

Auditor General's Department Annual Report

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL TRANSACTIONS AND
FINANCIAL STATEMENTS OF THE GOVERNMENT OF JAMAICA
FOR THE YEAR ENDED MARCH 31, 2018
AND
A PERFORMANCE REPORT OF THE AUDITOR GENERAL'S DEPARTMENT



VISION STATEMENT

"A better country through effective audit scrutiny"

Table of Contents

ABBREVIATIONS	v
Letter to the Speaker of the House	1
The Auditor General’s Review	2
About us	5
Our Vision and Mission	5
Our Values	5
Role of the Auditor General.....	6
Guiding Legislation	6
Client Organization.....	7
Accountability.....	7
Year in Review at a Glance	9
Workforce Capacity.....	9
Resource Allocation.....	9
Strengthening our Human Capital.....	10
Professionalization Level of all Staff Members.....	10
Partnerships (IDB/INTOSAI/CAROSAI).....	11
Our Financial Management	12
Looking Forward	14
Strategic Business Plan, Charting the Way Forward	14
Planned Audit Targets for FY 2019/2020	16
Leading by Example: Internal Oversight	17
Quality Assurance Unit	17
Internal Audit Unit	20
Relevant Strategic Objectives	23
Performance Audit Unit (PAU)	23
The Year in Review	23
Our Challenges	24
Performance Audit Reports	24
Quality	28
Timeliness	28
Looking Forward.....	28
Economic Assessment Unit (EAU)	29
The Year in Review	29
Our Achievements.....	29
Our Challenges	30

The Year Ahead.....	30
Economic Assessments	30
Quality	34
Timeliness	34
Looking Forward.....	34
Special Investigation Audits	34
The Year in Review	34
Our Achievements.....	35
Our Challenges	36
The Year Ahead.....	36
Assurance Audits	36
Financial Statements and Appropriation Accounts.....	36
The Year in Review	37
Our Challenges	38
The Year Ahead.....	38
Quality.....	40
Compliance Audits	40
The Year in Review	40
Our Challenges	41
The Year Ahead.....	41
Quality.....	41
Municipal Corporations	42
Disclaimer of Opinion on Municipal Corporations Financial Statements.....	42
Challenges and Mitigating Strategies for 2018.....	42
Information Technology Audits	43
The Year in Review	43
Our Achievements.....	44
Our Challenges	44
The Year Ahead	45
Head 04000: Office of the Contractor General	53
Head 06000: Office of the Services Commissions	53
Head 15000: Office of the Prime Minister	53
HEAD 15000: Office of the Prime Minister - Energy Security and Efficiency Enhancement Project - IBRD Loan No. 8007-JM	54
HEAD 15000B: Office of the Prime Minister, Jamaica Social Investment Fund (JSIF)- Jamaica Disaster Vulnerability Reduction Project and the Jamaica Integrated Community Development Projects	54

Head 15000: Office of the Prime Minister and Head 15020: Registrar General’s Department	55
Head 16000: Office of the Cabinet.....	55
Head 19000: Ministry of Job Creation and Economic Growth, National Environment and Planning Agency – Yallahs Hope River Watershed Management Areas	56
Head 19000: Ministry of Economic Growth and Job Creation; Head 19050 National Works Agency	56
HEAD 19000B Ministry of Economic Growth and Job Creation GoJ/IBRD Grant Agreement NO TFOA0433 PIOJ - Improving Climate Data & Information Management Project (ICDIMP).....	57
Head 20000: Ministry of Finance and the Public Service.....	57
Head 20000B: Strategic Public Sector Transformation Project – Loan Contract No. 8406JM/DFID Grant TFOA 1633JM	58
Head 20011: Accountant General	59
Head 20012: Jamaica Customs Agency.....	59
Head 20056: Tax Administration Jamaica (TAJ).....	60
Head 26000: Ministry of National Security (MNS) 2017/2018	60
Head 26000: Ministry of National Security 2016/2017.....	60
Head 26022: Police Department	61
Head 26024: Department of Correctional Services.....	61
Head 28000: Ministry of Justice	62
Head 30000: Ministry of Foreign Affairs and Foreign Trade.....	62
Head 40000: Ministry of Labour and Social Security, Canadian Farm and Factory Workers Programme	63
Head 40000: Ministry of Labour and Social Security (MLSS)	64
Head 40000B: Ministry of Labour and Social Security, Programme of Advancement Through Health and Education (PATH) and Integrated Social Protection and Labour (ISLP) Programme Loan Contract No. 2889/OC-JA.....	65
Head 40000B: Ministry of Labour and Social Security. Programme of Advancement Through Health and Education (PATH) Social Protection Project (SPP) 2 Loan No. 8329-JM	66
Head 40000B: Ministry of Labour and Social Security, Programme of Advancement through Health and Education (PATH), Jamaica Social and Economic Inclusion of Persons with Disabilities Project Grant NO. TF014258	68
Head 40000B: Ministry of Labour and Social Security, Programme of Advancement Through Health and Education (PATH), Integrated Support to Jamaica’s Social Protection Strategy (ISJSPS) Project Loan Contract No. 3565/OC-JA	68
Head 41000: Ministry of Education, Youth and Information - National Council on Education (NCE)	69
Head 41000: Ministry of Education, Youth and Information - Early Childhood Commission (ECC)	69
Head 41000B: Ministry of Education, Youth and Information, Early Childhood Development Project (ECDP) – GoJ/IBRD Loan Agreement No. 83340-JM	70
Head 42000: Ministry of Health	70
Ministry of Health: 42000B - Institutional Strengthening to the Ministry of Health to Improve National Surveillance, Prevention and Control of Infectious Diseases Project – Non-reimbursable Technical Cooperation No. ATN/OC-14788-JA	71
Head 46000: Ministry of Culture, Gender, Entertainment and Sport	72

Head 5000B: Ministry of Industry, Commerce, Agriculture and Fisheries: Agricultural Competitiveness Programme	72
Head 50038: Companies Office of Jamaica	73
Head 56000: Ministry of Science Energy and Technology (MSET)	73
Head 56039: Post and Telecommunications Department	74
Head 72000: Ministry of Local Government and Community Development	74
Appendices	79
Appendix 1 – Auditor General’s Department Unaudited Financials 2017/2018	79
Appendix 2 – Detailed Training Programmes Executed.....	83
Appendix 3 – Financial Statements for Statutory Bodies and Executive Agencies that are Work-In-Progress	86
Appendix 4: Outstanding Financial Statements	88

ABBREVIATIONS

ACCA	Association of Certified Chartered Accountants
AuGD	Auditor General's Department
CAP	Caribbean Alumina Production Limited
CAROSAI	Caribbean Association of Supreme Audit Institution
EAU	Economic Assessment Unit
EMC	Executive Management Committee
FAA	Financial Administration and Audit
FCA	Fellow Chartered Accountant
FCCA	Fellow Chartered Certified Accountant
FINMAN	Financial Management (System)
FPP	Fiscal Policy Paper
GDP	Gross Domestic Product
GOJ	Government of Jamaica
IBRD	International Bank for Reconstruction and Development
IBRD	International Bank for Reconstruction and Development
ICDIMP	Improving Climate Data and Information Management Project
ICT	Information and Communication Technology
IDB	Inter-American Development Bank
IDI	INTOSAI Development Initiative
IMER	Internal Monthly Economic Report
INTOSAI	International Organization of Supreme Audit Institutions
ISJSPS	Integrated Support to Jamaica's Social Protection Strategy
ISO	International Organization for Standardization
ISPL	Integrated Social Protection and Labour
ISSAI	International Standards of Supreme Audit Institutions
MDA	Ministry/Department/Agency
MOFPS	Ministry of Finance and the Public Service
NDP	National Development Plan
NEPA	National Environment and Planning Agency
PAC	Public Accounts Committee
PCOJ	Postal Corporation of Jamaica
PBMA	Public Bodies Management and Accountability

PMF	Performance Management Framework
PTD	Post and Telecommunications Department
SAI	Supreme Audit Institution
SDG	Sustainable Development Goal
SERP	Special Early Retirement Programme
SLB	Students' Loan Bureau
SPP	Social Protection Project
SPSTP	Strategic Public Sector Transformation Project
SQ. FT.	Square Feet
UDC	Urban Development Corporation

Letter to the Speaker of the House

The Auditor General's Review

I am pleased to present my annual report for the period 2017/2018. This report, as in previous submissions, is divided into three sections. The first section deals with the performance of the Auditor General's Department (AuGD) for the period December 1, 2017 – November 30, 2018; the second section provides summaries by audit type and the third section, 'Year in Reports', details the findings of audits conducted during the period reviewed.

This year, I advanced the momentum in executing more cross-cutting audits which sought to assess sectors with roles critical to the attainment of Jamaica's National Development Plan (NDP) – Vision 2030 and the United Nation's Sustainable Development Goals (SDGs). Conducting these audits has reassured me that the Department's strategic vision for the next five years remains in line with our vision - ***a better country through effective audit scrutiny***. In furtherance of the audit agenda, focus was placed on strengthening the capacity of members of staff to effectively undertake the planned audits. In this regard, members of staff participated in 57 training activities representing a combination of classroom and blended learning programmes. Whereas some training programmes were funded by donor partners, training cost borne by the AuGD for the period amounted to \$2.5 million.

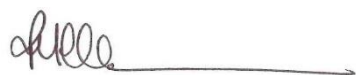
The AuGD adopts the blended learning method of knowledge-sharing to impart audit methodologies and standards. Included in the 57 staff training programmes are two blended programmes relating to performance and compliance audits. The methodologies developed during these audits are reflected in amended/new manuals for performance and compliance audits. Further to this, the AuGD participated in two blended programmes which were spearheaded by the INTOSAI Development Initiative (IDI). Subsequent to this, I submitted a report to Parliament on Jamaica's Preparedness for the Implementation of the Sustainable Development Goals, which was tabled September 2018. The report on the other audit – *Effectiveness of the Institutional Framework for Corruption Prevention* - will be submitted to the Speaker of the House for tabling during the first quarter of 2019.

The results of the other audits executed during the period revealed that there is still major room for improvement in how public officers undertake their fiduciary responsibilities. Government resources were exposed to misuse or loss owing to weaknesses in governance arrangements, resource management as well as procurement and contract management. In all instances, the persons charged with responsibility for governance were informed of the deficiencies identified and recommendations were proffered for improvement.

In pursuit of fulfilling my mandate as stipulated by the Constitution, we completed 254 audits up to November 2018. A significant number of agencies/ministries have not yet submitted financial statements in keeping with sections 43-2 of the FAA Act and Section 3-2,3 and 22 of the PBMA Act. Particularly in the case of Ministries, many were affected by technical issues with the Financial Management System (FinMan), which must be addressed by the Ministry of Finance. This contributed to the late or failed submission of Appropriation Accounts.

I cannot guarantee that all errors, irregularities or deficiencies were identified as our scope was limited to the sample selected for review. Nevertheless, the audits were planned in such a manner to reasonably identify instances of breaches and irregularities. Some of the deficiencies identified during the audit, particularly in governance, would have presented financial exposure (unresolved monetary risks) to the Government, underscoring the urgent need for Ministries, Departments and Agencies (MDAs) to strengthen governance arrangements and resource management to safeguard limited resources.

I would like to take this opportunity to thank my team for their continued commitment to the mandate of the Department as well as our stakeholders who have continued to provide us with their invaluable feedback and input through our focus groups. Finally, I extend appreciation to the Heads of Entities for the courtesies they have extended to my staff during the year.



Pamela Monroe Ellis, F.C.C.A, F.C.A.
Auditor General
December 27. 2018

This page was intentionally left blank



Section 1:

**PERFORMANCE REVIEW OF THE
AUDITOR GENERAL'S
DEPARTMENT**

About us

Our Vision and Mission

Vision

- A better country through effective audit scrutiny.

Mission

- To conduct and make public, high quality audit and produce recommendations that are relevant to our auditees, the Parliament and the citizens.

Our 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 it uses its public resources and about the impact of its audits.

COLLABORATION AND INVOLVEMENT

- We seek to collaborate with and involve all stakeholders in the fulfillment of its responsibilities in a constructive manner.

Role of the Auditor General

The Constitution of Jamaica mandates the Auditor General to conduct audits of all public sector entities, which includes all Ministries, Departments and Agencies. Section 122 of the Jamaican Constitution, gives the Auditor General the task of auditing the accounts of all government bodies, including those entities and projects on which Public Money is spent. This is confirmed by Section 30 of the Financial Administration and Audit (FAA) Act, Section 13.A.1 of the Public Bodies Management and Accountability Act (PBMAA, 2001) and the Parish Council's Act.

The Auditor General's Department (AuGD) does not audit all entities in the course of the same financial year as our resources would not be sufficient. Part 3 of article 122 of the Constitution states that, "In the exercise of his functions under the provisions of subsections (1) and (2) of this section, the Auditor General shall not be subject to the direction or control of any other person or authority," therefore, audits are selected on a risk-based approach. There are, however, some entities which must be included each year in our audit portfolio, as the applicable legislation requires an audit of these entities on an annual basis.

Guiding Legislation

Annual Report

- Section 122 (2) of the Constitution and Section 29 (2) of the FAA Act requires the Auditor General to submit to the Speaker her Report to be laid before the House of Representatives annually by the 31st December.

Special Report

- Section 29 (1) of the FAA Act makes provision for the Auditor General to prepare a special report on any matter incidental to her powers and duties under this Act.

Performance and Regulatory Audits

- Section 122 (95) of the Constitution provides the basis for us to conduct Performance and Regulatory Audits.

Fiscal Policy Paper (FPP)

- Section 48 (B) (6) of the FAA Act (2015) stipulates that the Auditor General shall, within 2 weeks after the Fiscal Policy paper is laid before both Houses of Parliament, examine the components of the FPP and give an opinion on the reasonableness of the assumptions and conventions and the justification for deviations from targets of the Fiscal Responsibility Report and provide a report to the Houses.

Any Public Body

- Section 13A (1) of the PBMA Act states that providing there is nothing contrary contained in any other enactment, the Auditor General may audit the accounts of any public body, if the House of Representatives, by resolution, so directs.

Client Organization

The Audit Universe of the Department includes all entities that may be subject to an audit by the Auditor General. In keeping with the current resources of the Department, a distinction is made between our audit universe and the statutory audit tasks which are prescribed by legislation for annual audits.

Entity Type	Audit Universe	AUGD Audit Plan
Ministries	15	15
Departments	77	27
Executive Agency	12	12
Fund	6	6
Government Company	36	0
Local Municipality	14	14
National& Public Libraries	14	14
Public/Statutory Body	160	36
Total	334	124

Table 1: Audit Universe

In addition to the totals stated above, the Department is identified as the preferred auditors for some donor funded projects, which sometimes utilize GoJ funding. As of September 2017, a total of 20 projects were included in the Departments audit plan. This number has been reduced to eight as of September 2018.

Accountability

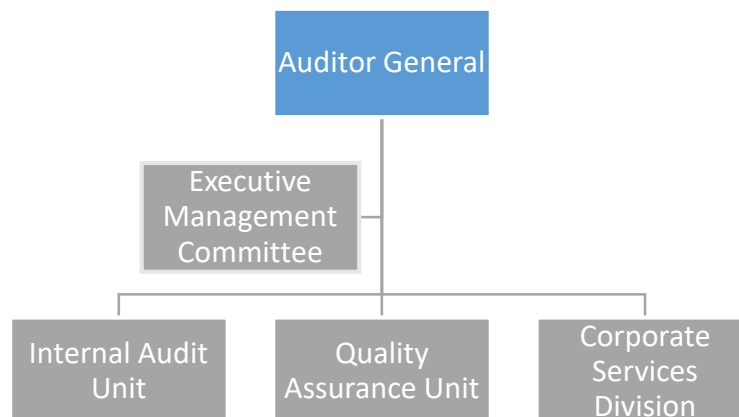


Figure 1: Functional Units to support accountability

The governance mechanisms within the Department are administered through the Executive Management Committee, the Audit Committee, the Quality Assurance Unit and the Corporate Services Division.

- **The Executive Management Committee** is chaired by the Auditor General. The Committee provides strategic leadership and direction for the operations of the Department in the most efficient, effective, transparent and economical manner.

- **The Internal Audit and the Quality Assurance Audit Units** are independent of the audit functions and the operational activities of the Department. They are tasked with assessing our procedures and controls in executing our operational and auditing functions.

- **The Corporate Services Division** has specific responsibility for activities relating to:
 - Corporate Governance
 - Management of Human and Financial Resources
 - Management of the Department's procurement functions
 - Management of the Departments performance management and evaluation system
 - Information, Communication and Technology systems
 - Development and management of the Departments' processes, policies and practices

Year in Review at a Glance



Workforce Capacity

Resource Allocation

In keeping with the strategic direction of the Department, resources have been committed to eight audit streams with the intention of allowing for more impactful audits geared at high-risk areas, which affect the whole of government operations. This direction called for the adoption of cross-cutting audits and a twinning of speciality areas to execute the audit.

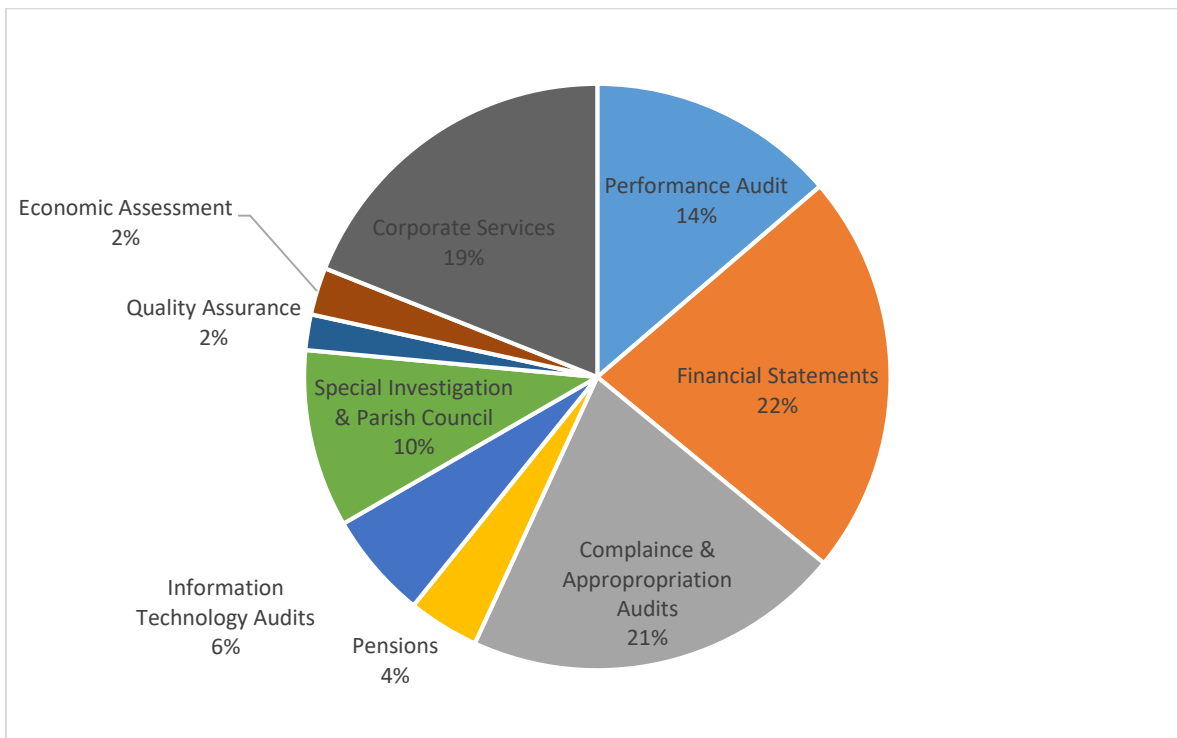


Figure 2: Allocation of Staff Members

Strengthening our Human Capital

The Department’s Human Resource Development Unit coordinated a mixture of training programmes for all levels of staff across all functional areas. These programmes were offered in response to critical capacity needs identified within the Department. A total of 62 persons were trained in keeping with the objective of having each employee participate in at least one training programme annually. The 62 persons participated in a total of 41 programmes over the review period.

A major programme undertaken over the period, which was not included in the 41 programmes mentioned, saw 90 persons being trained in Compliance and Performance Audit in October 2017.

International Programmes

- The Indian Technical and Economic Cooperation (ITEC) Programme:
 - Auditing in the IT Environment
 - Audit of State-Owned Enterprises
 - Performance Audit
 - e-Governance
 - Environment Audit
- Supreme Audit Institutions Fighting Corruption
- Strategic Engagement of Stakeholders
- Auditing Sustainable Development Goals
- Quality Assurance

Professionalization Level of all Staff Members

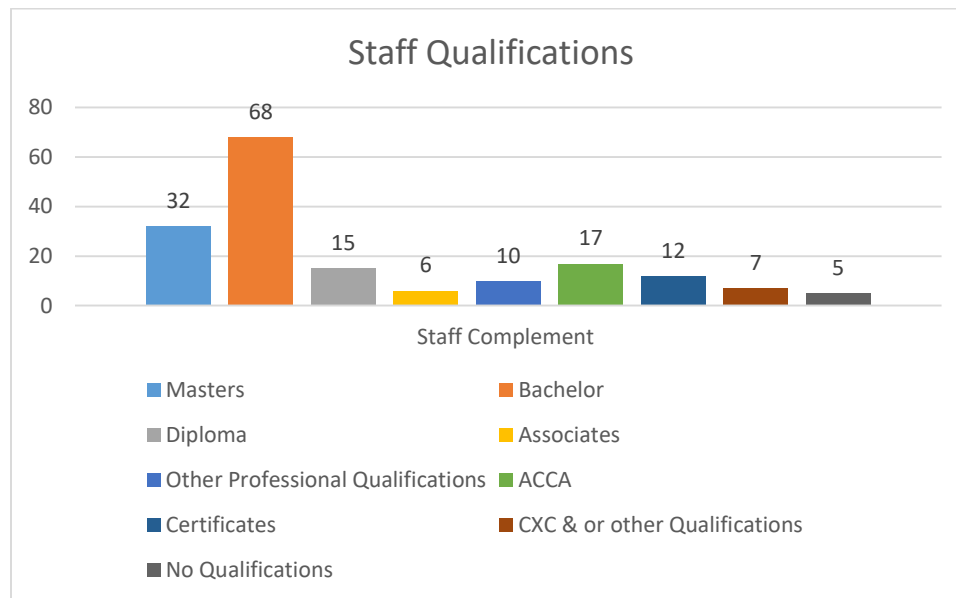


Figure 3: Qualification of staff members

The information in the table reflects qualification levels of all staff members. It is important to note that, in some instances, staff members possess more than one qualification.

