finding No. 12 from the 2010 audit

NEPA does not have a strong business focus. For example, the processing of permit and licence applications does not include verification of the payment of application fees prior to its production. NEPA does not monitor fee collection and this has resulted in their failure to collect \$11 million for 153 licences and permits, processed during January 2007 to March 2010. The lack of systematic efforts to revise fees regularly and to manage continually the requirement to become self-sufficient has resulted in the public incurring costs of at least \$221 million for licences and permits processed over the period January 2007 to March 2010. Of this amount \$126 million was incurred for planning applications for which no fees were charged.

Recommendation from 2010 audit

NEPA should lobby for amendments to its existing regulations that allow for processing fees to be collected upon submission of application to avoid incurring costs which it may fail to recover. Application processing should include procedures to ensure that processing does not commence until there is payment confirmation of application fees. NEPA could also immediately implement graduated penalties for late collection of permits and licences.

- 3.2. NEPA's processing procedures were upgraded to ensure that application fees for permits and licences are collected prior to processing. NEPA's regulations² further require applicants to pay another fee in order to collect the permit/licence instrument, which outlines the terms and conditions of the permitted activity. However, NEPA's records revealed that for 41 permits/licences, activities had commenced without payment of the prescribed fees and collection of the permit/licence instrument.
- 3.3. In 2015, NEPA increased its application processing and permits/licence fees to a range of \$20,000 to \$115,000 from a range of \$2,000 to \$25,000. We also noted NEPA's objective outlined in its 2014-2019 Strategic Action Plan, to earn at least 25 per cent of budgeted expenditure from fees by financial year 2018/19.

²NRCA Permits and Licence Regulations- revised in 2004 and 2015

Appendices

Appendix 1 Time between licence issuance and first monitoring visit

No.	Activity	Permit/ Licence Approval Date	Date of First Monitoring Visit	Time lapse between Licence Approval Date and First Monitoring Visit	Date Permit/Licence Issued to Client	Date of First Monitoring Visit	Time Lapse between Issue Date and First Monitoring Visit
1	Ecotourism Project to include use of ATV's/Utility Vehicles for off-road Tours	18-May-10	16-Feb-16	5yrs, 9mths	31-Aug-10	16-Feb-16	5yrs, 5mths
2	Subdivision of Land into 14 lots	18-May-10	08-Jan-15	4yrs, 7mths	20-Jul-10	08-Jan-15	4yrs, 5mths
3	Construction and Operation of Wastewater Treatment Plant and Disposal System	17-May-11	16-Nov-15	4yrs, 5mths	25-Oct-11	16-Nov-15	4yrs
4	Operation of a Wastewater Treatment Facility	17-Aug-10	4-Sep-14	4yrs	6-Oct-10	4-Sep-14	3yrs, 11mths
5	Subdivision of Land into 141 lots	16-Nov-10	24-Sep-14	3yrs, 10mths	03-Dec-10	24-Sep-14	3yrs, 9mths
6	Construction of a Jetty	15-Jun-10	10-Dec-13	3yrs, 5mths	18-Jun-10	10-Dec-13	3yrs, 5mths
7	Operation of Ponds & the Discharge of Trade Effluent	16-Nov-10	12-Jun-14	3yrs, 6mths	23-Feb-11	12-Jun-14	3yrs, 3mths
8	Operation of a Seafood Processing Facility	17-Jul-12	05-Aug-15	3yrs	09-Aug-12	05-Aug-15	2yrs, 11mths
9	Implementation of irrigation systems for over 110 hectares	14-Dec-10	07-Nov-13	2yrs, 11mths	03-Feb-11	07-Nov-13	2yrs, 9mths
10	Construction and Operation of a Wastewater Treatment Facility and the Discharge of Trade Effluent	7-Feb-12	19-Sep-14	2yr, 7mths	27-Mar-12	19-Sep-14	2yrs, 5mths
11	Recreational Use of the Beach	18-May-10	20-Sep-12	2yrs, 4mths	22-Jul-10	20-Sep-12	2yrs, 2mths
12	Encroachment on the Floor of the sea in Connection with the Construction of six (6) Pylons	18-May-10	08-Jan-13	2yrs, 7mths	07-Dec-10	08-Jan-13	2yrs, 1mth
13	Construction and Operation of a Sewage Treatment Facility	15-Mar-11	24-Apr-13	2yrs, 1mth	28-Apr-11	24-Apr-13	2yrs
14	Scrap Metal Storage	20-Apr-10	09-May-12	2yrs	31-May-10	09-May-12	1yr, 11mths
15	Regularising Existing Jetty	15-Jun-10	02-Oct-12	2yrs, 3mths	10-Nov-10	02-Oct-12	1yr, 10mths
16	Dredging Of 6,400 Cubic Metres Of Material From The Floor Of The Sea	20-Jul-10	18-Jun-12	1yr, 10mths	10-Sep-10	18-Jun-12	1yr, 9mths