Partnerships (IDB/INTOSAI/CAROSAI)

The Department continued its partnerships with international entities as a means of supporting our capacity building programmes and as a means of sharing ideas and experiences in supporting better governance of government resources. These entities include:

- INTOSAI (International Organization of Supreme Audit Institutions);
- IDI (INTOSAI Development Initiative);
- Inter-American Development Bank (IDB);
- World Bank;
- CAROSAI (Caribbean Organization of Supreme Audit Institutions)
- ACCA (Association of Chartered Certified Accountants);
- ICAC (Institute of Chartered Accountants of the Caribbean);
- NAO UK (National Audit Office, UK); and
- MIND (Management Institute for National Development).

The Department's hosting of the CAROSAI 30th Anniversary Conference in August under the theme, *Building the future on the foundation of the past*, was a significant achievement. The conference featured local and international speakers who addressed critical issues which direct and support the work of external auditors within the region.

The annual meeting of the INTOSAI Working Group on the Values and Benefits of SAIs was also hosted by the Department in September.

Stakeholder Consultation and Engagement

The Department continued to implement its Strategic Stakeholder Engagement and Communication Plan as a means of improving our interaction with our key stakeholders. The Department's efforts in increasing its social media presence have been geared towards increasing the accessibility of our audit reports once tabled in Parliament and allowing for feedback on the contents of the reports through our website feedback mechanism.

One key initiative undertaken by the Department in March 2018 was the involvement of our key stakeholders in the development of our Strategic Audit Plan. The exercise sought stakeholders' review of the Vision 2030 National Outcomes and had them identify potential risks and entities that should be involved in the cross-cutting audits.

Website & Social Media (Twitter and LinkedIn)

All audit reports tabled in the House of Parliament and a summary presentation are published within 24 hours on the Department's Website, LinkedIn and Twitter accounts. The Department published a total of 12 reports between December 2017 and October 2018.

The Department's Twitter account was established in January 2018 and has seen slow progress in the number of followers. As of November 30, 2018, the number of followers stood at 71. The greatest number of new followers occurred between August and October coinciding with the Department's hosting of two major events - CAROSAI's 30th Anniversary Conference in August and INTOSAI's Working Group on the Values and Benefits of Supreme Audit Institutions in September 2018.

The LinkedIn account has seen steady growth in the number of followers during the calendar year. Most viewers on this platform are employed to Government Administration entities worldwide and account for 23.53 per cent of all viewers. Information Technology and Services and Higher Education serve are the next two highest industries in which the platform viewers are employed.

Our Financial Management

For the 2017/2018 Financial Year (FY), the Department utilised 97 per cent of the amount budgeted (see Appendix 1). This represents a slight increase in the utilisation rate when compared to the 94 per cent achieved in the prior year. A total of J\$669,207,000 million was estimated to be spent for the 2017/2018 FY, to be offset by a further J\$10,000,000 million that was projected to be collected as Appropriations-In-Aid (AIA)¹. However, the Department spent J\$650,756,294 and collected J\$9,524,677 as AIA. This is against the J\$594,910,794 spent and the J\$13,146,738 collected as AIA in the prior year.

Object 21- Compensation of Employees accounted for 68 per cent of the total expenditure, 80 per cent of which was derived from Activity 0280 – Administration of External Audit Services. In general, Object 21 increased as a result of the revision of salary to Public Sector Employees as well as the filling of new posts during the financial year.

Another noticeable item among the list of expenses is **Object 22 – Travelling and Subsistence**, which saw a slight decrease from the prior year due to the decrease in out-of-town travel because of a new methodology adapted by the auditors who audit Parish Councils and Libraries. Additionally, a few members of staff for whom travelling was budgeted either resigned or were paid at a lower rate.

Use of Goods and Services (Object 25) exceeded the budgeted amount by J\$533,125.42 because during the financial year the Department's ICT infrastructure was upgraded to facilitate the implementation of the Enterprise Content Management (ECM) Project, which was funded by the Cabinet Office to automate the Registry. The associated cost for the upgrade was not initially budgeted.

Utilities and Communication (Object 24) was underspent by J\$3,951,974 or 45.4 percent as the planned acquisition of a Private Branch Exchange (PBX) system was delayed due to the non-responsiveness of bidders. This system will be acquired and implemented in the 2018/2019 budget year.

¹ Appropriations-In-Aid is any revenue which a Department collects in the ordinary course of business which has been approved by Parliament to be used by the Department.

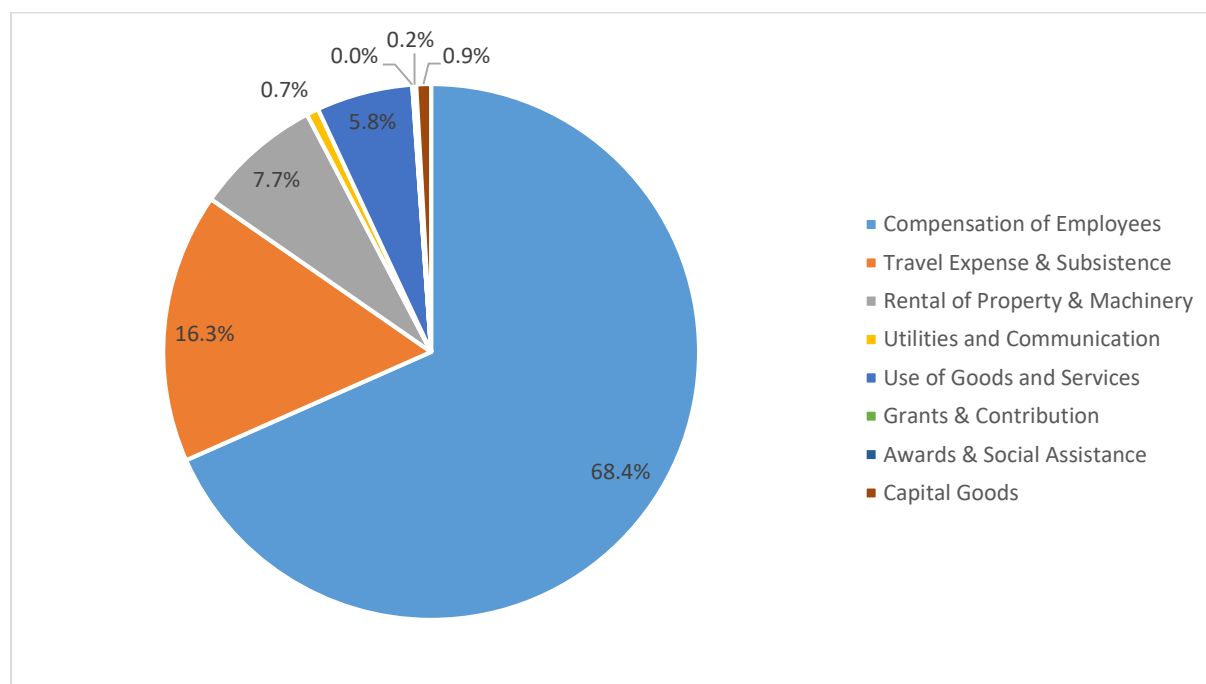


Figure 4: Summary of Expenditure vs. Budget for Financial Year March 31, 2018

Object	Description	Revised Estimates 2017/2018	Actual Expenditure 2017/2018	Variance	% Variance from Budget fav/unfav.	% Share of Total Expenditure
		(J\$)	(J\$)	(J\$)	%	
21	Compensation of Employees	449,964,000.00	444,959,309.60	5,004,690.40	1.11	68.4%
22	Travel Expense & Subsistence	112,038,000.00	105,950,915.35	6,087,084.65	5.43	16.3%
23	Rental of Property & Machinery	50,165,000.00	49,946,834.97	218,165.03	0.43	7.7%
24	Utilities and Communication	8,703,000.00	4,751,042.71	3,951,957.29	45.41	0.7%
25	Use of Goods and Services	37,274,000.00	37,807,125.42	- 533,125.42	-1.43	5.8%
27	Grants & Contribution	194,000.00	162,701.68	31,298.32	16.13	0.0%
29	Awards & Social Assistance	1,500,000.00	1,380,374.48	119,625.52	7.98	0.2%
32	Capital Goods	9,369,000.00	5,797,990.11	3,571,009.89	38.12	0.9%
Total Funding Requirement		669,207,000.00	650,756,294.32	18,450,705.68	2.76	100%
AIA		- 10,000,000.00	- 9,524,677.67	- 475,322.33	4.75	
Net Funding		659,207,000.00	641,231,616.65			

Table 2: Summary of Expenditure vs Budget for Financial Year March 31, 2018

Looking Forward

Strategic Business Plan, Charting the Way Forward

All audits planned for the year are done in keeping with the tenets of our thematic map developed in 2016 and further embodied in our Strategic Audit Plan 2018–2021. All audits identified for execution are selected based on recognized risks to the achievement of the Vision 2030 National Goals and Outcomes. These risks were prioritized to determine which audits would be conducted each year, with the more critical audits being tackled first.

<i>High Level Interest Area</i>	<i>Vision 2030 Jamaica – National Outcomes</i>
<i>Fiscal/Debt Environment</i>	Effective Governance
	A Stable Macro economy
	Strong Economic Infrastructure
<i>Security</i>	Security and Safety
<i>Environment and Climate Change</i>	Sustainable Management and Use of Environmental and Natural Resources
	Hazard Risk Reduction & Adaptation to Climate Change
<i>Health and Social Welfare</i>	A Healthy and Stable Population
	Effective Social Protection
	Authentic and Transformational Culture
<i>Education</i>	World-Class Education and Training
<i>Investment and Job Creation</i>	An Enabling Business Environment
	Internationally Competitive Industry
<i>Infrastructure, Energy Security and Transportation</i>	Energy Security and Efficiency
	A Technology-Enabled Society
	Sustainable Urban and Rural Development

Table 3: Audit Topics based on high-risk and interest areas

Our rolling three-year strategic plan will see the Department continuing its efforts to realize its five strategic objectives. The objectives are:

- The deployment of resources to high-risk operational areas of the public sector through conducting audits based on cross-cutting issues;
- Strengthening of the Department's internal governance frameworks as well as the Department's ability to execute its mandate in an efficient and effective manner;
- Strategic capacity building within the Department allowing for the workforce to consistently complete its deliverables in keeping with industry best practice; and
- Continued interaction with key stakeholders as a means of communicating the results of our audits and soliciting feedback on our audit reports.

Our Audits

•**Objective 1:**

To improve public sector financial management and governance through the provision of financial, compliance, information technology and performance audit reports on the basis of the ISSAIs resulting in actionable recommendations.

•**Objective 2:**

To maximize the impact of our audit products by reflecting emerging risks and stakeholders' concerns in the planning of our audit work and by improved communication about our audit results.

Our Internal Controls and Procedures

•**Objective 3:**

The AuGD's organization can be regarded as a model public entity and that our organizational structure and business processes reflect best practice and enhance the efficiency and quality of our audit processes.

Ethics and Core Values

•**Objective 4:**

To ensure that all our staff and the organisation, as a whole, act in full alignment with our core values as defined in this plan. In addition, we want to be an open organization in which conduct that deviates from our core values can be questioned and will be corrected if necessary.

Resource Management

•**Objective 5:**

To ensure that we have in place a multifunctional and adaptable human resource cohort by continually developing and maintaining the professional competence of staff and supporting them with adequate facilities and IT infrastructure and support.

Figure 5: Our Strategic Objectives

Planned Audit Targets for FY 2019/2020



Figure 6: Planned Audit Targets

Leading by Example: Internal Oversight

Quality Assurance Unit

The Year in Review

The Quality Assurance (QA) Unit is responsible for providing the assurance that the standards and methodology employed by our auditors in conducting the audits of Government Ministries, Departments and Agencies (MDAs) are maintained at a high level, in keeping with the International Standards of Supreme Audit Institutions (ISSAIs), and the reports issued are appropriate. We conduct our reviews in accordance with international standards issued by the International Organization of Supreme Audit Institutions (INTOSAI), the AuGD's Quality Assurance Framework and QA policy, International Standards on Quality Control (ISQC 1) and best practices.

Relevant Strategic Objective:

- The AuGD's organization can be regarded as a model public entity; and that our organizational structure and business processes enhance the efficiency and quality of our audit processes.

During the year, the QA Unit was able to improve on the number and types of reviews conducted when compared with the previous period. The Unit's procedural guidelines, which were developed in 2017, were approved and adopted in February 2018.

Our Achievements

We were able to expand our reviews over the three main audit types by including reviews of an information technology and a special investigation audit.

We developed a summary of the SAI PMF Report for our stakeholders and this was published on the AuGD website.

We participated in and facilitated capacity building training and programmes, both locally and overseas.

The Year Ahead

We intend to further extend our QA review coverage to include outsourced audits and donor funded projects

We plan to participate in capacity building training programmes in order to provide for a more robust unit and improve on QA review techniques

The unit is currently coordinating the ISO Certification 9001:2015 (Quality Management Systems) for the AuGD and the project is expected to be completed before the end of 2019.

Quality Assurance Reports

During the year, the QA team successfully completed reviews for seven audits and one financial statement assessment. Three of the ten QA reviews, which commenced during the reporting period remain works-in-progress. Additionally, partial QA reviews of two other audit reports were completed and follow-up reviews and reports were completed on two quality assurance reviews, which had been performed in the previous year.

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

Audit Topics	Audit Type	QAR of Entire Audit Process	QAR of the Audit Report Only
Court Management Services (CMS)	Compliance	✓	
Jamaica Information Service (JIS)	Appropriation Accounts	✓	
Preparation for the Implementation for Sustainable Development Goals (SDGs)	Performance	✓	
Post & Telecommunications Department (PTD)	Compliance	✓	
Petrojam Limited - Contracts and Procurement	Performance	✓	
Petroleum Corporation of Jamaica (PCJ) / Petrojam Limited – Corporate Governance	Special Investigation	✓	
Petrojam Limited – Pricing Mechanism	Performance	✓	
Petrojam Limited - Financial Statement Assessment	Economic Assessment	✓	
Postal Corporation of Jamaica (PCJ)	Performance		✓
Housing Agency of Jamaica (HAJ)	Financial Statement Assessment		✓
Follow up of Urban Development Corporation (UDC)	Performance (in progress)	-	
Tax Administration of Jamaica (TAJ) Inland Revenue Department	Compliance (in progress)	-	
Passport, Immigration and Citizenship Agency	Information Technology (in progress)	-	

Table 4: Quality Assurance Reviews (QAR) Covered

Our Findings

The conduct of four completed QA reviews during the year facilitated the identification of weaknesses. The summary of findings and observations on audits reviewed were presented in the QA Unit's Annual Report for 2018. The analysis resulted in the recognition that there are areas which require further attention and on which improvements may be made, either through mentoring and coaching or by strategic decisions and actions to be taken by senior management.

We have already seen evidence of the steps taken to implement the recommendations made by the Quality Assurance Unit. While there is always room for improvement, especially as it relates to the time it takes for our audits to be completed, the Department continues to ensure that a high standard of accuracy and consistency is maintained in the conduct of our audits.

Looking Forward

The staff complement of the QA Unit is now complete with the filling of a vacant position in mid-July 2018. It is the expectation that with the addition of resources within the Unit, it will facilitate an increased number of reviews each year and add value to the AuGD by enhancing the credibility and reputation of the Department.

We are currently in the process of subjecting our Department to be compliant with the International Organization for Standardization (ISO) Certification 9001:2015 for Quality Management Systems. The project is being facilitated by consultants under the oversight of the Ministry of Industry Commerce and Fisheries (MICAF) and is expected to be completed within the third quarter of 2019.

Internal Audit Unit

The Year in Review

The Internal Audit Unit (IAU) continues to monitor the financial and administrative operations of the Department through the implementation of its audit plan. The IAU has in the past benefited from training in the areas of Compliance Audit as well as Information Technology (IT) Audit techniques provided by the Department. This has resulted in the IAU completing two IT Audits, a general review of IT as well as completing the Risk Assessment started last year. The IAU covered most of the high-risk areas highlighted in its annual risk assessment resulting in the identification of areas of weaknesses and recommendations for improvements in the Department's operations.

The IAU completed 70 per cent of planned audits and reported quarterly to the audit committee for the reporting period April 2017 - March 2018.

All recommendations for implementation were followed up and reported on quarterly, resulting in improvements to the Department's internal control and governance processes.

The IAU has expanded the types of audit that it is able to undertake to include IT Audits.

Summarized below are the audits conducted by the IAU and presented to the Audit Committee during the reporting period.

AUDIT TOPICS

Appropriation Accounts (FY 2017/2018)
Monthly Financial Statements
Information Technology (IT) Risk Assessment and General Review of Information Technology (GRIT)
Verification of Salary arrears for the period April 1, 2017 to February 28, 2018 and Salary Costing for the 2018/2019 Fiscal Year
Registry Operations (Mailroom)
Salaries Audit
Information Technology Governance
Travel Allowances, Subsistence and Parking Arrangements
Overseas Travelling for the period January 2017 to December 2017
Fixed Asset Records
Quarterly Contract Awards
Information Technology, General Controls Review (WIP)
Unplanned Audits – (requested via the Corporate Services Division) including a Review of Controls and Governance Practices over the Payroll Process

Table 5: Internal Audit Areas Examined

Looking Forward

The strategic vision is to transform the AuGD's IAU into an agile function, more capable of anticipating and detecting threats before they occur and charting a course to mitigate against adverse effects on the financial and administrative operations, which support the achievement of the Department's objectives. Training in areas that will assist in this endeavour is expected to be completed in the coming year. In addition, the IAU will be participating in training arranged by the AuGD and the Internal Audit Directorate of the Ministry of Finance and the Public Service in order to strengthen its capacity, especially in the areas of performance auditing.



Section 2:

PROVIDING ASSURANCE

Relevant Strategic Objectives

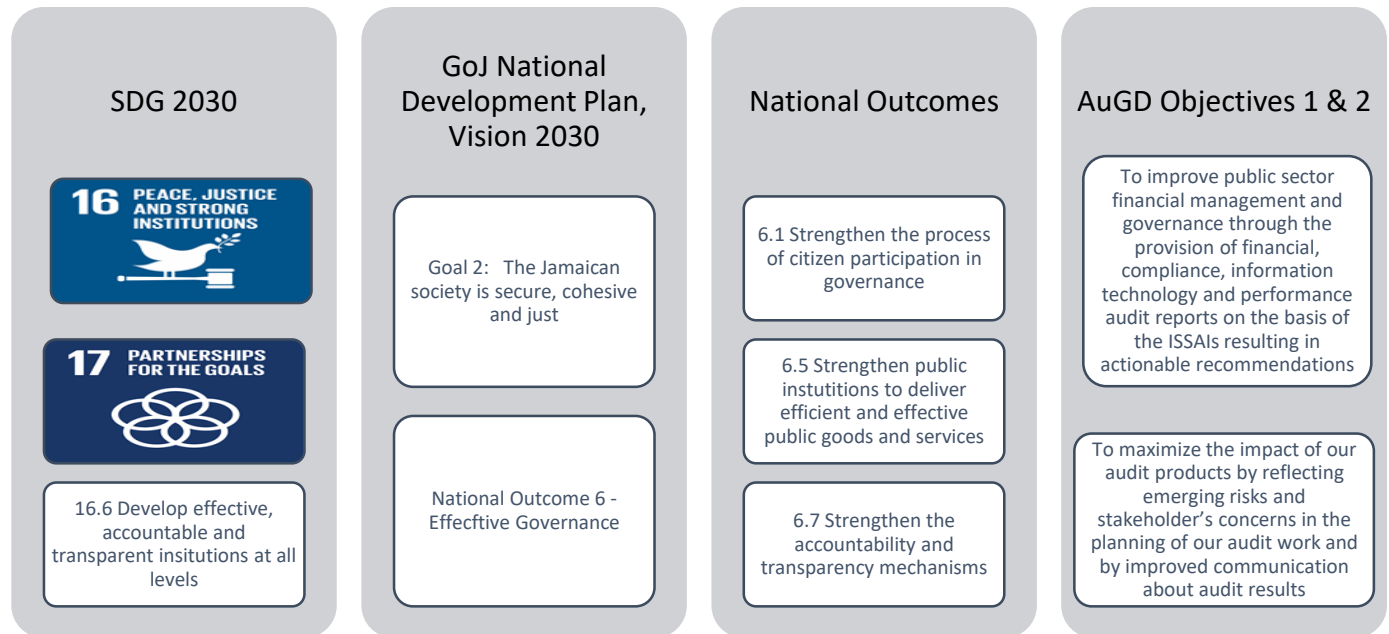


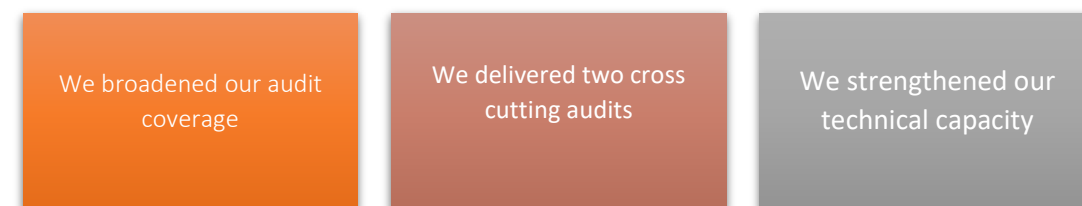
Figure 6: Linkages between our Strategic Objectives and Government of Jamaica's National Development Plan, Vision 2030 and the United Nations Sustainable Development Goals 2030

Performance Audit Unit (PAU)

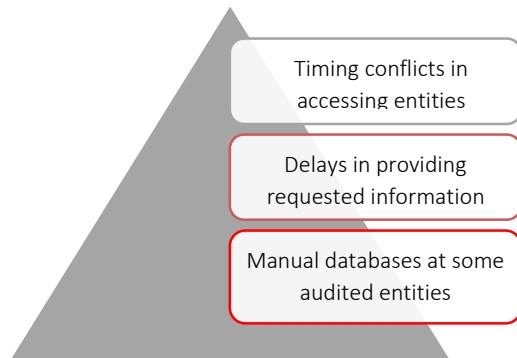
The Year in Review

In 2018, we continued to deliver on the AuGD's key strategic objectives through the implementation of the three-year rolling Performance Audit plan for 2018-2021. In an effort to strengthen the capacity of our teams, we continued our use of targeted training, coaching and mentoring, which improved the quality of our fieldwork and audit reports. We also considered the concerns and feedback from all our stakeholders to ensure that our audits remained timely and relevant. Through our audits, we sought to promote greater transparency and scrutiny of the operations of public bodies and to assist Parliament and stakeholders to hold public bodies accountable. We also continued our preparation of briefing reports (Prompts), which summarized key findings and verified, where possible, the responses from the related public body to assist the Public Accounts Committee (PAC) in its assessments of the issues raised by the respective audits.

Our Achievements

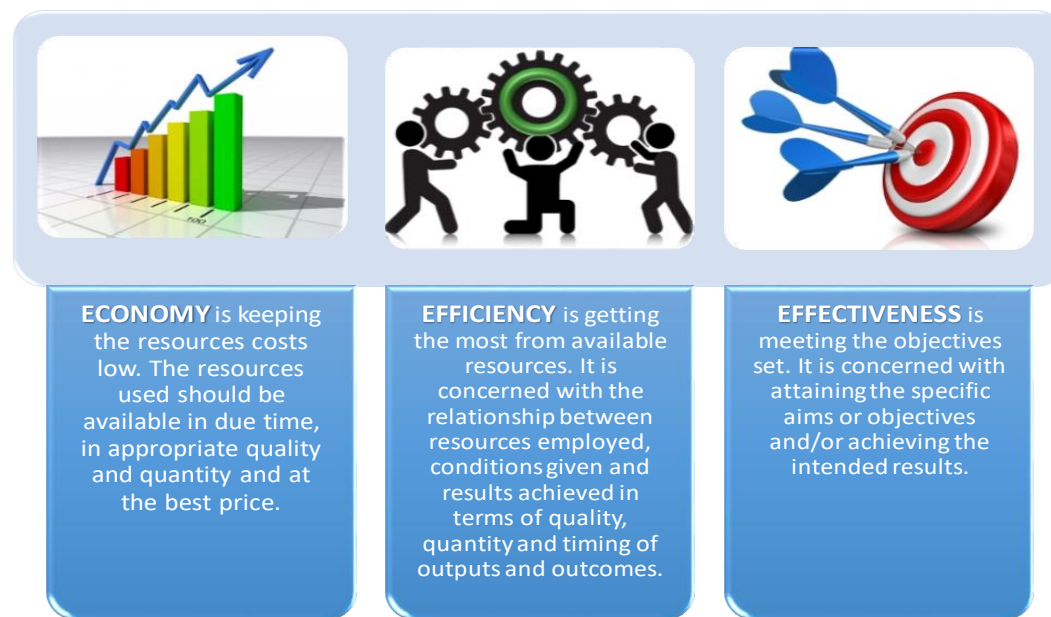


Our Challenges



Performance Audit Reports

In 2018, our performance audits continued to focus on the governance practices and systems at Government Ministries, Departments and Agencies (MDAs) in order to determine efficiency, effectiveness and economy in the management of scarce financial resources. These audits, in keeping with the AuGD's three year-rolling thematic audit plan for 2018-2021, sought to provide assurance to Parliament and the public that the country received value for money. We also assessed whether the performance of these entities was in accordance with the PBMA and FAA Acts, Government circulars and guidelines, as well as the Government's Corporate Governance Framework, while considering the alignment of the entities' strategic and operational plans with Vision 2030 National Development Plan (NDP) and the UN Sustainable Development Goals (SDGs).



We continued to select audit topics using a risk-based approach, while remaining responsive to the concerns of our stakeholders. Our audits in 2018 covered governance practices, procurement and contracts, project management, communication services, tertiary-level funding and governance arrangements for the public education system, as well as Jamaica's preparedness to implement the SDGs.

To support our goal of continual improvement in the quality of our output, we:

- Continued to reinforce the technical capacity of staff in the performance audit methodology through coaching and mentoring, exposure to best practices and reliance on the updated audit manual.
- Conducted mid-point reviews for all our audits whereby each team presented a Finding's Matrix that not only provided a medium for recording the key issues identified, but also enabled an assessment of the sufficiency of information collected from the fieldwork. This also assisted in the early detection of weaknesses to facilitate timely corrective action and high-quality reports.

Quantity

Our Performance audit plan for 2018-19 identified six audits, however, two unplanned audits brought the total number of audits to eight. Of note, we conducted three cross-cutting audits during the review period. Of these, the audit of Jamaica's Preparedness for Implementation of the SDGs and the unplanned audit of Jamaica's Institutional Framework for Fighting Corruption represented Jamaica's participation in the International Organization of Supreme Audit Institution – International Development Initiative (INTOSAI-IDI) Co-operative Performance Audits. The audit of Petrojam, however, necessitated the redirection of audit staff and the extension of the deadlines for completion of three audits.

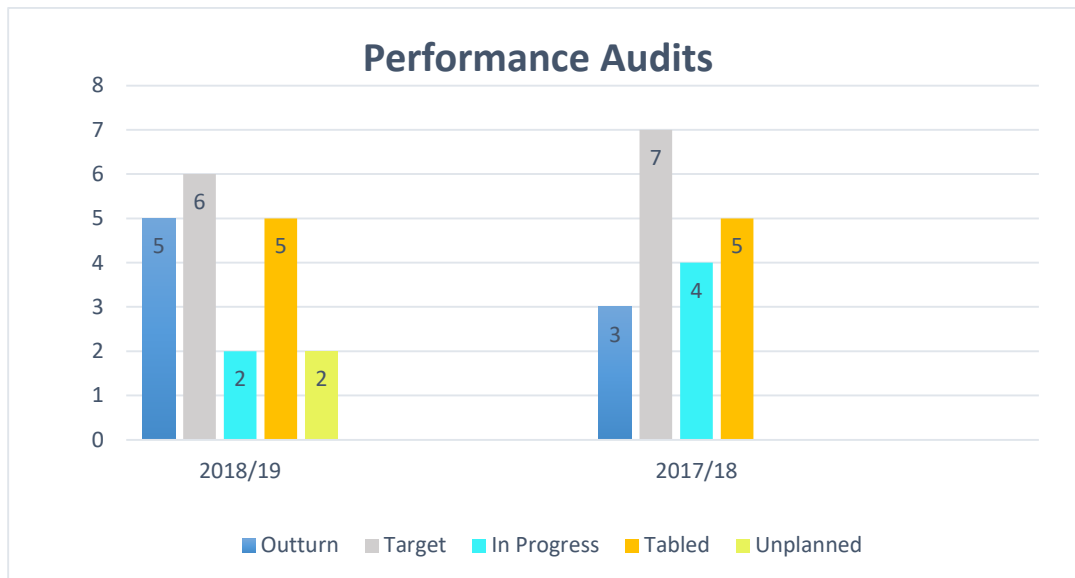
Audit Coverage

Audit Topic	Audit Plan	Status	Date Tabled	Deadline	Comments
Delivery of Public Postal Services in Jamaica	2018-19	Completed	April 2018	Met	Vision 2030/ SDG motivated
Jamaica's Preparedness for implementation of the SDGs	2017-19	Completed	September 2018	Met	Cross-cutting INTOSAI-IDI audit
Student Loans Bureau (SLB) Loan Management	2018-19	Completed	September 2018	Met	
Comprehensive audit of Petrojam	Unplanned	Completed	December 2018		Part of Joint Petrojam/PCJ audit.
Management of the Special Early Retirement Programme (SERP)	2018-19	Draft Report prepared		Not Met	Final report delayed due non-receipt of requested documentation.
JCF/Ministry of Education	2018-19	Audit Fieldwork Completed		Not Met	Cross-cutting audit; staff redirected to expanded Petrojam audit. Audit report to be completed Q1 of 2019.
Urban Development Corp. (UDC)	2017-18	Preliminary Draft report prepared.		Not Met	Follow-up audit; staff redirected to expanded Petrojam audit. UDC report to be completed Q1 of 2019.
Jamaica's Institutional Framework for Fighting Corruption	Unplanned	Finalization of Report in progress		Not Met	Cross-cutting INTOSAI-IDI audit. Delayed due to involvement of team members in the Petrojam/ PCJ audit. To be completed Q1 of 2019.

Table 6

Our Findings

We found that weaknesses in governance practices, inadequate planning and monitoring, delays in the execution of contracts and projects, as well as cost overruns continued to undermine the efficiency and effectiveness of some MDAs and denied the receipt of value for money (VFM) (*See reports on Auditor General’s Department website*).



Our audit sought to assess Post and Telecommunications Department (PTD) progress towards modernizing and commercializing the public postal service through the Postal Corporation of Jamaica (PCOJ), as mandated by the Government of Jamaica in 2000.

Delivery of Public Postal Service in Jamaica

The Post and Telecommunications Department (PTD) provides public mail services island-wide. In 2000, the Government of Jamaica (GoJ) established the Postal Corporation of Jamaica (PCOJ), as a transition company, to spearhead the modernization and commercialization of the PTD. Our audit found that the PCOJ was slow in implementing initiatives to modernize and commercialize the public postal service. This contributed to a fall in mail volumes and revenue over the period 2012/2013 to 2016/2017 while PTD’s annual expenditure remained the same, averaging \$2 billion.

We found that the delay by the Ministry of Science, Energy and Technology’s (MSET) in finalizing the Postal Service Bill for debate and approval of the new Postal Service Act by Parliament impeded PCOJ’s flexibility to innovate and rationalize the public postal service in response to the demands of customers for fast and efficient mail service. Based on the deficiencies identified, the Auditor General recommended that for sustainability, PCOJ should assess the main cost drivers with a view to rationalize and focus on areas where the PTD has competitive advantage. Further, MSET must finalize the Postal Service Bill in order to strategically align the mail service industry to the Vision 2030 objective of promoting cross border trade.

Our audit sought to determine the extent to which actions implemented by the Government were adequate to support Jamaica's preparedness for implementation of the Sustainable Development Goals (SDGs). The audit sought to assess whether institutional monitoring and reporting mechanisms were in place.

Jamaica's Preparedness for implementation of SDGs

Jamaica's adoption of the Sustainable Development Goals (SDGs) in 2015 reinforced the country's commitment to the goals of its Vision 2030 National Development Plan (NDP) developed in 2009. An assessment of the national planning documents using the Rapid Integrated Assessment methodology developed by the United Nations Development Programme (UNDP), revealed an alignment of 91.3 per cent with the SDGs. Our audit found that Jamaica made notable progress in building public awareness and developing the institutional frameworks towards implementation of the SDGs. However,

institutional strengthening is required for the MDAs to produce data necessary to monitor SDG performance. STATIN indicated that it could not measure 115 of the 234 applicable indicators as no data was available. We also saw no evidence of a medium to long-term plan to fund the priority projects outlined in SDG Roadmap. The Auditor General recommended that Cabinet should delegate overarching responsibility for coordinating the implementation of the SDGs to a specific entity and identify clear lines of accountability. Further, the National 2030 Agenda Oversight Committee in collaboration with MoFPS and MDAs responsible for priority projects should guide the development of a comprehensive funding strategy for the preparedness and implementation of the SDGs. Of note, the audit report was presented at the Supreme Audit Institutions Stakeholders' Meeting on "Contributions of Supreme Audit Institutions to the Sustainable Development Goals (SDGs)" held at the United Nations Headquarters in New York in July 2018.

The audit sought to assess whether SLB's collection and enforcement activities contribute meaningfully to the sustainability of the Revolving Loan Fund and to determine the adequacy of oversight and loan monitoring mechanisms to reduce delinquency.

Students' Loan Bureau (SLB) Loan Management

The Students' Loan Bureau (SLB) plays a vital role in providing access to tertiary education for eligible Jamaicans who are unable to cover the cost of tuition at approved institutions in Jamaica. We found that SLB approved 96 per cent of applicants for the four-year period 2012/2013 to 2016/2017, in accordance with its mandate to provide affordable financing to students pursuing tertiary education. SLB disbursed tuition loans totalling \$17.02 billion over the five-year period 2012/2013 to 2017/2018, whereas, non-performing loans (NPLs)

stood at \$11.3 billion as at February 2018, relative to \$1 billion as at March 2013. Growth in NPLs and the write-off of uncollectible loans totalling \$2.5 billion adversely impacted SLB's liquidity position. Consequently, SLB had to rely on GoJ subsidy which rose to 91 per cent or \$3.1 billion in 2016/2017 from 13 per cent or \$0.4 billion in 2012/2013 to support the funding of tuition loans. Additionally, the MoFPS approved withdrawal of \$1.3 billion from SLB's self-insurance fund, which assisted loan funding. The Auditor General recommended that SLB review its loan collection and enforcement strategies to reduce loan delinquency. SLB should implement a robust loan management system to enable the timely finalization of loan receivables and solicit MoFPS' support to develop a roadmap for achieving the long-term sustainable funding of tertiary education.

Our audit of the Transport Authority Regulation of Public Passenger Vehicles sought to determine the TA's effectiveness in reducing illegal activities in the transportation sector. This audit was conducted against the background of concerns and complaints from stakeholders regarding the effective use of public resources in the sector.

Transport Authority (TA) – Regulation of Public Passenger Vehicles (PPVs)

We found that despite increasing the number of inspectors and the increased issuance of summonses, the TA failed to deter habitual breaches by licensed PPV and illegal operators. Only seven per cent of total summonses issued were to illegal operators despite the fact that the TA's data suggested that illegal taxis significantly outnumbered licensed taxis in Kingston and St Andrew. At the same time, we noted a decline in the number of new licences issued and an increase in the number of licences surrendered between 2012/2013 and 2016/2017. Although the TA provided channels for stakeholders to register their complaints and concerns, TA did not

document the procedures to ensure a consistent approach in its response. The TA purchased major assets without adequate due diligence, which contributed to losses of \$141 million in 2016/2017. However, the absence of a long-term strategy for its operations contributed to the TA's worsened financial position. The Auditor General recommended that the TA devise sustainable strategies to discourage illegal activities among transport operators. Further, the TA's strategic direction could benefit from the proposed development plan for the public transport sector which will require fast tracking. This is in the context where there are only 13 years remaining to achieve the goal to develop a world-class public transportation system under Vision 2030 National Development Plan (NDP).

The audit was conducted in response to public concerns and allegations of malpractices. The audit sought to assess whether the operational activities, governance and monitoring framework at Petrojam accorded with the principles of good financial management and GOJ Guidelines, to attain value for money.

Comprehensive Audit of Petrojam Limited

The audit identified weaknesses in the governance and monitoring framework as well as deficiencies in Petrojam's procurement and contracts management practices. The deficiencies in the established oversight mechanisms were demonstrated by the failure of the Board of Directors and its sub-committees to convene regular meetings, which impaired their ability to undertake strategic management and oversight responsibilities and would have curtailed its oversight responsibilities and reporting requirements to Parliament.

Against this background, there was a systemic breakdown in resource management practices, which resulted in total financial exposure of \$737.8 million on four contracts. Breaches of GoJ's Procurement Guidelines in the selection and award of contracts, poor planning and executions of projects as well as bad business decisions led to significant delays in the commencement and completion of projects, thus depriving the entity of value for money.

Quality

We planned and conducted our audits in accordance with government's auditing standards applicable to performance audits and issued by the International Organization of Supreme Audit Institutions (INTOSAI). The Quality Assurance Unit reviewed three audit reports to ensure conformance with the Performance Audit Standards (ISSAI 3000–3100) and the AuGD's strategic and operational plans. We conducted our audits in accordance with the Department's Quality Assurance Framework and International Standards on Quality Control (ISQC 1).

We continued to rely on feedback from Parliament and other stakeholders including the media and civil society to guide our selection and to assess the impact of our audits. Once tabled in Parliament, we shared the full audit reports, power-point presentation and brief abstracts on our website. We also continued to monitor feedback on tabled reports.

Timeliness

We completed approximately 60 per cent of our performance audits scheduled for 2018 within the specified time. However, the inclusion of the unplanned PCJ/Petrojam audit, inability of some entities to accommodate our team for fieldwork at the requested time and delays in their completion of FY 2017/2018 financial statements were among the factors that adversely affected our ability to meet deadlines. Consequently, the completion date for three of our audits have been extended to the first quarter of the year 2019.

Looking Forward

The Performance Audits planned for 2019/2020 were selected using the thematic approach and risk-based methodology and include two cross-cutting audits. Our audits seek to contribute to the achievement of efficient and effective public financial management and will cover five sectors and the related Sustainable Development Goals (SDGs).

Sector	SDG	Vision 2030 NDP
Education and Youth	SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities.	National Outcome 2: World-Class Education and Training
Finance	SDG 8: Decent work & economic growth.	National Outcome 7: A Stable Macro-economy
Commerce, Industry and Technology	SDG 9: Industry, innovation and infrastructure.	National Outcome 12: Internationally Competitive Industry Structures
Health and Welfare	SDG 3: Ensure healthy lives and promote well-being for all at all ages.	National Outcome 1: A Healthy and Stable Population
Natural Resource Management	SDG 13: Take urgent action to combat climate change and its impact.	National Outcome 1: A Healthy and Stable Population

Table 7

Economic Assessment Unit (EAU)

The Year in Review

For 2018, the Economic Assessment Unit (EAU) reviewed the Fiscal Policy Paper (FPP) FY 2018/2019 and FPP Interim Report FY 2018/2019 in keeping with the requirements of the FAA Act. We submitted these reviews to Parliament on February 28, 2018 and on October 10, 2018, respectively within the specified deadline.

The EAU also produced financial statement assessments (FSA) of two public bodies during 2018. We submitted one FSA to Parliament as an independent report in October 2018 while the other formed part of a comprehensive audit report submitted in December 2018. Throughout the year, the Unit prepared internal fiscal reports and economic bulletins to support its review of the FPP and to inform the general staff on fiscal policy-related issues. The staff of the Unit continued to access online training in fiscal policy analysis and debt sustainability as well as face-to-face training offered by the IMF, which augmented on-the-job training and coaching that enabled improvement in the quality of our output.

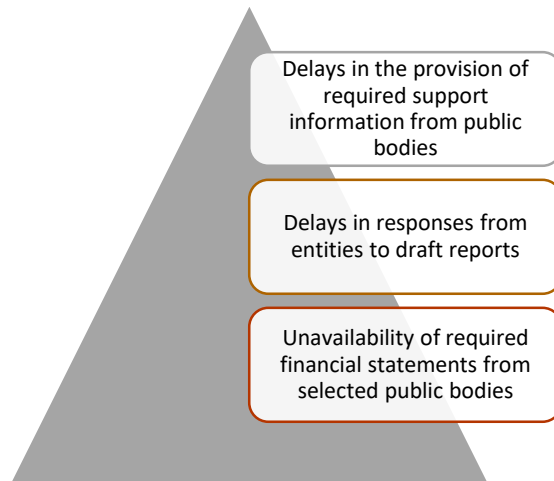
Our Achievements

We met the deadlines for tabling two FPP reviews

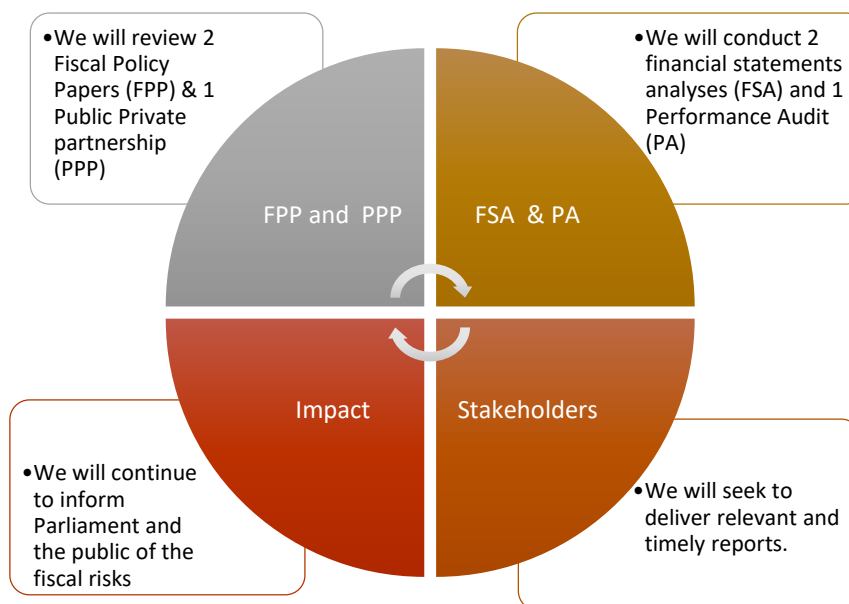
We completed two public bodies' financial statements analyses.

We improved the quality of our tabled reports.