Appendices

No.	Activity	Permit/ Licence Approval Date	Date of First Monitoring Visit	Time lapse between Licence Approval Date and First Monitoring Visit		Date Permit/Licence Issued to Client	Date of First Monitoring Visit	Time Lapse between Issue Date and First Monitoring Visit
17	Expansion of Dormitories	17-Sep-13	23-Jun-15	1yr, 9mths		11-Oct-13	23-Jun-15	1yr, 8mths
18	Construction of a Multi-Span Bridge	20-Sep-11	11-Jun-13	1yr, 8mths		19-Oct-11	11-Jun-13	1yr, 7mths
19	Subdivision of land into 105 lots	19-Oct-10	30-May-12	1yr, 7mths		26-Oct-10	30-May-12	1yr, 7mths
20	Construction and Operation of a Waste Water Treatment System	17-Jul-12	13-Mar-14	1yr, 7mths		14-Aug-12	13-Mar-14	1yr, 7mths
21	Proposed Concrete Batching Plant	15-Mar-11	17-Oct-12	1 yr, 7mths		06-Apr-11	17-Oct-12	1yr, 6mths
22	Operation of an Incinerator	16-Nov-10	16-Jul-12	1yr, 8mths		22-Dec-10	16-Jul-12	1yr, 6mths
23	Operation of an Abattoir	16-Nov-10	13-Jun-12	1yr, 6mths		22-Dec-10	13-Jun-12	1yr, 5mths
24	Proposed Construction of a Water Park at an Existing Hotel	17-Dec-13	12-Aug-15	1yr, 7mths		17-Feb-14	12-Aug-15	1yr, 5mths
25	Installation & Operation of Aqueous Effluent Treatment Plant	16-Nov-10	11-Apr-12	1yr, 4mths		24-Nov-10	11-Apr-12	1yr, 4mths
26	Operation of a Sewage Treatment Facility and the Discharge of Sewage Effluent	18-Oct-11	10-Apr-13	1yr, 5mths		29-Nov-11	10-Apr-13	1yr, 4mths
27	Construction and Operation of a Sewage Treatment Facility and the Discharge of Sewage Effluent	18-Oct-11	10-Apr-13	1yr, 5mths		29-Nov-11	10-Apr-13	1yr, 4mths
28	Implementation of Irrigation Systems for over 368 hectares	14-Dec-10	08-May-12	1yr, 4mths		03-Feb-11	08-May-12	1yr, 3mths
29	Introduction of Species of Flora (Elephant foot & Purple Yams)	21-May-13	01-Oct-14	1yr, 4mths		03-Jul-13	01-Oct-14	1yr, 3mths
30	Operation of a Food Processing Plant (Beverage Manufacturing)	21-Aug-12	12-Nov-13	1yr, 2mths		03-Oct-12	12-Nov-13	1yr, 1mth
31	Recreational/Commercial use of the Beach & Encroachments on the Foreshore and Floor of the sea	18-Feb-14	12-May-15	1yr, 2mths		10-Apr-14	12-May-15	1yr, 1mth
32	Construction and Operation of a Wastewater Treatment Facility and the Discharge of Trade Effluent	7-Feb-12	1-May-13	1yr, 2mths		27-Mar-12	1-May-13	1yr, 1mth
33	Construction and Operation of a Waste Water Treatment Facility and the Discharge of Trade Effluent	18-May-10	20-Jul-11	1yr, 2mths		15-Jun-10	20-Jul-11	1yr 1mth
34	Construction and Operation of a Waste Water Treatment Facility and the Discharge of Trade Effluent	18-May-10	20-Jul-11	1yr, 2mths		15-Jun-10	20-Jul-11	1yr 1mth
35	Operation of a Waste Water Treatment Facility and the discharge of Trade Effluent	21-Aug-12	12-Nov-13	1yr, 2mths		3-Oct-12	12-Nov-13	1yr, 1mth
36	Construction and Operation of a Sewage Treatment Plant and the Discharge of Sewage Effluent	20-Mar-12	23-Apr-13	1yr, 1mth		25-Apr-12	23-Apr-13	1yr