Our Challenges



The Year Ahead



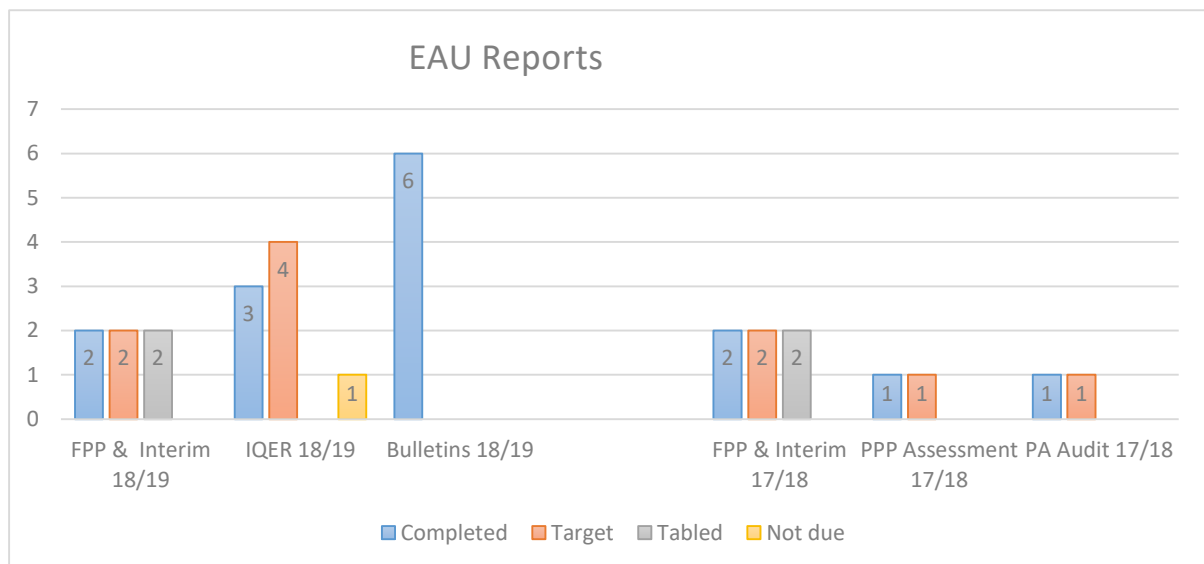
Economic Assessments

The Economic Assessment Unit (EAU) assists the Auditor General in fulfilling her responsibilities described in the Financial Administration and Audit (FAA) Act and the Constitution. Accordingly, we reviewed two fiscal policy papers, conducted analyses of the financial statements of two public bodies, prepared and circulated internal quarterly economic reports (IQER) and bulletins as well as continued our tracking of the fiscal responsibility framework. These activities were undertaken in support of the Auditor General’s responsibilities under Section 48B (6) of the FAA Act. Findings related to our tracking of the fiscal responsibility framework were reflected in the FPP reviews that were submitted to Parliament. Of note, public bodies are required to demonstrate prudent financial management of public resources in the context of the Fiscal Responsibility Framework.

Section 2: Providing Assurance

Reports Submitted to Parliament	Date Tabled	Deadline	Comments
Fiscal Policy Paper FY 2017/2018	February 2018	Met	Within the period specified by the FAA Act
Financial Statement Analysis of Housing Agency of Jamaica	October 2018	Not Met	Audited FY 2017/2018 financial statements from entity delayed.
Analytical Review of Jamaica Urban Transit Company (JUTC) financial statements		Extended	Delayed by unplanned FSA and pricing review for Petrojam
FPP Mid-year (Interim Report)	October 2018	Met	Tabled within two weeks after receipt of interim report from MoFPS
Performance Audit of JUTC		Extended	Delayed by unplanned FSA and pricing review for Petrojam.
Analytical Review Petrojam's financial statements and Pricing	December 2018		Unplanned reviews; part of comprehensive audit report.

Table 8



The review of the FPP FY 2017/2018, tabled by the MoFPS on February 9, 2017, sought to determine whether the conventions and assumptions underlying its preparation complied with the principles of prudent fiscal management; whether the reasons given for the deviation of the fiscal outturn from target were reasonable based on the circumstances.

Fiscal Policy Paper (FPP)

The Auditor General found that the preparation of the FPP broadly complied with the principles of prudent fiscal management, however, the report did not fully explain some risks. These included the risk to tax revenue based on increasing tax elasticity since FY 2012/2013 and coupled with the 50 per cent probability that real GDP growth would turn out to be between 2.0 per cent and 3.0 per cent for the FY 2018/2019. Further, the First Supplementary Estimates for FY 2017/2018 included a loan of US\$100 million to Petrojam Limited to assist the refinery in mitigating the negative impact on its financing arising from an Executive Order issued by the USA in respect of Venezuela. However, based on uncertainty regarding continuance of the Order, it would be prudent to recognize the risk that could arise to the debt ratio if Government needs to borrow in order to provide further financial support to Petrojam. The Auditor General also recommended inclusion of tax arrears collected vis-a-vis

number of taxpayers which could have provided greater assurance of reasonableness of the explanation for the higher than budgeted tax collections given that tax arrears collected are exceptional one-off flows from prior period, unrelated to current performance. Additionally, the Ministry should adhere to the FAA Act by comparing outturn with the original budget instead of the revised budget, which inhibits proper assessment of fiscal performance.

The Mid-year (Interim) FPP Report tabled on September 25, 2018 was reviewed in accordance with the Auditor General's responsibilities under Section 122 of the Constitution of Jamaica and the requirements of the FAA Act.

Fiscal Policy Paper (FPP) FY 2018/2019 Interim Report

The FPP FY 2018/2019 Interim Report broadly complied with the principles of prudent fiscal management although the Report did not quantify all risks noted. However, the Auditor General found that the FPP FY 2018/2019 Interim Report did not agree with the FAA Act in terms of comparing the actual outcome of FY 2017/2018 to the original budget. Instead, the Report compared the actual outcome for FY 2017/2018 to the revised budget. The Auditor General indicated that because the FPP Interim Report FY 2018/2019 would have represented the first tabling of the actual outturn for FY 2017/2018, the Report should have provided a disaggregation of tax revenue (details of revenue) and detailed explanations for material variances from original budget

in order to assess reasonableness of explanations for deviations. For April-July 2018, the Report highlighted the contribution of increased withholding tax flows from private sources to the positive performance in *Income & Profits* but did not clarify the source. In addition, stronger than budgeted GCT collections were ascribed to 13 consecutive quarters of economic growth but the Auditor General pointed out that a comparison of growth across quarters would not explain greater than budgeted tax receipts as the budget would have incorporated the higher growth. The Auditor General urged the Ministry to address the deficiency regarding compliance with the FAA Act by making the correct comparison when analysing fiscal performance.

A financial statement analysis of the Housing Agency of Jamaica was undertaken to assist Parliament and the Public Accounts Committee (PAC) in their review of the financial performance of public bodies in the context of the Fiscal Responsibility Framework. The Public Bodies Management and Accountability (PBMA) Act requires public entities to demonstrate prudent financial management of public resources.

Financial Statements Analysis: Housing Agency of Jamaica (HAJ)

The Housing Agency of Jamaica's (HAJ's) net profits in FY 2016/2017 and FY 2017/2018 were due in part to the sale of previously stalled properties and impairment recovery. This followed three consecutive years of losses. HAJ's net profit margin of 0.46 for FY 2017/2018 relative to 0.06 for FY 2012/2013 means that the HAJ earned 46 cents in profit for every one dollar of income received for FY 2017/2018 relative to a mere 6 cents for FY 2012/2013. This contrasts with net losses of \$2.31 for every one dollar of income received for FY 2015/2016. Given the delays in completing projects and weak sales, HAJ continually experienced liquidity constraints. To alleviate this problem, the HAJ sold lands totalling \$365.2 million to help fund loan repayments, depleting the stock of lands available for housing development. HAJ also secured an overdraft facility of \$150 million to meet its demand for cash but later converted the facility to a long-term loan as it was unable to repay the debt in the time agreed under the facility. HAJ failed to meet its targets related to development projects over the review period and did not start or deliver any of the planned projects for FY 2016/2017. Instead, to improve its cash position,

the entity took the strategic decision to focus on completing stalled or incomplete projects. At the end of FY 2017/2018, the National Housing Trust (NHT) held just over 95.0 per cent of HAJ's debt. The Auditor General recommended that the HAJ management should robustly assess the environment and devise appropriate strategies to ensure the financial viability of the entity as well as the effective delivery of its mandate.

The analytical assessment of the financial statements of the Clarendon Alumina Production Limited (CAP) was undertaken in the context of the Fiscal Responsibility Framework and the Public Bodies Management and Accountability (PMBA) Act, which requires public entities to demonstrate prudent financial management of public resources.

Financial Statements Assessment: Petrojam

Petrojam recorded net profits, albeit, with a declining trend for the last three years following two consecutive years of losses. Net profit of US\$18.59 million in FY 2017/2018 and US\$34.98 million in FY 2015/2016 were recorded following a net loss of US\$13.53 million in FY 2014/2015. Given this, Petrojam's net profit margin declined during the profit-making years to 0.02 for FY 2017/2018 from 0.04 in FY 2015/2016, relative to a net loss margin of -0.01 in FY 2014/2015. The net profit margin ratio for FY 2017/2018 indicated that Petrojam recorded 2 cents of profits for each dollar of income received. Petrojam's most liquid assets, cash and cash equivalents covered only an average of 17 per cent of its current liabilities over the five-year period as cash generated from core operations was inadequate. Hence, in an effort to support working capital, Petrojam borrowed US\$35 million from the PetroCaribe Development Fund in FY 2014/2015

augmented by a bank overdraft facility of J\$101.5 million. Further, Petrojam in FY 2015/2016 converted dividends previously declared to its majority shareholder, PCJ, to a loan as it did not have adequate cash to meet this obligation. Petrojam's outstanding debt grew by 769.0 per cent to US\$202.5 million at the end of FY 2017/2018 relative to FY 2013/2014. Consequently, the Petrojam's debt ratio, which measures short and long-term debt as a percentage of total assets, rose sharply to 0.41 for FY 2017/2018 from only 0.04 for FY 2013/2014 (Figure 10). This indicated that it would require resources equivalent to 41 per cent of Petrojam's assets to meet outstanding debt obligations when compared to four per cent in the earlier period.

Our internal economic reports assist in our fiscal policy paper review by enabling an exploration of related and extended issues, prior to receipt of the FPP reports tabled in Parliament by the Ministry of Finance.

Internal Monthly Economic Reports and Bulletins

In 2018, due to the delays in availability of fiscal information, we discontinued our preparation of monthly reports in favour of quarterly reports. To date, we have prepared four such reports. Our reports, however, continued to focus on fiscal performance and debt dynamics. Our analyses were supported by information garnered from the MoFPS as well as from other primary data sources. We also prepared six economic bulletins, which covered such areas as tax transparency, IMF reviews on Jamaica as well as the OECD comparative revenue performance in the Caribbean. These reports contributed to our

understanding of the fiscal policy environment and other economic trends.

Quality

We conducted our reviews of the fiscal policy papers in accordance with the standards issued by The International Organization of Supreme Audit Institutions (INTOSAI) and the International Standard on Assurance Engagement (ISAE) 3000. The Department's Quality Assurance Unit also reviewed our draft and final reports to ensure adherence to the required standards.

Timeliness

We submitted our review of the FPP FY 2018/2019 and Interim Reports within the specified deadline of two weeks after the tabling of the Paper.

Looking Forward

We plan to submit to Parliament our review of two Fiscal Policy Papers (including the interim mid-year review), as well as conduct two financial statement assessments of self-financing public bodies using a risk-based approach. We will also conduct one performance audit using the key issues identified by one of our financial statements analysis to inform the scope. Based on the timing of the finalization of financial arrangements for the Norman Manley public-private partnership, we will undertake an assessment for minimal contingent liability in accordance with the FAA Act. We will continue to conduct quarterly reviews of central government performance to inform our review of the fiscal policy paper.

Special Investigation Audits

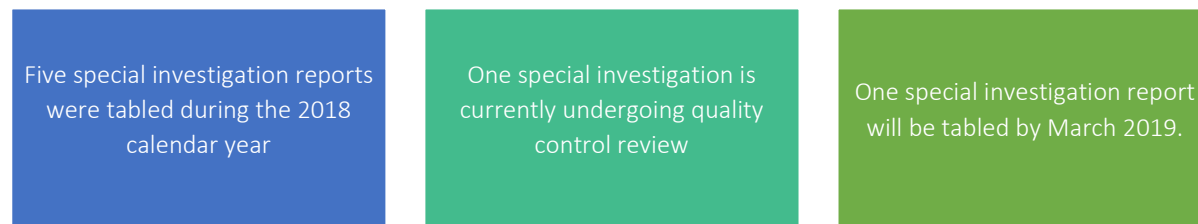
Section 122 of the Jamaica Constitution requires the Auditor General to conduct impartial audits of public bodies at least once every year and submit reports of findings to Parliament. In keeping with Section 25 of the FAA Act, the Auditor General commissions special investigations based on requests from members of the public and the Parliament and internal assessments. Our special investigations are conducted in accordance with standards issued by the International Organization of Supreme Audit Institutions (INTOSAI) for performance audit, GoJ legislations and guidelines as well as best practices.

The Year in Review

During the year, the Special Investigations Unit was able to table five reports. One audit is currently undergoing quality control review and is expected to be submitted to Parliament in the first quarter of 2019. In addition, we are currently in dialogue with an international consultant for the facilitation of forensic auditing training. During the period, all five officers assigned to the Unit received on-the-job training, which included training sessions in our monthly meetings to further enhance staff development.

In executing our special investigation audit plan, we identified a common theme of poor governance practices and weak resource management in the entities reviewed. These deficiencies led to public expenditure exposure and losses, across the four Government entities that we examined. The results of our audits are for the most part published and, as such, we expect that the recommendations made in our audit reports will be adopted to improve public financial management not only in the entities that were audited, but also throughout the wider public sector. We continued to benefit from the trust and support of the public and other stakeholders who provided valuable feedback and raised concerns. In fact, we noted a significant inflow of requests for special investigations from our stakeholders.

Our Achievements

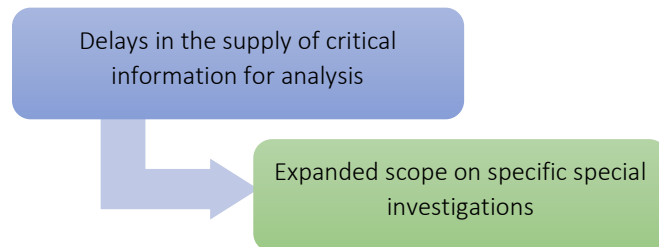


Apart from the five completed special investigations, one audit is currently undergoing quality control review and another is about to commence, as detailed in the table below.

Audit Topic	Audit Plan	Status	Date Tabled	Deadline	Comments
Ministry of Labour and Social Security, Rehabilitation Programme	2017-2018	Completed	Tabled in March 2018	Met	
Ministry of Labour and Social Security, National Insurance Fund	2017-2018	Completed	Tabled in March 2018	Met	
Petrojam, Corporate Governance Practices	2018-2019	Completed	Tabled in December 2018	Met	
Petroleum Corporation of Jamaica, Corporate Governance Practices	2018-2019	Completed	Tabled in December 2018	Met	
Office of the Public Defender, Relocation of the Office of Public Defender	2018-2019	Completed	Tabled in December 2018	Met	
Jamaica Customs Agency, Private Bonded Warehouses	2018-2019	In Progress	Undergoing Quality Assurance Review	Not Met	Delayed to support Petrojam Audits
To be determined	2018-2019	Not yet started	Justification submitted and awaiting approval		

Table 9

Our Challenges



The Year Ahead

We expect that the investment in training and additional experience gained through complexed audits undertaken will bear fruit in the years to come. Looking ahead we anticipate improvement in the efficiency of the audit process, which will result in more reports being tabled for the 2019/2020 period. We look forward to feedback from our stakeholders for continued improvement in the quality of reports published while maintaining our relevance.



Assurance Audits

Financial Statements and Appropriation Accounts

Our assurance services include audits of financial statements prepared on an accrual basis, receipts and payments statements for public bodies, as well as internationally-funded projects. The Quality Assurance Unit is also responsible for the audit of the annual Appropriation Accounts of MDAs, which they are required by law to submit by July 31, four months after the end of the financial year. The audit of these statements is usually carried out in conjunction with compliance audits to determine the extent to which MDAs follow rules, laws and regulations, policies and established codes or agreed-upon terms contained in contracts or funding agreements.

Financial statements audits are undertaken to express an opinion on whether reasonable assurance has been obtained that the financial statements presented by management are free from material misstatements, in all material respects, and that they are presented in accordance with the applicable financial reporting framework.

The Public Bodies Management and Accountability (PBMA) Act, requires that the annual report and audited financial statements of Public Bodies be tabled annually in the Houses of Parliament.

The Year in Review

We delivered on key strategic objectives of the Department in 2018 through the implementation of 70 per cent of our audit plan at the time of writing this report. Our performance declined marginally over the previous financial year by nine per cent. This was due primarily to the non-submission of statements for audit and for certification. However, several entities have facilitated the completion of audits and should be commended for their efforts.

During the review period, we encountered numerous challenges and some MDAs either failed to submit annual financial statements to the Department for audit or failed to do so in a timely manner. Consequently, the MDAs have not submitted 343 statements for audit spanning the financial years 2001/2002 to 2017/2018. Of this amount, 166 represents Appropriation Accounts with approximately \$2,325,810,320 in Warrants authenticated. (See Appendix 4)

In the case of the non-submission of the 2017/2018 Appropriation Accounts, which reflect the item of Appropriation-In-Aid², the MDAs have attributed this situation to the Ministry of Finance and the Public Service's delay in effecting the necessary adjustments to Financial Management System (FinMan) to facilitate the completion of the accounts.

MDAs also failed to present the financial statements in accordance with the appropriate financial reporting framework, which resulted in significant audit adjustments. Further, audit schedules to support the amounts stated on the financial statements were inadequately prepared in several instances.

Audited financial statements indicate to stakeholders that the public financial management system is more reliable and enable stakeholders to make sound decisions. It has been well documented that there are several Ministries, Departments and Agencies that have unaudited financial statements, which limits the accountability and transparency within the public financial management landscape. In order to address the backlog, we devised a strategy to clear these unaudited financial statements. Therefore, we have embarked on an audit outsourcing project to clear approximately 163 financial statements of Statutory Bodies, Executive Agencies and Municipal Authorities. In collaboration with the Ministry of Finance and the Public Service and the World Bank, funds have been identified under the Strategic Public Sector Transformation Project (SPSTP) to finance the project. The Ministry of Finance and the Public Service (MoFPS) and AuGD have since signed a Memorandum of Understanding to formalize the arrangement. This exercise will enable the AuGD to direct audit resources to maintain its current stock of audits and prevent a situation emerging where the backlog increases because current audits could not be undertaken. Additionally, AuGD staff will also be able to focus on clearing the backlog of Appropriation Accounts, which number approximately 212 statements.

Our Achievements

- 1 We executed 70 per cent of 239 planned audits for financial statements and appropriation accounts.
- 2 We cleared 20 per cent of the backlog of financial statements audits of previous years.
- 3 We issued 74 audit certificates during the year.

² Refers to any revenue which a department collects in the ordinary course of business which have been approved by Parliament to be used by the department.

Our Challenges

Delays in the submission of financial statements and audit schedules.



Delays in the completion of audits arising from some entities failing to review and resubmit financial statements for certification.

The Year Ahead

We intend to certify at least 63 financial audits and 60 Appropriation Accounts in 2019.

We intend to implement measures to reduce the level of work-in-progress and improve the rate of certification of financial statements and appropriation accounts.

We intend to conduct more compliance audits and track implementation of audit recommendation.

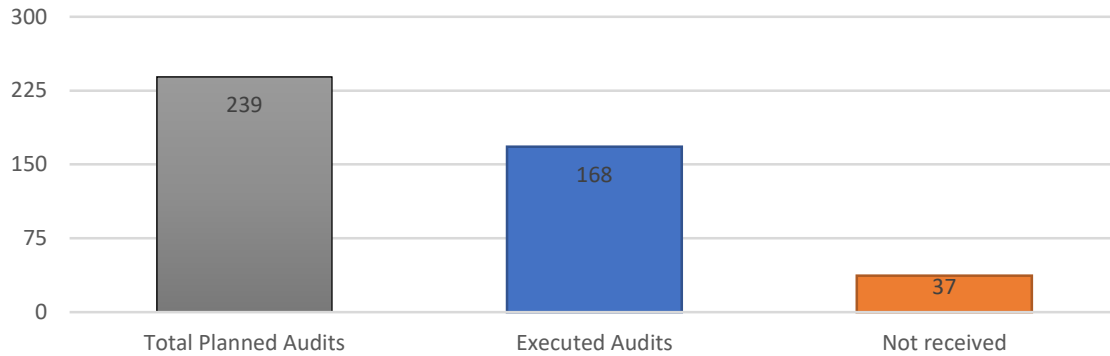
We intend to improve stakeholder participation and feedback on our audits through interactive links and survey tools.

The Financial statements that we audit comprise Parish Councils, Statutory Bodies, Executive Agencies, Parish Libraries, the Parochial Revenue Fund, Internationally Funded Projects and Appropriation Accounts.

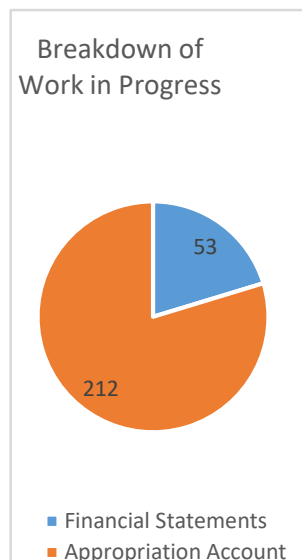
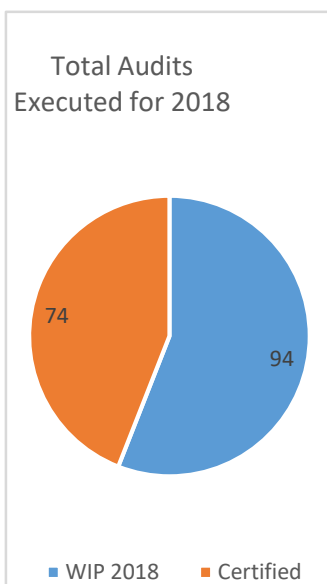
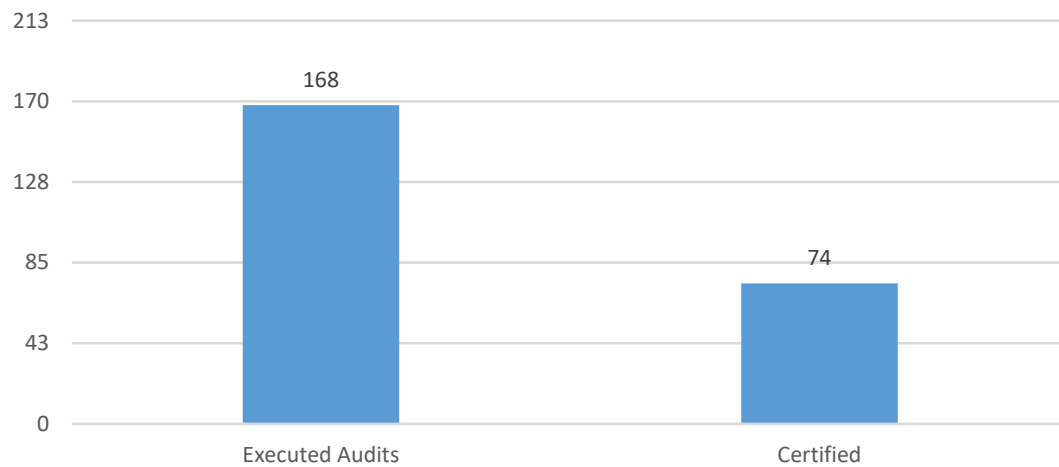
For the calendar year 2018, 70 per cent or 168 of the 239 planned audits of financial statements and Appropriation Accounts were executed. Of the 168 executed audits, 74 audit certificates were issued. There are 265 statements that are work-in-progress (WIP), of which we have returned 115 to MDAs for the correction of errors and/or resubmission for certification.

Of the 265 statements that are work-in-progress, 53 relate to Statutory Bodies, Parish Councils and Executive Agencies (see **Appendix 3**). We anticipate that 50 per cent of the WIP will be certified within the first two quarters of 2019. Further details are outlined in the charts below.

Table showing planned vs executed



Proportion of executed audits certified



Quality

Assurance audits were conducted in accordance with auditing standards issued by INTOSAI. These standards require that the Auditor General comply with ethical requirements, plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatements. In accordance with the Department's Quality Assurance Framework and International Standards on Quality Control (ISQC 1), internal reviews were conducted by the Team Leaders, Audit Principals, Deputy Auditors General and the Auditor General.

For the coming year, independent surveys will be conducted by the Corporate Services Department to get feedback from the audited entities on our audit process and conduct of the audit teams.

Compliance Audits

The Year in Review

For the 2018 calendar year, the AuGD conducted Compliance Audits in accordance with INTOSAI's Compliance Audit guideline (ISSAI 4000). The audits aimed to determine whether MDAs complied with various regulatory instruments. The criteria used for the audits were promulgated through the FAA Act and its Regulations and Instructions, the PBMA Act, the Staff Orders for the Public Service, Government of Jamaica (GoJ) circulars and guidelines, entity-specific legislation and agreed-upon terms. We also included international and operational financial best practices.

The general findings from the audits revealed weaknesses in management oversight, internal control, financial management and accounting practices of MDAs. Contributing to these weaknesses was the failure of the MDAs to comply with standard operating procedures. The key findings of the compliance audits were reported to Heads of MDAs and are included on pages 53-78 of this report.

Our Achievements

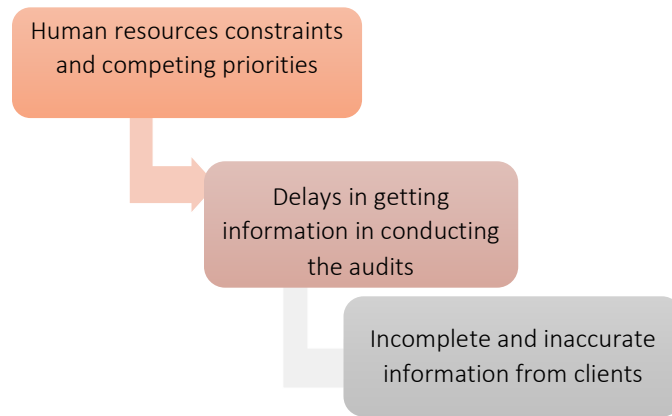
We planned 89 compliance audits for the period

We conducted 67 (75 per cent) audits and issued 49 (73 per cent) reports

We have 18 audits in progress to be finalized

Twenty (20) of the planned audits were rescheduled and two were changed to performance audits

Our Challenges



The Year Ahead



Quality

All our compliance audits were conducted using a risk-based approach, which requires us to understand the entity, its environment and operations, assess the risk of non-compliance and then allocate audit resources to the riskier areas as appropriate. All compliance audits were subject to multiple levels of internal quality reviews.

Municipal Corporations

During the year, we managed to clear 18 (53 per cent) of the 34 statements. With an additional 11 statements submitted during the year, the current arrears stand at 27 statements.

Disclaimer of Opinion on Municipal Corporations Financial Statements

Of the 18 statements certified, a disclaimer was issued for 11 statements due to the fact that there was a limitation in the scope to audit these statements resulting from unsupported revenue and expenditure of \$4.38 and \$4.41 billion, respectively. Where the Councils did not present the general ledger, trial balance, supporting schedules and source records, a disclaimer was also issued. Where the limitation of our scope is material and pervasive to the statements, this will result in the issuance of a Disclaimer of Opinion, as issued in the 11 instances when certifying the Municipal Corporations Financial Statements (Table 10).

Table 10 - Disclaimer issued for Municipal Corporations Financial Statements

Municipal Corporation	Financial Year	Audit Report	Unsupported Revenue	Unsupported Expenditure
Westmoreland	2005/06	Disclaimer	170,413,347	167,594,865
Westmoreland	2006/07	Disclaimer	181,776,996	180,203,922
Westmoreland	2007/08	Disclaimer	197,099,739	199,782,200
Westmoreland	2008/09	Disclaimer	247,253,533	238,416,737
Westmoreland	2009/10	Disclaimer	339,990,985	347,948,005
Westmoreland	2010/11	Disclaimer	318,326,224	318,120,861
Westmoreland	2011/12	Disclaimer	356,660,857	358,280,658
Westmoreland	2012/13	Disclaimer	518,779,635	507,867,286
Clarendon	2008/09	Disclaimer	524,904,154	540,597,985
Clarendon	2009/10	Disclaimer	607,584,504	598,841,838
St. Catherine	2008/09	Disclaimer	924,747,228	952,712,583
	TOTAL		4,387,537,202	4,410,366,940

Source: AuGD's compilation of Municipal Corporations disclaimer opinions.

Challenges and Mitigating Strategies for 2018

We continue to face challenges in auditing the dated records of the Municipal Corporations with no supporting schedules or source records in some instances. Some statements were also not balanced and the challenges were compounded by the fact that the capacity within the Councils was lacking.

Our staff is committed to continue forging an effective working relationship to strengthen the accountability and transparency mechanism within the Municipal Corporations and increase the efficiency of our audits. Additionally, we reduced our travelling expenditure by requesting that majority of the source documentation be forwarded to our office, therefore, reducing the time spent out in the field.

Information Technology Audits

The Year in Review

Given the Government's dependence on Information and Communications Technology (ICT) to enhance the efficiency and effectiveness of the public service, Information Technology Audits have been standardized within the operations of the Department. These audits are executed to:

- Assess the adequacy and effectiveness of the information system controls within the Ministries, Departments and Agencies (MDAs).;
- 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.

Accordingly, the capacity of the AuGD's Information Technology Audit Unit (ITAU) was enhanced through a training programme conducted in the latter part of the 2016/2017 FY. A major component of the programme required the execution of six pilot audits as well as the development of a detailed risk-based IT audit manual. As at November 30, 2018, three of the six pilot audit reports were tabled, with the remaining audits scheduled for tabling by December 31, 2018.

Four additional audits were planned and executed utilizing the IT audit manual. These audits are at various stages of completion and are expected to be submitted for tabling as illustrated in the table below. One audit was, however, suspended due to delays in obtaining the relevant records from the auditee.

Audit Topic	Audit Plan	Status	Date Tabled	Deadline	Comments
Information Systems Review Report of the Tax Administration Jamaica (TAJ) on its IT Governance and Business Continuity Management	2016/2017	Completed	January 2018	Not Met	
Information Technology Audit Report on the Management of IT Security of Select Public Bodies (RGD & JUTC)	2016/2017	Completed	May 2018	Not Met	
Information Technology Audit Report on IT Governance (JCF, JIS & MoFPS)	2016/2017	Completed	N/A	Not Met	Report being finalized for submission to Parliament by December 31, 2018
Ministry of Science, Energy and Technology (MSET), Disposal of ICT Equipment (MSET and two of its agencies – eGov Jamaica Limited and Post & Telecommunications Department)	2017/2018	Completed	N/A	Not Met	Report being finalized for submission to Parliament by December 31, 2018.
Jamaica Customs Agency (JCA), Business Continuity Management and IT Disaster Recovery	2017/2018	In Progress, Draft Report being prepared	N/A	Not Met	Report being finalized for tabling by March 31, 2019.

Passport Immigration and Citizen Agency, Information Security management and related controls.	2017/2018	In Progress, Draft Report being prepared	N/A	Not Met	Report being finalized for tabling by March 31, 2019.
Jamaica Library Service (JLS), IT Project Management	2018/2019	In Progress, Draft Report being prepared	N/A	Not Met	Report being finalized for tabling by March 31, 2019.
Ministry of Local Government and Community Development, Application Management and Data Automation Software (AMANDA)	2018-2019	Suspended	N/A	N/A	Audit resources reallocated to high priority audits.

Table 11

Our Achievements

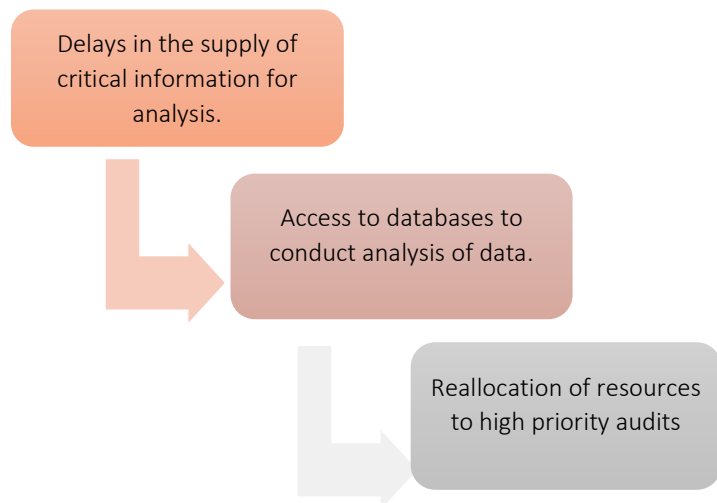
Over the period December 1, 2017 to November 30, 2018, the Information Technology Audit Unit has achieved the following:

We tabled three pilot audit reports, while three are scheduled for tabling by December 2018.

We completed fieldwork for three audits and intend to draft the respective reports for tabling by March 31, 2019.

We commenced the gathering of data on the information systems used within the GoJ with the view of developing an IT Audit universe.

Our Challenges



The Year Ahead

- 1 We plan to conduct three special IT audits in 2019/2020.
- 2 We plan to increase the use of Computer-Assisted Audit Techniques (CAATs).
- 3 We intend to further increase staff capacity through internal and/or external training initiatives.
- 4 We intend to make our request for records and data access in advance in order to reduce delays in completing the audits

This page was intentionally left blank

A large, thick, yellow curved graphic that starts on the left and curves towards the right, framing the text.

Section 3:

YEAR IN REPORTS

3.1.1 In keeping with the five themes included in our Thematic Framework 2016, the audit reports have been categorised as follows:

Governance

- There is a need for greater oversight and monitoring of Government programmes and activities to ensure transparency and accountability in the use of public resources. The component also takes into consideration proper planning and performance management within government entities.

Project Management

- Two major themes were noted for special attention - planning & evaluation and implementation & monitoring based on the intrinsic weaknesses which have been identified in audits conducted over the last five years.

Resource Management

- Resources include money, human skills, information and communications technology, natural, production and inventory. Various control elements have been implemented by the GoJ to monitor and manage these resources, however, administrative, financial and operational management inefficiencies have been common deficiencies identified in audits conducted in the last five years.

Procurement and Contracts Management

- A common weakness found was that the procurement process though clearly documented was not always fair, transparent and open to competition. |

Information & Communication Technology

- The weaknesses identified under this theme were Information System Acquisition & Implementation, Information Security, Business Continuity and IT Disaster Recovery Planning, E-Commerce and Third Party Service Management.

MDA	Governance	Project Management	Resource Management	Procurement and Contract Management	Information and Communication Technology
1. Head 04000: Office of the Contractor General	✓				
2. Head 06000: Office of the Services Commission	✓				
3. Head 15000: Office of the Prime Minister	✓				
4. Head 15000: Office of the Prime Minister – Energy Security and Efficiency Enhancement Project – IBRD Loan No. 8007-JM		✓			
5. Head 15000B: Office of the Prime Minister, Jamaica Social Investment Fund (JSIF) – Jamaica Disaster Vulnerability Reduction Project and the Jamaica Integrated Community Development Projects		✓			
6. Head 15000: Office of the Prime Minister and Head 15020 Registrar Generals Department			✓		
7. Head 16000: Office of the Cabinet	✓				
8. Head 19000: Ministry of Job Creation and Economic Growth, National Environment and Planning Agency – Yallahs Hope River Watershed Management Areas		✓			
9. Head 19000: Ministry of Economic Growth and Job Creation; Head 19050 National Works Agency			✓		
10. Head 19000B: Ministry of Economic Growth and Job		✓			

MDA	Governance	Project Management	Resource Management	Procurement and Contract Management	Information and Communication Technology
Creation GoJ/IBRD Grant Agreement No. TFOAO433 PIOJ – Improving Climate Data & Information Management Project (ICDIMP)					
11. Head 20000: Ministry of Finance and the Public Sector	✓				
12. Head 20012: Jamaica Customs Agency			✓		
13. Head 20056: Tax Administration Jamaica (TAJ)	✓				
14. Head 26000: Ministry of National Security 2017/2018	✓				
15. Head 26000: Ministry of National Security 2016/2017	✓				
16. Head 26022: Police Department	✓				
17. Head 26024: Department of Correctional Services	✓				
18. Head 28000: Ministry of Justice	✓				
19. Head 30000: Ministry of Foreign Affairs and Foreign Trade			✓		
20. Head 40000: Ministry of Labour and Social Security, Canadian Farm and Factory Workers Programme	✓				
21. Head 40000: Ministry of Labour and Social Security (MLSS)	✓		✓		

MDA	Governance	Project Management	Resource Management	Procurement and Contract Management	Information and Communication Technology
22. Head 40000B: Ministry of Labour and Social Security, Programme of Advancement Through Health and Education (PATH) and Integrated Social Protection and Labour (SLP) Programme Loan Contract No. 2889/OC-JA		✓	✓		
23. Head 40000B: Ministry of Labour and Social Security, Programme of Advancement Through Health and Education (PATH) Social Protection Project (SPP) 2 Loan No. 8329-JM		✓	✓		
24. Head 40000B: Ministry of Labour and Social Security, Programme of Advancement Through Health and Education (PATH), Jamaica Social and Economic Inclusion of Persons with Disabilities Project Grant No. TF014258		✓			
25. Head 40000B: Ministry of Labour and Social Security, Programme of Advancement Through Health and Education (PATH), Integrated Support to Jamaica's Social Protection Strategy (ISJSPS) Project Loan Contract No. 3565/OC-JA		✓			
26. Head 41000 Ministry of Education, Youth and Information, National Council on Education			✓		

MDA	Governance	Project Management	Resource Management	Procurement and Contract Management	Information and Communication Technology
27. Head 41000: Ministry of Education, Youth and Information, Early Childhood Commission			✓		
28. Head 41000B: Ministry of Education, Youth and Information, Early Childhood Development Project – GOJ/IBRD Loan Agreement No. 83340-JM		✓			
29. Head 46000: Ministry of Culture, Gender, Entertainment and Sport	✓				
30. Head 50000B: Ministry of Industry, Commerce, Agriculture and Fisheries: Agricultural Competitiveness Programme		✓			
31. Head 50038: Companies Office of Jamaica			✓		
32. Head 56000: Ministry of Science Energy and Technology (MSET)	✓				
33. Head 56039: Post and Telecommunications Department	✓				

Head 04000: Office of the Contractor General

Issue/Concerns
Governance
<p>3.2.1 The audit of the Office of the Contractor General revealed a generally satisfactory state of affairs. We found that the controls implemented by the Accounting Officer to safeguard the assets and ensure that proper accounting records are maintained were generally effective.</p>

Head 06000: Office of the Services Commissions

Issue/Concerns
Governance
<p><u>Outstanding Appropriation Accounts</u></p> <p>3.2.2 The Commissions' Accounting Officer did not submit its Recurrent Appropriation Accounts for the financial years 2012/2013 to 2017/2018 within the statutory deadline as required by the Financial Administration and Audit (FAA) Act. This undermines good governance practices as stakeholders are denied relevant information to guide decisions and to hold the Accounting Officer accountable for the use of accumulated budgetary allocation of approximately \$1.1 billion under his/her stewardship.</p> <p><u>Outstanding Monthly Financial Statements</u></p> <p>3.2.3 Up to the date of this report, the OSC had not submit monthly financial statements since March 2015 as required by the Financial Instructions. This was the subject of previous audit reports and the OSC was reminded of the importance of these statements to facilitate the timely monitoring of the Commissions' financial performance.</p> <p>3.2.4 The OSC has since indicated that a project team was established to bring the Accounts up-to-date and the statements were prepared and are awaiting final review and sign-off before they are submitted for audit. However, an anticipated timeline was not provided.</p>

Head 15000: Office of the Prime Minister

Issue/Concerns
Governance
<p><u>Salary Overpayment</u></p> <p>3.2.6 The audit revealed that OPM overpaid four employees a total of \$430,268.69 due to inadequate supervisory checks and a breakdown in the system of communication between its Human Resources and Accounts Departments. Management was encouraged to implement the necessary steps to strengthen its controls over the payment of salaries. The Ministry has since recovered a substantial portion of the overpayments and the outstanding amount at the time of this report was \$34,334.01.</p>

Issue/Concerns
Project Management
<p>3.2.7 The Energy Security and Efficiency Enhancement Project ended on October 31, 2017. Consequently, we conducted a final audit of the project for the period April 1, 2017 to February 28, 2018. The audit revealed a generally satisfactory state of affairs, however, the following areas of concern were brought to management’s attention:</p> <p><u>Project Achievements</u></p> <p>3.2.8 Only three of the seven planned targets were achieved during the period under review. Additionally, the project did not meet its reporting deadline because management did not submit the financial statements for audit in a timely manner and the project did not utilize approximately US\$0.5 million of the available loan funds.</p> <p>3.2.9 Management indicated that based on the developments in the energy sector one of the targets was revised and completed. Another target was transferred from the project to an entity that was engaged in similar work while one of the other targets not achieved was substantially completed with only minor works remaining. The reporting deadline was not met because of delays encountered in the implementation of activities and the presentation of deliverables. These delays also contributed to the non-utilization of all the available funds.</p>

Issue/Concerns
Project Management
<p>3.2.10 The GoJ executed two loans valued at USD\$72.0 million with the International Bank for Reconstruction and Development (IBRD) to undertake the following projects:</p> <p><u>Jamaica Disaster Vulnerability Reduction Project</u></p> <p>3.2.11 The Jamaica Disaster Vulnerability Reduction Project (DVRP) is funded by a loan of US\$30.0 million and should be disbursed over a period of six years from July 1, 2016 when the loan agreement was signed.</p> <p>3.2.12 The DVRP 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.</p>

Issue/Concerns
<p><u>Jamaica Integrated Community Development Project</u></p> <p>3.2.13 The Jamaica Integrated Community Development Project (ICDP) is funded by a loan of US\$42.0 million and should be disbursed over a period of six years from May 6, 2014 when the loan agreement was signed. The objective of the Project is to enhance access to basic urban infrastructure and services and to contribute towards increased community safety in selected economically vulnerable and socially volatile inner-city communities in Jamaica.</p> <p>The audit of the Projects’ financial statements revealed the following:</p> <p>Unachieved targets and Infrequent Project Steering Committee Meetings</p> <p>3.2.14 As at March 2018, Jamaica Social Investment Fund (JSIF) did not start 17 of the 34 planned project activities. JSIF records indicated that the contributory factors were delays in the procurement process and capacity issues. Additionally, the Loan Agreement requires the establishment of a Project Steering Committee (PSC) to oversee the implementation of the Project. The PSC is required to meet quarterly, however, we noted that only one PSC meeting was held during the period. Consequently, Work Plans were not reviewed and approved by the PSC and there was no evidence that constraints experienced during implementation were discussed and addressed in a timely manner. As such, we were unable to determine whether the PSC who was charged with governance of the Project provided adequate oversight.</p> <p>3.2.15 The management of the JSIF was advised to implement appropriate measures to avoid repetition of the aforementioned shortcomings and to develop strategies to ensure that the project objectives are achieved within the disbursement period.</p>

Head 15000: Office of the Prime Minister and Head 15020: Registrar General’s Department

Issues/Concerns
Resource Management
<p>3.2.16 The audit of the financial statements and transactions of the Registrar General’s Department (RGD) for the 2016/2017 financial year revealed a generally satisfactorily state of affairs. However, we advised the RGD to implement strategies that will improve its liquidity position so that the Agency’s current assets will be sufficient to meet its current obligations.</p>

Head 16000: Office of the Cabinet

Issue/Concerns
Governance
<p>3.2.17 The audit of the Office of the Cabinet for the financial year 2017/2018 revealed a generally satisfactory state of affairs. However, management was advised to strengthen its controls over fixed assets and to ensure that its Appropriation Accounts are submitted on time in keeping with the FAA Act.</p>

Head 19000: Ministry of Job Creation and Economic Growth, National Environment and Planning Agency – Yallahs Hope River Watershed Management Areas

Issue/Concerns
Project Management
<p>3.2.18 The Integrated Management of the Yallahs and Hope River Watershed Management Areas is jointly funded through a grant from the Global Environment Fund (GEF), local co-financing and in-kind contributions from the implementing agencies. The Project aims to improve the conservation and management of biodiversity and the provision of ecosystem services in the Yallahs and Hope River Watershed Management Units. This is a sector-wide programme to be implemented over a five-year period from October 1, 2014 to September 30, 2019.</p> <p>3.2.19 This Project supports Outcome 13 of the National Development Plan Vision 2030-Sustainable Management and Use of Environmental and Natural Resources. More pointedly, it is linked to the National Strategy to develop and implement mechanisms for biodiversity conservation and ecosystems management. In successfully implementing this Project, NEPA will also satisfy Goals 6 and 15 of the Sustainable Development Goals (SDGs).</p> <p>The audit of the project’s financial transactions for the period under review revealed the following:</p> <p><u>Slow implementation of project activities</u></p> <p>3.2.20 As at March 2018, NEPA’s Project Implementation Unit did not start six critical project activities as scheduled. In some instances, six to nine months lapsed after the scheduled start date. Consequently, the Project was only able to utilize 18.47 per cent of the US\$3.9 Million Grant Funding. NEPA indicated that the under-performance resulted from delays in procurement activities, sourcing qualified consultants and key staff changes at the implementing agencies. Additionally, a number of procurement activities were rescheduled. NEPA indicated that since March 2018, the Project Unit have taken seven high level decisions to ensure that the project objectives are achieved.</p> <p>3.2.21 NEPA’s failure to complete the project activities as planned may jeopardize the grant funding. Further, the objective of the Project, which is directly linked to the National Development Plan and Goals 6 and 15 of the SDGs may not be achieved.</p> <p>3.2.22 NEPA was advised to implement corrective strategies to resolve the issues and to ensure that the project objective is achieved.</p>

Head 19000: Ministry of Economic Growth and Job Creation; Head 19050 National Works Agency

Issue/Concerns
Resource Management
<p>The audit of the financial transactions of National Works Agency for the 2016/2017 financial year revealed the following:</p> <p><u>Long Outstanding Aged Payables</u></p> <p>3.2.23 National Works Agency (NWA) did not conduct periodic reviews of amounts owed to Contractors to authenticate the legitimacy of outstanding debts, as such, invoices totalling \$159.85 million for road maintenance remained unpaid for more than three years. NWA subsequently indicated that \$121.22 million of the total amount relates to projects the NWA executed on behalf of Road Maintenance Fund but was not reimbursed. The Agency’s</p>

Issue/Concerns
Resource Management
inability to make timely payments may not only cause reputational damage but also weaken its business relationship with suppliers and may lead to future unfavorable payment terms.
3.2.24 NWA was advised to take the necessary actions to regularize the long outstanding Aged Payables.