Appendices

No.	Activity	Permit/ Licence Approval Date	Date of First Monitoring Visit	Time lapse between Licence Approval Date and First Monitoring Visit		Date Permit/Licence Issued to Client	Date of First Monitoring Visit	Time Lapse between Issue Date and First Monitoring Visit
37	Hazardous Waste transportation, storage, treatment & disposal	4-Jun-14	21-Jul-15	1yr, 1mth		14-Jul-14	21-Jul-15	1yr
38	Construction and Operation of a Sewage Treatment Plant and the Discharge of Sewage Effluent	20-Mar-12	23-Apr-13	1yr, 1mth		25-Apr-12	23-Apr-13	1yr
39	The proposed operation of a Theme Park	20-Jan-15	8-Feb-16	1yr		19-Feb-15	8-Feb-16	11mths
40	Proposed construction of a multi-family residential development.	15-May-12	6-May-13	11mths		30-May-12	6-May-13	11mths
41	Ecotourism to include river boarding/kayaking excursion	20-Jul-10	13-Jul-11	1yr		26-Jul-10	13-Jul-11	11mths
42	Introduction of Species	20-Nov-12	30-Oct-13	11mths		11-Dec-12	30-Oct-13	10mths
43	proposal for the use of the foreshore and floor of the sea	21-Jun-11	18-Oct-12	1yr, 3mths		13-Jan-12	18-Oct-12	9mths
44	Construction and Operation of a Waste water Treatment Plant and the Discharge of Trade Effluent	19-Jun-12	4-Apr-13	9mths		4-Jul-12	4-Apr-13	9mths
45	Construction and Operation of a Waste water Treatment Plant and the Discharge of Trade Effluent	19-Jun-12	24-Apr-13	10mths		4-Jul-12	24-Apr-13	9mths
46	Addition of 6 rooms to an Existing Hotel	20-Aug-13	11-Jun-14	9mths		16-Sep-13	11-Jun-14	8mths
47	Introduction of Species of Fauna	19-Apr-11	24-Jan-12	9mths		02-May-11	24-Jan-12	8mths
48	Installation & Operation of a Concrete Batching Plant	19-Jun-12	11-Apr-13	9mths		17-Aug-12	11-Apr-13	7mths
49	Operation of a Commercial Complex	16-Oct-12	11-Jun-13	7mths		01-Nov-12	11-Jun-13	7mths
50	Proposed Construction of a Shopping Complex	20-Dec-11	19-Sep-12	9mths		23-Jan-12	19-Sep-12	7mths
51	Operation of a Asphalt Batching Plant	19-Jun-12	10-Apr-13	10mths		17-Aug-12	10-Apr-13	7mths
52	Operation of a Crematorium & Cemetery	18-Oct-11	20-Jun-12	8mths		02-Nov-11	20-Jun-12	7mths
53	Construction & Maintenance of 3 Groyne, 2 Breakwater and Dredging	16-Oct-12	05-Jul-13	8mths		23-Nov-12	05-Jul-13	7mths
54	Recreational Use of the Beach	15-Jul-14	15-May-15	10mths		2-Oct-14	15-May-15	7mths
55	Licence to Operate Treatment Plant for the Discharge of Sewage Effluent	17-Jun-14	5-Mar-15	8mths		18-Jul-14	5-Mar-15	7mths
56	Operation of a Waste Water Treatment Facility and the discharge of Trade Effluent	21-Aug-12	28-May-13	9mths		3-Oct-12	28-May-13	7mths
57	Nature Tourism Activities	15-Apr-14	11-Dec-14	7mths		22-May-14	11-Dec-14	6mths

Appendices

No.	Activity	Permit/ Licence Approval Date	Date of First Monitoring Visit	Time lapse between Licence Approval Date and First Monitoring Visit		Date Permit/Licence Issued to Client	Date of First Monitoring Visit	Time Lapse between Issue Date and First Monitoring Visit
58	Laying of Pipeline	18-Jun-13	28-Jan-14	7mths		23-Jul-13	28-Jan-14	6mths
59	Storage of Scrap Metal	15-Apr-14	21-Jan-15	9mths		11-Jul-14	21-Jan-15	6mths
60	Hazardous Waste Storage, Treatment and Disposal Facility	15-Jun-10	01-Apr-11	10mths		01-Nov-10	01-Apr-11	5mths

Appendix 2 Permits/Licences Not Monitored

No.	Activity	Board Decision Date	Permit/Licence Date	Date Permit/Licence Collected by Client
1	Addition Of 36 Rooms To An Existing Hotel	9-Sep-12	18-Sep-12	25-Sep-12
2	Operation Of A Nature Tourism Project	9-Sep-12	29-Sep-12	16-Oct-12
3	Eco Tourism	16-Oct-12	20-Oct-12	29-Oct-12
4	Temporary Landfarm	9-Sep-12	17-Sep-12	06-Nov-12
5	Scrap Metal Storage	20-Mar-12	22-Mar-12	31-Jan-13
6	Ecotourism Project	15-Apr-14	18-May-14	19-May-14
7	Harbour Development	4-Jun-14	16-Jun-14	18-Jun-14
8	Mining & Mineral Processing	20-May-14	12-Jun-14	08-Jul-14
9	Housing Development	17-Jun-14	09-Jul-14	18-Jul-14
10	Solid Waste Treatment & Disposal Facility	15-Jul-14	05-Aug-14	01-Oct-14
11	Agro Processing	16-Dec-14	22-Dec-14	12-Jan-15
12	Modification/Reclamation Of Wetlands	16-Dec-14	22-Dec-14	14-Jan-15
13	Eco/Nature Tourism Project	16-Dec-14	22-Dec-14	3-Feb-15
14	Discharge Of Sewage Effluent	15-Jul-14	22-Jul-14	25-Feb-15
15	Operate Treatment Plant	15-Jul-14	22-Jul-14	25-Feb-15
16	Construct Treatment Plant	15-Jul-14	22-Jul-14	25-Feb-15
17	Mining/Quarrying & Mineral Processing	17-Mar-15	20-Mar-15	26-Mar-15
18	River Basin Development	20-May-14	30-May-14	Uncollected