HEAD 19000B Ministry of Economic Growth and Job Creation GoJ/IBRD Grant Agreement NO TF0A0433 PIOJ - Improving Climate Data & Information Management Project (ICDIMP)

Issue/Concerns
Project Management
<p><u>Project Accomplishments</u></p> <p>3.2.25 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 of Reconstruction and Development and is estimated to last for a period of five and a half years from October 2, 2015 to April 30, 2021. The Planning Institute of Jamaica (PIOJ) is the executing entity but it collaborates with other government agencies to implement the various project components. As at March 31, 2018, the overall utilization of the total grant proceeds was behind schedule. With just over three years remaining on the project, only 17 per cent or US\$1,171,125 of the total grant funds was utilized. Management was reminded that delays in the completion of the various project activities increase the risk of the project not achieving its intended objectives within the planned timelines.</p> <p>3.2.26 Management subsequently indicated that although the disbursement rate is low, it is forecasted that all project activities will be completed within the overall project deadline.</p>

Head 20000: Ministry of Finance and the Public Service

Issues/Concerns
Governance
<p>3.2.27 The audit of the financial transactions and accounting records of the Ministry of Finance and the Public Service (MoFPS) revealed the following:</p> <p><u>Regulatory breach in submission of Appropriation Accounts</u></p> <p>3.2.28 The MoFPS is in regulatory breach as five Appropriation Accounts with approved budget totalling \$61.5 billion for the years 2015/2016 to 2017/2018 were not submitted for certification. The non-submission of the Accounts prevented key stakeholders from assessing management's stewardship over appropriated funds.</p>

Issues/Concerns
3.2.29 The MoFPS was advised to take appropriate steps to ensure that the Appropriation Accounts are submitted for audit within the statutory deadline.
<u>Un-cleared Advances</u>
3.2.30 The MoFPS was still not clearing advances in a timely manner despite previous commitments. At March 31, 2018, the MoFPS had outstanding advances totalling \$41.3 million, of which \$16.5 million related to prior year. Additionally, three of the four Contingencies Advance accounts with balances totalling \$1.7 million were not reconciled. Subsequent to our report, the MoFPS recovered the \$1.7 million in Contingency Advances leaving an outstanding advance of \$39.6 million at December 7, 2018.
3.2.31 Accordingly, the MoFPS will not be in a position to determine whether the sums advanced were used for the intended purposes if the requisite supporting documents to clear the advances remain outstanding.
The Ministry was advised to take immediate steps to recover or clear advances on its books.
<u>Weaknesses in management of Deposit and Bank Accounts</u>
3.2.32 In accordance with GoJ circular, deposit funds must be used only for the intended purpose. Deposit funds should not be used to provide temporary support to the Ministry, Department or Agency. Our audit revealed that the MoFPS is in breach of the GoJ circular as it routinely used funds from the deposit account to pay recurrent expenditure then reimburse the account. For the period under review, the MoFPS used \$2 million from the deposit account to pay hotel accommodation and credit card bills. Management indicated that this was due the long delays with the Central Treasury Management System (CTMS) process.
3.2.33 Additionally, the MoFPS did not attempt to lodge to the Government Miscellaneous Revenue, \$6.9 million held on 47 deposit accounts for over six years, as required by established guidelines.
3.2.34 The MoFPS advised that steps are being taken to address the weaknesses and prevent recurrence. This includes strengthening the Deposit Controller monitoring function commencing with the reassignment of this function.

Head 20000B: Strategic Public Sector Transformation Project – Loan Contract No. 8406JM/DFID Grant TFOA 1633JM

Issues/Concerns
Project Management
<u>Project Accomplishments</u>
3.2.35 The objective of the Strategic Public Sector Transformation Project (SPSTP) is to strengthen public resource management and support selected public sector institutions in facilitating a more enabling environment for private sector growth. The project is funded by a US\$35 million loan from the International Bank for Reconstruction and Development (IBRD), a grant from the Department for International Development (DFID) of £1,063,907.44 and counterpart funding provided by the Government of Jamaica.
3.2.36 We found that there was general compliance with the terms and conditions of the loan and grant agreements. However, management was encouraged to ensure that the various project activities are implemented in a timely manner in order to achieve the intended project objectives

Head 20011: Accountant General

Issue/Concerns
Resource Management
<p>The audit of the financial statements and transactions of the Accountant General for the FY 2017/2018 disclosed the following:</p> <p>Regulatory breach in submission of Appropriation Accounts</p> <p>3.2.37 The Accountant General (AcGD) did not meet the requirement of the Legislation for timely submission of Appropriation Accounts. Up to the time of reporting, Appropriation Accounts for the AcGD, Pension and Public Debt for the financial years 2010/2011 to 2017/2018 related to approved budget of \$1.04 billion had not been submitted for certification. The non-submission of the Appropriation Accounts inhibits Parliament effective review of the financial records pertaining to the Public Debt and Pension Payments. Further, stakeholders are denied relevant information to inform decisions and to hold the Accounting Officer accountable for her stewardship.</p> <p>Issues concerning the audit of Statements A-J</p> <p>3.2.38 The audit of the financial statements of the Consolidated Fund was discussed at the Public Accounts Committee (PAC) meeting in May 2018. The deficiencies highlighted were related to the chronic backlog in the certification of the financial statements of the Consolidated Fund, which was due primarily to the inaccurate opening balances and the AcGD's inability to locate requisite records to support the statements. Consequently, the PAC requested the AcGD, Ministry of Finance and the Public Service and the Auditor General's Department to discuss the way forward.</p> <p>3.2.39 The relevant parties discussed the matter in June 2018 and the decision was taken to suspend the audit of the Statements A – J to allow the Accountant General's Department time to resolve the aforementioned issues. At the time of reporting, the AcGD gave a commitment to resolve the issues with Statements A and G by November 30, 2018. However, the AcGD did not give a timeline for the completion of Statements E, D, F, H and I, as information relating to the preparation of these statements resides with the Ministry of Finance and other MDAs.</p>

Head 20012: Jamaica Customs Agency

Issue/Concerns
Resource Management
<p>The audit of the financial statements and transactions of the Jamaica Customs Agency for the FY 2014/2015 disclosed the following:</p> <p><u>Stock count was not conducted to substantiate inventory balance of \$94 Million</u></p> <p>3.2.40 We saw no evidence that JCA conducted a stock count exercise for the year ended March 31, 2015. Consequently, the carrying amount of \$94.04 million reported in the Statement of Financial Position may be materially misstated. This constitutes a breach of Ministry of Finance and the Public Service's prescribed guidelines to MDAs to conduct an annual stock count.</p> <p>3.2.41 Management was advised to conduct a stock count at the end of each financial year to support the inventory carrying balance on the account.</p>

Head 20056: Tax Administration Jamaica (TAJ)

Issues/Concerns
Governance
<p>3.2.42 The audit of the financial statements and transactions of Tax Administration Jamaica (TAJ) disclosed a generally satisfactory state of affairs except that TAJ needs to improve its internal control systems to ensure timely recovery of advances and management of fixed assets. Additionally, TAJ should obtain prior approval for the reallocation of appropriated funds as required by the GoJ Virement Policy.</p>

Head 26000: Ministry of National Security (MNS) 2017/2018

Issue/Concerns
Governance
<p><u>Regulatory Breach in the submission of the 2017/2018 Appropriation Accounts</u></p> <p>3.2.43 The MNS’s Accounting Officer did not submit three Appropriation Accounts representing an accumulated budgetary allocation of approximately \$24.4 billion for the financial year 2017/2018 as required by the FAA Act. The non-submission of the Appropriation Accounts not only breaches the FAA Act but it also prevents Parliament from effectively monitoring expenditure from the Consolidated Fund. This also undermines good governance practices as stakeholders are denied relevant information to inform decisions and to hold the Accounting Officer accountable for the use of public funds the Ministry received. The Ministry has since advised that the delay in submission was due to changes made in the presentation of the Appropriations-In-Aid by the Ministry of Finance and the Public Service in August and October 2018. MNS is in the process of making the necessary adjustments, however, a submission date was not proposed.</p>

Head 26000: Ministry of National Security 2016/2017

Issue/Concerns
Governance
<p><u>Inaccurate Presentation of Voted Provisions</u></p> <p>3.2.44 The Ministry submitted its 2016/2017 Appropriation Accounts for Recurrent, Capital ‘A’ and Capital ‘B’ within the prescribed period, however, there was no evidence that the statements were checked and verified by the Chief Audit Executive in keeping with Section 8.17.6 (ii) of the Financial Instructions. This may have contributed to the errors identified during our review and prevented the certification of the accounts.</p>
<p><u>Non-adherence to GoJ Guidelines on reallocation of funds</u></p> <p>3.2.45 The Ministry did not provide us with the requisite virement approvals for reallocation of \$212.68 million to cover excess expenditure for the Capital ‘A’ and ‘B’ Heads in accordance with Section 3.7 of the Financial Instructions.</p> <p>3.2.46 The MNS was advised to review the procedures followed in the preparation of the Appropriation Accounts to ensure the accuracy of information and to implement systems that will ensure compliance with the GoJ guidelines.</p>

Issue/Concerns

The MNS has since reported that the errors and excesses identified on the Appropriation Accounts were due to technical issues with the Financial Management System (FinMan) that is used to prepare the statements.

Head 26022: Police Department

Issue/Concerns

Governance

Regulatory breach in the submission of Appropriation Accounts

3.2.47 For the FY 2017/2018, Parliament approved \$35.5 billion for the Police Department to fulfil its responsibilities to maintain law and order. However, the Department did not submit its Appropriation Accounts for the 2017/2018 financial year in keeping with the Law. The non-submission of the statements undermines good corporate governance practices as this prevents Parliament from effectively monitoring expenditure from the Consolidated Fund and to hold the Accounting Officer accountable for the use of public funds under his/her stewardship. Management should take the necessary steps to ensure that the outstanding Appropriation Account is submitted in keeping with the requirements of the FAA Act. The Police Department has since advised that the delay in submission was based on the instructions issued by the Ministry of Finance and the Public Service regarding the reporting of the Appropriations-In-Aid. The Department also indicated that they have been experiencing difficulties in reconciling the amounts presented by the Accountant General’s Department.

Head 26024: Department of Correctional Services

Issues/Concerns

Governance

Regulatory breach in the submission of Appropriation Accounts

3.2.48 The AuGD was unable to determine whether approved budgetary allocation of approximately \$7.5 and \$7.06 billion for the 2016/2017 and 2017/2018 financial years were spent in keeping with the wishes of Parliament as the Department of Correctional Services (DCS) did not submit its Appropriation Accounts for examination in accordance with Section 24I of the Financial Administration and Audit (FAA) Act. The non-submission of the statements weakens the accountability process and deny stakeholders relevant information to inform strategic decisions. The DCS has since indicated that the 2016/2017 and 2017/2018 Appropriation Accounts were submitted to its parent Ministry in July 2018 for review by the Accounts and Internal Audit Units, respectively. However, at the time of reporting, the statements were not returned to the DCS for final adjustments and submission to this office.

Head 28000: Ministry of Justice

Issue/Concerns
Governance
<p><u>Regulatory Breach in the submission of Appropriation Accounts</u></p> <p>3.2.49 The Financial Administration and Audit Act requires all accounting officers to prepare, sign and transmit to the Minister of Finance and the Auditor General the statements relating to the financial activities under their control for each head of estimates, within four months after the end of a financial year. However, up to the time of reporting, the Appropriation Accounts for the 2017/2018 financial year with a total approved budget of approximately \$3 billion were not submitted in keeping with the Law. MoJ's failure to submit the statements within the statutory time limits represents a breakdown in the Public Financial Management process and prevents stakeholders' assessment of the Accounting Officer's stewardship over appropriated funds. The Accounting Officer has since advised that efforts are being made to submit the outstanding statements.</p>

Head 30000: Ministry of Foreign Affairs and Foreign Trade

Issues/Concerns
Resource Management
<p>3.2.50 The audit of the Ministry of Foreign Affairs and Foreign Trade for the financial year 2016/2017 revealed weaknesses in the controls over Deposits, Revenue and Expenditure. The Ministry has since taken steps to address some of the concerns, however, the following matters remain unresolved at the time of this report.</p> <p><u>Inadequate Controls over Revenue</u></p> <p>3.2.51 The Ministry reported Appropriations-In-Aid expenditure of approximately \$44 million for the 2016/2017 financial year. However, we were not able to determine the total revenue collected for the period under review because the Ministry's records were incomplete. The Ministry did not have an effective system in place to capture and report all revenue collected as required by the Financial Administration and Audit Act. The Accounting Officer was advised to take the necessary steps to ensure that all revenue collected is reported in a timely manner.</p> <p>3.2.52 The Ministry has since indicated that there is a mechanism in place for Missions to report revenue collections, however, due to staffing challenges, its ability to adequately monitor the collection of revenue by the Missions was diminished. The Ministry further indicated that the current system will be strengthened to improve the monitoring and reporting of revenue collected.</p> <p><u>Excess Expenditure on Object 21 (Compensation of Employees)</u></p> <p>3.2.53 There were four instances of excess expenditure on Object 21 (Compensation of Employees) totalling \$44,878,816.66 in breach of the Financial Instructions. The Accounting Officer was advised to take the necessary steps to ensure that all expenditure remain within the approved budget and comply with the Financial Instructions. The Ministry subsequently indicated that it is in dialogue with the Ministry of Finance concerning this matter.</p>

Issues/Concerns

Governance

3.2.54 The audit of financial statements and transactions of the Canadian Farm and Factory Workers (CFW) Programme/Jamaica Liaison Service (JLS), revealed a generally satisfactory state of affairs. However, the JLS needs to strengthen its internal controls over the execution of contracts, payment of overtime allowances and file management to ensure compliance with established guidelines and prevent the concealment of errors and irregularities.

Payments for salary in Lieu of Vacation Leave

3.2.55 During the period under review, JLS paid five officers USD \$83,114 for salary in lieu of 35 days' vacation leave, however, the payments to these officers were not in keeping with the Staff Orders³. Our review disclosed that the Permanent Secretary (PS) granted approval for liaison officers who have attained the maximum of 105 days to exercise two options, (1) to receive the payment of salary in lieu of vacation leave or (2) accumulate leave beyond the maximum. We would have expected that a decision involving pay-out of this amount would have been discussed and approved by the Management Committee. However, we found no evidence that this matter was discussed at the Management Committee prior to or after the decision of the PS as in October 2017, the Management Committee did not support the payment of salary in lieu of leave. JLS's failure to observe established GoJ guidelines increases the risk of budget overruns, which could negatively impact the entity's cash flow.

3.2.56 The PS advised that the matter was discussed at the Management Committee but was not captured in the Minutes.

3.2.57 The aforementioned weakness underscores the need for the Management Committee to accelerate dialogue with the Office of the Cabinet in addressing the corporate governance issues highlighted in previous reports. This will assist in the development of appropriate terms of reference and clearly defined roles and responsibilities of the Management Committee/Board as promulgated in the GoJ Corporate Governance Framework.

3.2.58 We advised JLS to ensure that decisions requiring the approval of the Management Committee are so referred and documented in the Minutes of the meeting. Management accepts this recommendation.

Nugatory expenditure due to unfilled airline seats

3.2.59 Despite management's commitment to implement measures to correct the captioned weakness, we found that for the period under review, JLS made payments totalling \$12,105 to a Travel Agent for unfilled seats on airlines. This occurred as the Ministry of Labour and Social Security (MLSS) did not fill requests made by growers for farm workers. Further, the Travel Agent was not given the requisite notice of the MLSS's inability to supply the workers. Consequently, JLS bore the cost for the unfilled airline seats.

³ Section – of the Staff Orders states that Employees may accumulate leave to a maximum not exceeding the leave entitlement for three (3) years, in this case 105 days The SO further permits employees to earn and accumulate additional full-pay vacation leave for a further period not exceeding two (2) years if applications for all or any portion of their accumulated leave cannot be granted due to the exigencies of the service. If an officer who has been allowed to accumulate additional vacation leave beyond the normal maximum accumulated and has attained the maximum additional leave accumulated applies for vacation leave and is denied any leave whatsoever, such officer may be given the option to accept salary in lieu of the additional leave, or any portion thereof earned beyond the maximum accumulated, subject to the approval of the Permanent Secretary/Head of Department.

Issues/Concerns

3.2.60 Management advised that the MLSS encountered several challenges which impacted its ability to dispatch seasonal workers on a timely basis and has implemented measures which have contributed to a significant improvement in the flight operations for the current period.

Head 40000: Ministry of Labour and Social Security (MLSS)

Issues/Concerns

Corporate Governance

Regulatory breach in submission of Appropriation Accounts

3.2.61 The MLSS has not submitted for certification, 12 Appropriation Accounts with budgetary allocation of approximately \$49.2 billion spanning the periods 2011/2012 to 2017/2018 within the statutory deadline as required by the FAA Act Table 12. The MLSS has indicated that efforts are being made to submit the outstanding Appropriation Accounts by March 2019.

Table 12 - Outstanding Appropriation Accounts

Type of Appropriation Account	Appropriation Accounts not yet submitted for Auditing	Approved Budget (\$000)
Recurrent		
	2011/2012	1,968,181
	2012/2013	2,277,788
	2013/2014	2,414,695
	2017/2018	3,859,096
TOTAL		10,519,760
Capital A	2012/2013	650,000
TOTAL		650,000
Capital B	2011/2012	3,900,332
	2012/2013	3,742,605
	2013/2014	4,696,053
	2014/2015	5,516,433
	2015/2016	5,705,636
	2016/2017	6,225,744
	2017/2018	8,279,871
TOTAL		38,066,674

3.2.62 The non-submission of the Appropriation Accounts not only breached the Law but undermined the Public Financial Management process as the Accounting Officer did not report on how the MLSS managed the appropriated funds provided. The Accounting Officer was advised to take measures to ensure that Appropriation Accounts are prepared and submitted for audit by the statutory deadline.

3.2.63 The audit of the Recurrent Appropriation Accounts, Head 4000 for the Ministry of Labour and Social Security (MLSS) for the financial years ended March 2015 and 2016 revealed the following:

Issues/Concerns
<p><u>Unauthorised reallocation of funds</u></p> <p>3.2.64 Contrary to the GoJ's Virement Policy, the MLSS exceeded its budgetary allocation for Object 21: Compensation of Employees for 14 Activities. Consequently, there was excess expenditure of \$70.4 million in Compensation for these Activities when compared to budget. The GoJ Virement Policy stipulates that the Accounting Officer is not permitted to reallocate funds to, from and within Object 21. The excess expenditure heightens the risk of budget overruns which could negatively impact the Government's fiscal target to achieve a Wage to Gross Domestic Product (GDP) ratio of nine per cent or less by 2019.</p>
<p><u>Approval sought to reallocate appropriated funds two years after expenditure funds</u></p> <p>3.2.65 The Ministry did not seek prior approval for the reallocation of funds to facilitate excess expenditure until 2018, two years after incurring the expenditure of \$27.5 million. Consequently, the MoFPS did not accept the MLSS's proposed virement submission of \$25.3 Million for inclusion in the Final Supplementary Estimates for 2015/2016. Additionally, the Accounting Officer did not approve the reallocation of \$2.2 million expended in 2014/2015 until November 2018. This breached the FAA Instructions- Virement Policy and undermined the transparency and effectiveness of the GoJ's accountability process.</p>
Resource Management
<p><u>Payments totalling \$1.3m made without formal agreement</u></p> <p>3.2.66 Section 53 of the FAA Regulation 2011 requires departments to obtain written agreement for services that are to be rendered. However, the MLSS made monthly payments over the period 2013/2014 to 2016/2017 totalling \$1.3 million without any formal arrangements in place for Therapeutic Services rendered to children up to six years' old who have varying mental and physical disabilities. Though the sums paid were relatively immaterial, management should ensure that as a standard practice, procurement of services of this nature are supported by a current formal contract as, in the absence of formal contracts, the rights and obligations of the parties might be misunderstood. Further, MLSS may find it difficult in the event of litigation to claim damages arising from non-compliance or non-performance of the service provider.</p>

Head 40000B: Ministry of Labour and Social Security, Programme of Advancement Through Health and Education (PATH) and Integrated Social Protection and Labour (ISLP) Programme Loan Contract No. 2889/OC-JA

Issues/Concerns
Project Management
<p>3.2.67 The Integrated Social Protection and Labour (ISPL) Programme is funded by a US\$30.0 million loan from the Inter-American Development Bank (IDB) and counterpart funding provided by the Government of Jamaica (GoJ). The loan of US\$30.0 million was disbursed over a four-year period from December 13, 2012, when the agreement was signed in December 2016. A project extension to December 2017 has been granted by the IDB.</p> <p>3.2.68 The objective of the Project is to support the GoJ efforts to improve human capital and labour market outcomes of the poor by enhancing the efficiency and effectiveness of key social protection programmes.</p>

Issues/Concerns
<p>The audit of the financial statements and transactions of the Integrated Social Protection and Labour (ISPL) Programme Project for the 2017/2018 financial year disclosed the following:</p> <p><u>Project Accomplishments</u></p> <p>3.2.69 At the end of the Integrated Social Protection and Labour (ISPL) Programme in December 2017, the Project completed 46 of the 67 procurement activities, which represents 68 per cent of planned targets. The Project did not conduct the Impact Evaluation of the Parenting Pilot in the early stage of implementation. Therefore, the planned strategies to increase parenting skills in the areas of nutrition, discipline, safety, learning, and health which should lead to the increase in the rate of compliance with health conditions for two to six-year-old beneficiaries from 55 to 75 per cent by year four, was not achieved. To fully utilize the loan funding, PATH reallocated US\$5.0 million to the Cash Grant component of the Project.</p> <p>3.2.70 PATH records revealed that the delays were caused by the Project’s inability to complete procurement activities in the early stage of implementation. PATH’s failure to achieve the targets negatively impacted the Project’s outcome which is aligned to Goal number 1 of the Sustainable Development Goals and National Development Plan, Vision 2030; Outcome 3.</p> <p>3.2.71 PATH has since indicated that the outstanding activities will be completed under the Integrated Support to Jamaica Social Protection Strategy Project.</p>
Resource Management
<p><u>Lack of effective monitoring of Advance Accounts</u></p> <p>3.2.72 PATH did not conduct periodic reviews of the Project’s advance accounts to ensure outstanding advances were cleared in a timely manner. Consequently, as at December 5, 2018, advances totalling US\$165,016/ JM\$16.01 million remained uncleared for a protracted period, in some cases, for more than twelve months. Therefore, in the absence of supporting documents to clear the advances, it was difficult to determine whether the amounts advanced were used for the intended purposes.</p> <p>3.2.73 Additionally, we noted a lack of effective supervisory checks in the posting of journal vouchers to the General Ledger that resulted in four advance accounts having credit balances totalling US\$11,917.43. An account reflecting credit balances indicate that there may be incorrect classification of transactions or the Project is indebted to account holders. Consequently, this could lead to material misstatements in the financial statements as well as the loss of public funds.</p>

Head 40000B: Ministry of Labour and Social Security. Programme of Advancement Through Health and Education (PATH) Social Protection Project (SPP) 2 Loan No. 8329-JM

Issues/Concerns
Project Management
<p>3.2.74 The Social Protection Project (SPP) II is a continuation of the Social Protection Project (SPP), which ended in March 2015. The objective of the Project is to support the Government of Jamaica (GoJ) in further strengthening its social protection system. The Project is co-financed by the GoJ and the International Bank for Reconstruction and</p>

Issues/Concerns

Development (IBRD)/World Bank. The World Bank provided loan funding of US\$40 million over a four-year period from March 12, 2014 to March 30, 2018, while the GoJ will contribute approximately US \$112.803 million.

The audit of the financial statements and transactions of the Project revealed the following:

Project Accomplishments

3.2.75 At the end of the Social Protection Project II in March 2018, eight of the 29 Project activities (27.5 per cent) were not achieved. The Project was able to register an average of 342,137 beneficiaries and 284,192 beneficiaries received payments in February 2018. The Project experienced a reduction in paid beneficiaries from 317,018 in December 2015 to 284,192 in February 2018 because of its re-certification initiative.

3.2.76 Despite the outcome of the Project, the actual compliance rates for Primary Education level boys and girls were 79 per cent and 83 per cent, respectively, against the Project's target of 85 per cent. The compliance with Health Care conditions for children less than or equal to one-year-old was 79 per cent against a planned target of 90 per cent. PATH indicated that in an effort to address the issue of non-compliance among students, pregnant and lactating beneficiaries, the existing Memoranda of Understanding (MOU) with the Ministry of Education, Youth and Information and the Ministry of Health have been reviewed and updated. However, at the time of reporting these were not finalized.

3.2.77 PATH's failure to complete project activities within the agreed timelines will result in GoJ reallocating resources from its tight fiscal space to complete the Project. Therefore, PATH was advised to increase efficiency in its operations to ensure that all future project objectives are achieved on time and within the financial budget.

Resource Management

Lack of effective monitoring of Advance Accounts

3.2.78 Up the time of reporting, advances totalling US\$47,439.52 remained uncleared, some for more than twelve months. In addition, we noted a lack of effective supervisory checks in the posting of journal vouchers to the General Ledger. Consequently, there were six General Ledger accounts with credit balances amounting to US\$102,663.60.

3.2.79 MLSS subsequently acknowledged that there were errors in recording transactions, which resulted in the credit balances and committed to clear all outstanding balances by December 31, 2018.

3.2.80 Based on an audit query for the financial year 2016/2017, PATH conducted a review of the outstanding advances account and identified that salary related expenses amounting to \$90.8 Million from GoJ contributions were not submitted to the World Bank for reimbursement for the period April 2014 to March 2016. PATH indicated that the funding provided by World Bank was fully utilized and, as such, the expenses could not be honoured.

3.2.81 In June 2018, MLSS sought retroactive approval from the Ministry of Finance and the Public Service (MoFPS) for the funds to be honoured by the GoJ. Therefore, the Ministry Project inappropriately committed the Government of Jamaica without the requisite approval in the respective financial years. Also, the reallocation of resources to, from and within Object 21-Compensation is in violation of the MoFPS's policy and could negatively impact the GoJ fiscal targets. At the time of reporting, we saw no evidence that the Ministry of Finance granted approval of the reallocation of funds.

Head 40000B: Ministry of Labour and Social Security, Programme of Advancement through Health and Education (PATH), Jamaica Social and Economic Inclusion of Persons with Disabilities Project Grant NO. TF014258

Issue/Concern
Project Management
<p><u>Risk of Losing Grant Funding</u></p> <p>3.2.82 As at March 31, 2018, there were a number of outstanding activities on the Project and the Project Implementing Unit (PIU) was granted an extension of twelve-months to August 2018 to complete all activities. At the end of this period (August 2018), all Project activities were undertaken and 92 per cent of the USD\$2.89 million Grant funding was utilized. Our review revealed that the contributory factors for the delays in implementation were primarily the procurement of supplies to install and implement the Early Stimulation Plus (ESP) Management Information System, failure to conduct impact evaluations and supply Assistive and Adaptive aids for children with disabilities at the ESP.</p> <p>3.2.83 Additionally, PATH did not present evidence that the Steering Committee, which was established to provide guidance and oversight to the implementation of the Project, met during the period under review.</p>

Head 40000B: Ministry of Labour and Social Security, Programme of Advancement Through Health and Education (PATH), Integrated Support to Jamaica’s Social Protection Strategy (ISJSPS) Project Loan Contract No. 3565/OC-JA

Issue/Concern
Project Management
<p>3.2.84 The Integrated Support to Jamaica’s Social Protection Strategy (ISJSPS) Project is funded by a US\$50.0 million loan from the Inter-American Development Bank (IDB) and counterpart funding provided by the Government of Jamaica.</p> <p>3.2.85 The objective of the Project is to support consumption, protect and promote the human capital accumulation of the Programme of 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>The audit of the financial statements and transactions for the period ending March 31, 2018 revealed the following:</p> <p><u>Delay in implementing project activities</u></p> <p>3.2.86 PATH signed a Loan Agreement in November 2015 to implement the Integrated Support to Jamaica’s Social Protection Strategy over a four-year period. However, the commencement of this project is inextricably linked to the completion of the Integrated Social Protection and Labour (ISPL) Programme, which was delayed by eighteen months. Consequently, implementation of these ISJSPS project activities has been setback.</p> <p><u>Payment of Project Premium without Requisite Approval</u></p> <p>3.2.87 PATH did not present the requisite approval from the Ministry of Finance for the payment of JM\$565,962.01 in Project Premium to an officer, despite our requests. PATH’s failure to obtain the requisite approval for the payment of emoluments not only breached the GoJ guidelines but it also demonstrates a lack of commitment to good governance, which is aimed at promoting transparency and accountability.</p>

Issue/Concern
3.2.88 Subsequent to the audit, MLSS wrote to the MoFPS seeking approval. The MoFPS gave retroactive approval and reminded the MLSS that both Project Premium and Gratuity should not be paid at the same time.

Head 41000: Ministry of Education, Youth and Information - National Council on Education (NCE)

Issues/Concerns
Resource Management
3.2.89 The audit of the National Council on Education for the financial year 2016/2017 revealed a generally satisfactory state of affairs.

Head 41000: Ministry of Education, Youth and Information - Early Childhood Commission (ECC)

Issues/Concerns
Resource Management
<p><u>Receivables: Overpayment to Early Childhood Practitioners</u></p> <p>3.2.90 Accounts receivable relating to the accumulated overpayment of subsidies to Early Childhood Practitioners was approximately \$28 million as at March 31, 2018. These overpayments increased by \$3.3 million in the 2017/2018 financial year because some principals of Early Childhood Institutions did not inform the Commission about separated practitioners in a timely manner. The overpayment of subsidies to Early Childhood Practitioners was the subject of previous audit reports.</p> <p>3.2.91 We noted that the Commission communicated with the Ministry of Education on at least three occasions in an attempt to recover overpaid amounts from the practitioners who are now employed in the public service. The Ministry has since indicated that the overpaid practitioners/caregivers who were assigned to the Ministry have been identified and steps will be taken to recover the outstanding amounts from these individuals.</p>
<p><u>Unidentified Deposits</u></p> <p>3.2.92 The issue of unidentified deposits continues to be a problem for the Early Childhood Commission. These deposits increased by 39 per cent for the financial year ended March 31, 2018, from \$14.5 million in 2016/2017 to \$20.1 million in 2017/2018. Management attributed the increase to the Ministry's cancellation of the previous subsidy cards in February 2018 without giving notice to the practitioners resulting in the residual amounts remaining on the cards being deposited in the Commission's bank account. The Ministry, ECC and the Commercial Bank have since been in dialogue with a view to resolving this matter.</p>

Head 41000B: Ministry of Education, Youth and Information, Early Childhood Development Project (ECDP) – GoJ/IBRD Loan Agreement No. 83340-JM

Issues/Concerns
Project Management
<p>3.2.93 The objective of the Early Childhood Development Project is to improve the quality of and increase access to Early Childhood Development services, while providing technical assistance to strengthen the organizational and institutional arrangements that govern the Early Childhood Development sector. The project was financed by a US\$12 million loan from the International Bank for Reconstruction and Development and was scheduled to end on September 28, 2018.</p> <p><u>Disbursement Linked Targets not achieved</u></p> <p>3.2.94 For the financial year ended March 31, 2018, none of the planned four Disbursement Linked Targets (DLTs) was achieved. The DLTs were instead restructured and carried forward to the 2018/2019 financial year. Management subsequently indicated that all except one DLT was achieved at the end of the project in September 2018.</p>

Head 42000: Ministry of Health

Issues/Concerns
Corporate Governance
<p><u>Outstanding Appropriation Accounts</u></p> <p>3.2.95 The Ministry’s Accounting Officer did not submit fifteen Appropriation Accounts representing an accumulated budgetary allocation of approximately \$258.3 billion for the financial years 2014/2015 to 2017/2018 (Recurrent) and 2012/2013, 2014/2015 to 2017/2018 (Capital A and B) within the statutory deadlines as required by the Financial Administration and Audit (FAA) Act. This undermines good governance practices as stakeholders are denied relevant information that is necessary to analyse the performance of the entity and the stewardship of the Accounting Officer.</p> <p>3.2.96 The Ministry has since indicated that the outstanding Appropriation Accounts will be completed by the end of financial year 2018/2019.</p>

Issues/Concerns
Resource Management
<p><u>Overpayment of Salary and Allowances</u></p> <p>3.2.97 Six employees were overpaid salary and allowances totalling \$1,190,863 as a result of incorrect computation of salary, vacation leave pay, travelling and tailoring allowances as well as statutory deductions.</p>

Issues/Concerns
<p>3.2.98 Additionally, the Ministry’s own reviews revealed that three former employees were overpaid salaries and allowances totalling \$1,073,279. Up to the time of this report, only \$104,200 had been recovered, leaving an outstanding balance of \$969,079. We advised management to take the necessary steps to recover the overpayment.</p> <p>3.2.99 The Ministry subsequently advised that steps are currently being taken to recover the overpayments.</p>
<u>Inadequate Fixed Asset Controls</u>
<p>3.2.100 We were unable to verify the existence of forty-three items of computer equipment costing \$7,799,754 because the Ministry’s Fixed Asset Inventory was incomplete. Additionally, the responsible officer was unaware of their acquisition and consequently, was not able to identify their location. The Accounting Officer was advised to strengthen the controls over the management of fixed assets in order to safeguard these resources.</p> <p>3.2.101 The Ministry has since indicated that steps have been taken to improve its fixed assets management.</p>
<u>Outstanding Bank Reconciliations</u>
<p>3.2.102 The Ministry did not prepare any bank reconciliation statement for its salaries bank account since February 2017. Consequently, errors or irregularities may have gone undetected resulting in an increased exposure to potential losses. The Accounting Officer was advised to make every effort to bring the reconciliations up-to-date.</p> <p>3.2.103 The Ministry subsequently advised that the outstanding bank reconciliation statements will be completed by March 2019.</p>
<u>Retention of Fees</u>
<p>3.2.104 The Ministry retained approximately \$144.9 million representing receipts from the rental of staff residences, sale of bid documents and the collection and treatment of medical waste. However, the Estimates of Expenditure did not provide for any of these receipts to be treated as Appropriations-in-Aid (AIA). The Accounting Officer should take the necessary steps to ensure that all fees collected by the Ministry, outside of approved AIA, are paid over to the Consolidated Fund.</p>

Ministry of Health: 42000B - Institutional Strengthening to the Ministry of Health to Improve National Surveillance, Prevention and Control of Infectious Diseases Project – Non-reimbursable Technical Cooperation No. ATN/OC-14788-JA

Issue/Concern
Procurement and Contract Management
<p>3.2.105 In December 2014, the Government of Jamaica (GoJ) signed a Non-Reimbursable Technical Cooperation with the Inter-American Development Bank (IDB) to provide financial aid up to US\$250,000 for Institutional Strengthening. This financial aid was earmarked to strengthen Jamaica’s response to the Chikungunya Virus and to prepare for the threat of the Ebola Virus Disease (EVD).</p> <p>3.2.106 The audit of the financial statements and transactions of the Project for Institutional Strengthening to the Ministry of Health to improve National Surveillance, Prevention and Control of Infectious Diseases Project revealed the following:</p>

Issue/Concern

Breaches of the Procurement Guidelines

3.2.107 The GoJ's procurement guidelines were not strictly adhered to in the procurement of consultancy services. We saw no evidence that the procurement of services for five consultants valued at \$17.94 million were subjected to the scrutiny of the Procurement Committee. Furthermore, contrary to the Grant Agreement and GoJ procurement guidelines, the Ministry of Health (MoH) did not obtain the requisite approval of the Accounting Officer for awarding these contracts. This practice undermines the transparency objective of the GoJ's procurement guidelines and the Grant Agreement, as detailed scrutiny of the procurement process and documentary evidence of deliberations would not have been achieved.

3.2.108 Additionally, the MoH did not obtain a valid Tax Compliance Certificate from three of the five consultants who were awarded contracts valued at total of \$9.03 million. Further, the MoH did not retain and remit the three per cent withholding tax amounting to \$271,107 to the Tax Administration of Jamaica. The Ministry has since advised that measures will be implemented to prevent reoccurrence.

Head 46000: Ministry of Culture, Gender, Entertainment and Sport

Issue/Concerns

Governance

3.2.109 The audit of the Ministry of Culture, Gender, Entertainment and Sport revealed a generally satisfactory state of affairs. However, management was advised to strengthen its controls over fixed assets to ensure that all assets under its ownership or control can be accounted for in keeping with existing guidelines.

Head 50000B: Ministry of Industry, Commerce, Agriculture and Fisheries: Agricultural Competitiveness Programme

Issue/Concerns

Project Management

3.2.110 An audit of the accounting records and financial transactions of the Agricultural Competitiveness Programme for the fourteen-month period ended May 25, 2018 revealed a generally satisfactory state of affairs.

3.2.111 There was general compliance with the terms and conditions stipulated in the loan agreement and all targets were achieved during the period under review. The Project ended on May 25, 2018.

Head 50038: Companies Office of Jamaica

Issue/Concerns
Resource Management
<p>3.2.112 The audit of the Companies Office of Jamaica (CoJ) revealed a generally satisfactory state of affairs. However, the agency was advised to strengthen its management of Accounts Receivable to ensure that outstanding balances are collected or written off in keeping with existing guidelines. The CoJ has since indicated that steps have been taken to improve its management of Accounts Receivable.</p>

Head 56000: Ministry of Science Energy and Technology (MSET)

Issue/Concerns
Governance
<p><u>Regulatory breach in submission of Appropriation Accounts</u></p> <p>3.2.113 The Ministry of Science, Energy and Technology (MSET) has not submitted three Appropriation Accounts representing an accumulated budgetary allocation of approximately \$4.28 billion for 2017/2018. Management advised that the delay is due to pervasive issues with the FinMan system, which require Ministry of Finance and the Public Service's (MoFPS) support to resolve and that the statements will be submitted as soon as the issue is resolved. MSET advised that as at November 23, 2018, the MoFPS was in the process of rectifying the issue identified in the Accounting System.</p> <p>3.2.114 The non-submission of the Appropriation Accounts not only breaches the FAA Act, but it also prevents Parliament from effectively monitoring expenditure from the Consolidated Fund. This also undermines good governance practices as stakeholders are denied relevant information to inform decisions and to hold the Accounting Officer accountable for the use of public funds under his/her stewardship.</p>
<p><u>Weak Systems to Account for Appropriation-In-Aid/Revenue Collection</u></p> <p>3.2.115 MSET and its collecting agencies, National Energy Solutions Limited (NESol) and Scientific Research Council (SRC), did not have proper systems in place to identify AIA collections. We noted that SRC's accounting system does not classify/separate revenue by types while, in some instances, customers transfer funds to the NESol's Special Projects bank account without specific reference to the nature of the transactions. Therefore, we could not attest to the accuracy and completeness of the revenue that was specific to AIA collections reported in MSET's Appropriation Accounts. Further, MSET did not require NESol to present Monthly Financial Reports as is required by the FAA Instruction, but instead accepted summary information at the end of the financial year.</p> <p>3.2.116 MSET was advised to improve its oversight function over the AIA collections at its agencies by ensuring that proper systems are implemented to accurately account for AIA collections and information relating to AIA collections are submitted to the Ministry at least monthly to enhance the planning and decision-making process.</p> <p>3.2.117 Management has since advised that a system is now in place for NESol customers to clearly indicate the projects for which funds were deposited and the specific amount while at SRC, a specific AIA account was established.</p>

Issue/Concerns
Governance
<p><u>No approval seen for excess expenditure of \$100.15 Million</u></p> <p>3.2.118 MSET reallocated funds from various objects without prior approval of the MoFPS. Our audit revealed that the request for approval was sought at year-end. Consequent on the delay in submitting virement request, the MoFPS did not grant virement approval to address excess expenditure totalling \$100.15 million on MSET’s Capital B Head. MSET’s untimely action may prevent the GoJ from maintaining prudent fiscal management in keeping with the fiscal responsibility framework. This will result in the modification of the audit opinion of MSET’s Capital B Appropriation Account.</p> <p>3.2.119 In order to avoid a recurrence of the breach of MoFPS guidelines, the MSET was advised to employ proper cash management and ensure prior approval is obtained from the MoFPS before funds are reallocated.</p>

Head 56039: Post and Telecommunications Department

Issues/Concerns
Governance
<p>3.2.120 The audit of the financial transactions of the Post and Telecommunications Department (PTD) for the financial years 2015/2016 and 2016/2017 revealed a generally satisfactory state of affairs.</p>

Head 72000: Ministry of Local Government and Community Development

Issue/Concerns
Project Management
<p>MLGCD overpaid \$7.1 million in rent over a two-year period for the newly-leased space.</p> <p>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>



Building 2 – Parking Shed (MLGCD)

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. We were formally advised by the NLA that a market rate of \$8,500 per month per parking space can be applied to this Parking Shed. Consequently, the MLGCD would have locked the Government into an agreement with an attached cost of \$2 million per annum above market rates.

3.2.123 Of note, the monthly rental of \$1,900 per sq. ft is \$700 above the rate the NLA recommended that should be used as basis for the negotiation. In a response dated December 10, 2018, the MLGCD indicated that it is not opposed to having its Technical Services Division revisit the measurements.

The Ministry undertook the renovation of the newly-leased premises under six different contracts.

3.2.124 Citing the fact that it did not receive the requested budgetary support for the activity and seeing that the lease was active, the Ministry utilized funds from existing allocation towards the commencement of the renovation of the leased premises. The MLGCD used the Limited Tender procurement methodology to award contracts valued at \$8.88 million and \$10.77 million, in relation to renovation of the Human Resources Unit, Permanent Secretary's Offices and the Minister's Suite.

3.2.125 Fifteen months after the signing of the lease, the MLGCD used the Direct Contracting – Emergency (DC-E) method to engage a contractor on March 15, 2018 to renovate 18 specified areas of the building or 28,533 square feet, at a cost of \$50.66 million. The contract specified that works would commence March 9, 2018 and end March 29, 2018 - 21 calendar days.

3.2.126 In response to our concern about the reasonableness of completing the renovation of 28,533 sq. ft in 21 days, the MLGCD indicated that *“when the Ministry entered into the contract on March 15, 2018, while it was appreciated that it was unlikely that all the works would be executed and funds disbursed prior to the end of the financial year 2017/2018, we were hopeful that a substantial amount of work would have been completed through a revised schedule (facilitated by various arrangements suggested to and accepted by the contractor including the employment of additional personnel, working on weekends and throughout the night”*.

3.2.127 We were uncertain as to how MLGCD assessed the practicality of completing a substantial amount of the renovation of 28, 533 sq. ft, within 21 calendar days. The practical completion was achieved on November 16, 2018, 229 calendar days after the agreed completion date. We deemed the explanation provided as unacceptable as the provision of the funds is independent of the due diligence required under the procurement guidelines.

3.2.128 Further, the MLGCD only had 12 days, based on the signed date of the contract within which to execute and settle the contract, in the context of the Treasury cut-off date of March 27, 2018. In that regard, up to March

27, 2018, the MLGCD had only expended \$15 million of the allocated funds. Consequently, in keeping with the constitutional requirement, the balance had to be returned to the Consolidated Fund. The larger portion of the contract sum was paid between April and October 2018, which means that MLGCD utilised funds from the 2018/2019 budget period to offset the renovation cost.

3.2.129 Consequently, MLGCD denied itself the assurance of value for money for the renovation of the leased premises as the procurement opportunity was not open to all registered and qualified contractors.

Variations – Change to the Original Contract Scope

3.2.130 Further to the aforementioned, as at November 16, 2018, the MLGCD presented evidence confirming variations totalling \$30 million to the original contract, effectively varying the contract value to \$80.66 million. One of the variations of \$24.2 million represents 47.8 per cent of the original contract sum and included electrical works that the MLGCD indicated were required to rectify increased electrical demand. The scope and cost of the variations indicate poor project planning and design as consideration should have been given to the electrical capacity necessary to house the Ministry and accommodate its related activities.

3.2.131 To exacerbate the matter of poor planning, the Permanent Secretary (PS) did not approve the additional works until the work had been completed. In fact, the Permanent Secretary signed the first two variation orders on September 28, 2018, eight days after the Ministry moved into the building. Further, at the time of reporting, NCC’s and Cabinet’s endorsements were not obtained for the variations. MLGCD’s failure to obtain prior approval for the variations undermines the accountability and transparency principles as the Cabinet and the NCC were denied the opportunity to scrutinize changes to the original scope of the project and financial obligations to the GoJ.

3.2.132 The Ministry indicated that a number of project meetings were convened and further investigations will be conducted into this matter, with a view to initiate disciplinary proceedings against any offending officer. The Ministry also indicated that in response to our report, internal control systems and mechanisms will be implemented by the end of the financial year inclusive of standard operating procedures to streamline and guide these projects.

3.2.133 The MLGCD has since indicated that the endorsement of the NCC and Cabinet are being retroactively sought for all variations as the total variation cost is now confirmed to be included in the submissions to Cabinet and the NCC for discussion at the upcoming meetings.

Table 13: Variation Costs on Contracts

Contractor	Contract Details	Contract Sum (\$)	Variation (\$)	Revised Contract Sum (value of Works to date) (\$)
Contractor No. 1	Construct Guard House	1,698,053.16	35,667.40	1,662,385.76
	Refurbish Human Resources Offices	9,108,174.00	233,560.00	8,874,614.00
Contractor No. 2	Chain link fencing (68m long)	1,998,931.81	121,736.50	1,877,195.25
	Screeding of Main Roof and Balcony Floor	3,662,132.00		3,525,984.00
	Renovation of Building	50,658,725.00	1,908,525.20	84,341,583.09
			7,559,596.60 ⁴	
			24,214,736.29 ⁵	
Contractor No. 3	Lot 1 - Ministers Suite	3,546,069.46	0	3,546,069.48
	Lot 2 - PS Offices	7,226,488.22	500,000.00	6,726,488.22
		77,898,573.65		

Source: AuGD review of MLGCD’s records

⁴ Includes the construction of a homework centre on the leased premises (\$1.5million), Conference Room totalling \$3.1 million^[1] and Tyrolean finish in Urban Planning Unit (\$1.6 million)

⁵ included electrical works that the MLGCD indicated were discovered upon occupation of the building.

The Ministry's poor monitoring and execution of these contracts led to the payment of \$38 million in rent between the projected completion date on the major renovation contract and occupation of the building.

3.2.134 Phase one, two and three contracts which should have been completed on November 30, 2017, February 12, 2018 and March 29, 2018 were instead completed on September 28, 2018, September 20, 2018 and November 16, 2018, respectively. The tardiness in completing the contracts resulted in average time overrun of 250 days. This has resulted in rent being paid for unoccupied space between the projected completion date on the major contract of March 29, 2018 and the date of occupation, September 20, 2018. The MLGCD informed us that the time overrun on the main contract was attributed to additional work.

3.2.135 The MLGCD subsequently indicated that the leased property was utilized on occasions to host various meetings and to accommodate three units for periods, prior to September 2018.

MLGCD undertook capital improvements of approximately \$8.3 million

3.2.136 The MLGCD awarded two contracts to the contractor of phase three to:

- (i) screed⁶ the main roof and balcony of the leased premises at a cost of \$3.662 million; and
- (ii) erect a 68-metre-long dividing wall with chain-link fence and block wall base between the leased location and the adjoining premises owned by the landlord at a cost of \$2 million.

3.2.137 The lease agreement includes a clause for both parties *'to share the cost of erecting a dividing wall in equal shares, subject to agreement in writing between the parties'*. We found no evidence that the MLGCD had a written agreement with the Landlord before it erected the 68 –metre-long dividing wall at a cost of approximately \$2 million. Thereby exposing the Government to the risk of not recouping \$1 million, which would have been properly recoverable under Section 6(4) of the Lease agreement. Further, by way of correspondence dated December 5, 2016, NLA advised that the Ministry *'should consider if this is a clause that they are willing to enter into negotiations as such expenditure is likely to yield long-term benefits to the landlord almost exclusively'*.

3.2.138 In addition to the MLGCD's non-acceptance of the advice provided by NLA in relation to not agreeing to absorb partial cost to erect a wall, the MLGCD failed to comply with the clause that would allow it to partially recover the cost.

3.2.139 The MLGCD as part of this contract, constructed a homework centre at a cost of approximately \$1.5 million. Thus adding to the physical structure of the building. We saw no evidence that the Landlord was consulted before the erection of the structure. Consequently, the cost was borne by MLGCD. MLGCD has since advised that the space will not be used for its initial intent - homework centre- instead the Board of Supervision, which was already allocated a space has been re-assigned to the newly constructed area. There was no evidence that MLGCD had a space constraint and the Ministry did not provide us with a rationale for undertaking the cost associated with this construction.

MLGCD did not exercise due care in executing the contract agreements to protect the GoJ's interest.

3.2.140 Our review disclosed that the contract agreement for the screeding of the main roof and balcony was signed by senior officer in the Technical Services Unit of the MLGCD before the approval of award of the contract by the Permanent Secretary. Additionally, the contract agreement for phase two did not include a contract period and five contracts awarded for \$27 million did not include a liquidated damages clause. Accordingly, the Government's interest was not protected against overrun in the event the contractors were deemed negligent. We also noted that retention was not deducted from the contracts related to the screeding of the main roof and balcony and the

⁶ To achieve the proper grading and slope on the concrete surface.

erection of the dividing wall. As such, if defects occurred following the completion of the contracts, MLGCD would have to bear the cost to remedy these defects or pursue legal action.

Table 14: Contract Details – Renovation Works

Contract Phase	Contractor	Procurement Methodology	Contract Details	Contract Sum (\$)	Contract Date	Start date	Completion Date as per Contract	Practical Completion Certificate date	Time Overrun (days)
Phase 1	Contractor 1	LT	Construct Guard House	1,698,053.16	January 27, 2017	February 1, 2017	February 28, 2017	April 7, 2017	
		LT	Refurbish Human Resources Offices	8,874,614.00	November 15, 2017	November 16, 2017	November 30, 2017	September 28, 2018	301
	Contractor 2	DC-E	Chain link fencing (68m long)	1,998,931.81	Not seen	February 1, 2017	February 17, 2017	March 30, 2017	
		LT	Screeding of Main Roof and Balcony Floor	3,662,132.00	May 22, 2017	January 25, 2017	February 19, 2017	July 2, 2017	
Phase 3		DC-E	Renovation - emergency	50,658,725.00 ⁷	March 15, 2018	March 9, 2018	March 29, 2018	November 16, 2018	229
Phase 2	Contractor 3	LT	Lot 1 - Ministers Suite	3,546,069.46	March 8, 2018	Not stated	Not stated	September 20, 2018	219
			Lot 2 - PS and other Offices	7,226,488.22					
				77,898,573.65					

Source: AuGD’s review of MLGCD records

Recommendations

3.2.141 The MLGCD’s failure to adhere to the relevant guidelines have contributed to increased expenditure, heightened risk of financial losses and the achievement of value for money has been compromised.

3.2.142 We advised MLGCD to implement robust control systems that will ensure strict adherence to the Law and Government’s guidelines and to protect the public purse at all times.

3.2.143 The MLGCD should negotiate with the Landlord, who will also benefit from the construction of the wall, with the aim of recovering a portion of the cost. Failure to recover will render the responsible person(s) liable to surcharge proceedings, which I will be recommending in keeping with Section 20 of the FAA Act.

3.2.144 In relation to the excess square footage that resulted in the overpayment of rent, the AuGD is placing reliance on the measurements done by NLA and therefore recommend that the overpayment of \$7.1 million be immediately recovered. Accordingly, I will be recommending surcharge proceedings pending appropriate action being taken by the Accounting Officer.

⁷ The Procurement Guidelines authorize the use of the direct contracting methodology for contracts valued up to \$500,000. This threshold was increased to \$1.5 million via MOFP circular No. 27 dated September 28, 2016.

Appendices

Appendix 1 – Auditor General’s Department Unaudited Financials 2017/2018



Page Number :1
30/07/2018
10:05

Appropriation Account by Activity - Selected Items ONLY

Financial years : 02 (2017/2018)
Financial Pattern : 11 - Recurrent - Voted
Period Number: 1 (Close) To : 13 (Close) (Apr 01 2017 - Jun 30 2018)

Code	Description	Original Estimate	Supplimentary Estimates			Revised Estimates	Total Net Expenditure	Variance		Net Variance
			First	Second	Third			Less Than	More Than	
Function	01-General Public Services									
Sub-Function	99-Other General Public Service									
Programme	001-Executive Direction & Administration									
Sub-Programme	20-Audits									
Project	0000-NA									
Sub-Project	00-NA									
Activity	0005 Direction and Administration	208,716,000.00	-19,000.00	4,759,000.00	00.00	213,456,000.00	201,054,389.88	12,401,610.12	00.00	12,401,610.12
Activity	0007 Regional Organisation (Membership fees, grants and contributions)	194,000.00	00.00	00.00	00.00	194,000.00	162,701.68	31,298.32	00.00	31,298.32
Activity	0280 Administration of External Audit Services	440,008,000.00	00.00	15,549,000.00	00.00	455,557,000.00	449,539,202.76	6,017,797.24	00.00	6,017,797.24
Total for Sub-Programme	20 Audits	648,918,000.00	-19,000.00	20,308,000.00	00.00	669,207,000.00	650,756,294.32	18,450,705.68	00.00	18,450,705.68
Total for Programme	001 Executive Direction & Administration	648,918,000.00	-19,000.00	20,308,000.00	00.00	669,207,000.00	650,756,294.32	18,450,705.68	00.00	18,450,705.68
Total for Sub-Function	99 Other General Public Service	648,918,000.00	-19,000.00	20,308,000.00	00.00	669,207,000.00	650,756,294.32	18,450,705.68	00.00	18,450,705.68
Total for Function	01 General Public Services	648,918,000.00	-19,000.00	20,308,000.00	00.00	669,207,000.00	650,756,294.32	18,450,705.68	00.00	18,450,705.68
Total for Fin. Pattern : 11 - Recurrent - Voted		648,918,000.00	-19,000.00	20,308,000.00	00.00	669,207,000.00	650,756,294.32	18,450,705.68	00.00	18,450,705.68
Less AIA		10,000,000.00	00.00	00.00	00.00	10,000,000.00	9,524,677.67	475,322.33		475,322.33
NET		638,918,000.00	-19,000.00	20,308,000.00	00.00	659,207,000.00	641,231,616.65			17,975,383.35

Accounting Officer

Date: 20/6/2018



UNAUDITED



Appropriation Account - Activity Summary

Financial years : 02 (2017/2018)
Financial Pattern : 11 - Recurrent - Voted
Period Number: 1 (Close) To : 13 (Close) (Apr 01 2017 - Jun 30 2018)

Function	-	Sub-Function	-	Programme	-
Sub-Programme	-	Project	-	Sub-Project	-
Activity	-				

Code	Description	Original Estimate	Supplimentary Estimates			Revised Estimates	Total Net Expenditure	Variance		Net Variance
			First	Second	Third			Less Than	More Than	
Activity	0005 Direction and Administration	208,716,000.00	-19,000.00	4,759,000.00	00.00	213,456,000.00	201,054,389.88	12,401,610.12	00.00	12,401,610.12
Activity	0007 Regional Organisation (Membership fees, grants and contributions)	194,000.00	00.00	00.00	00.00	194,000.00	162,701.68	31,298.32	00.00	31,298.32
Activity	0280 Administration of External Audit Services	440,008,000.00	00.00	15,549,000.00	00.00	455,557,000.00	449,539,202.76	6,017,797.24	00.00	6,017,797.24
Total for Fin. Pattern : 11 - Recurrent -Vot		648,918,000.00	-19,000.00	20,308,000.00	00.00	669,207,000.00	650,756,294.32	18,450,705.68	00.00	18,450,705.68

Less AIA	10,000,000.00	00.00	00.00	00.00	10,000,000.00	9,524,677.67				475,322.33
NET	638,918,000.00	-19,000.00	20,308,000.00	00.00	659,207,000.00	641,231,616.65				17,975,383.35
Surrenderable Balance:	17,975,383.35									

Accounting Officer

Date: 2018/07/31

UNAUDITED



Appropriation Account - Object Summary

Financial years : 02 (2017/2018)
Financial Pattern : 11 - Recurrent - Voted
Period Number: 1 (Close) To : 13 (Close) (Apr 01 2017 - Jun 30 2018)

Function	-	Sub-Function	-	Programme	-
Sub-Programme	-	Project	-	Sub-Project	-
Activity	-				

Code	Description	Original Estimate	Supplimentary Estimates			Revised Estimates	Total Net Expenditure	Variance		Net Variance
			First	Second	Third			Less Than	More Than	
Object	21 COMPENSATION OF EMPLOYEES	421,919,000.00	7,737,000.00	20,308,000.00	00.00	449,964,000.00	444,959,309.60	5,004,690.40	00.00	5,004,690.40
Object	22 TRAVEL EXPENSES & SUBSISTENCE	118,779,000.00	-6,741,000.00	00.00	00.00	112,038,000.00	105,950,915.35	6,087,084.65	00.00	6,087,084.65
Object	23 RENTAL OF PROPERTY & MACHINERY	50,772,000.00	-607,000.00	00.00	00.00	50,165,000.00	49,946,834.97	218,165.03	00.00	218,165.03
Object	24 UTILITIES AND COMMUNICATION SERVICES	8,703,000.00	00.00	00.00	00.00	8,703,000.00	4,751,042.71	3,951,957.29	00.00	3,951,957.29
Object	25 USE OF GOODS AND SERVICES	37,274,000.00	00.00	00.00	00.00	37,274,000.00	37,807,125.42	00.00	533,125.42	-533,125.42
Object	27 GRANTS, CONTRIBUTIONS & SUBSIDIES	194,000.00	00.00	00.00	00.00	194,000.00	162,701.68	31,298.32	00.00	31,298.32
Object	29 AWARDS & SOCIAL ASSISTANCE	1,500,000.00	00.00	00.00	00.00	1,500,000.00	1,380,374.48	119,625.52	00.00	119,625.52
Object	32 Fixed Assets (Capital Goods)	9,777,000.00	-408,000.00	00.00	00.00	9,369,000.00	5,797,990.11	3,571,009.89	00.00	3,571,009.89
Total for Fin. Pattern : 11 - Recurrent -Vot		648,918,000.00	-19,000.00	20,308,000.00	00.00	669,207,000.00	650,756,294.32	18,983,831.10	533,125.42	18,450,705.68

Less AIA	10,000,000.00	00.00	00.00	00.00	10,000,000.00	9,524,677.67				475,322.33
NET	638,918,000.00	-19,000.00	20,308,000.00	00.00	659,207,000.00	641,231,616.65				17,975,383.35
Surrenderable Balance:	17,975,383.35									

Accounting Officer

Date: 2018/07/31

Auditor General's Department
INTERNAL AUDIT
Examined: *[Signature]*
Date: 2017/07/01

Appropriation Account By Object

Financial years : 02 (2017/2018)
Financial Pattern : 11 - Recurrent -Voted
Period Number: 1 (Close) To : 13 (Close) (Apr 01 2017 - Jun 30 2018)
Function -
Sub-Programme -
Activity -

Code	Description	Original Estimate	Supplimentary Estimates			Revised Estimates	Total Net Expenditure	Variance		Net Variance
			First	Second	Third			Less Than	More Than	
Function	01-General Public Services									
Sub-Function	99-Other General Public Service									
Programme	001-Executive Direction & Administration									
Sub-Programme	20-Audits									
Project	0000-NA									
Sub-Project	00-NA									
Activity	0005-Direction and Administration									
Object	21 COMPENSATION OF EMPLOYEES	81,911,000.00	7,737,000.00	4,759,000.00	00.00	94,407,000.00	88,868,962.20	5,538,037.80	00.00	5,538,037.80
Object	22 TRAVEL EXPENSES & SUBSISTENCE	18,779,000.00	-6,741,000.00	00.00	00.00	12,038,000.00	12,502,059.99	00.00	464,059.99	-464,059.99
Object	23 RENTAL OF PROPERTY & MACHINERY	50,772,000.00	607,000.00	00.00	00.00	50,165,000.00	49,946,834.97	218,165.03	00.00	218,165.03
Object	24 UTILITIES AND COMMUNICATION SERVICES	37,274,000.00	00.00	00.00	00.00	8,703,000.00	4,751,042.71	3,951,957.29	00.00	3,951,957.29
Object	25 USE OF GOODS AND SERVICES	8,703,000.00	00.00	00.00	00.00	37,274,000.00	37,807,125.42	00.00	533,125.42	-533,125.42
Object	29 AWARDS & SOCIAL ASSISTANCE	1,500,000.00	00.00	00.00	00.00	1,500,000.00	1,380,374.48	119,625.52	00.00	119,625.52
Object	32 Fixed Assets (Capital Goods)	9,777,000.00	-408,000.00	00.00	00.00	9,369,000.00	5,797,990.11	3,571,009.89	00.00	3,571,009.89
Total for Activity	0005 Direction and Administration	1,297,642,000.00	-38,000.00	40,616,000.00	00.00	1,338,220,000.00	1,301,349,886.96	38,400,645.85	1,530,532.81	36,870,113.04
Activity	0007-Regional Organisation (Membership fees, grants and contributions)									
Object	27 GRANTS, CONTRIBUTIONS & SUBSIDIES	194,000.00	00.00	00.00	00.00	194,000.00	162,701.68	31,298.32	00.00	31,298.32

Auditor General's Department
INTERNAL AUDIT
Examined: *[Signature]*
Date: 30/7/2018

Appropriation Account By Object

Financial years : 02 (2017/2018)
Financial Pattern : 11 - Recurrent -Voted
Period Number: 1 (Close) To : 13 (Close) (Apr 01 2017 - Jun 30 2018)
Function -
Sub-Programme -
Activity -

Code	Description	Original Estimate	Supplimentary Estimates			Revised Estimates	Total Net Expenditure	Variance		Net Variance
			First	Second	Third			Less Than	More Than	
Function	01-General Public Services									
Sub-Function	99-Other General Public Service									
Programme	001-Executive Direction & Administration									
Sub-Programme	20-Audits									
Project	0000-NA									
Sub-Project	00-NA									
Activity	0007-Regional Organisation (Membership fees, grants and contributions)									
Total for Activity	0007 Regional Organisation (Membership fees, grants and contributions)	194,000.00	00.00	00.00	00.00	194,000.00	162,701.68	31,298.32	00.00	31,298.32
Activity	0280-Administration of External Audit Services									
Object	21 COMPENSATION OF EMPLOYEES	340,008,000.00	00.00	15,549,000.00	00.00	355,557,000.00	356,090,347.40	00.00	533,347.40	-533,347.40
Object	22 TRAVEL EXPENSES & SUBSISTENCE	109,000,000.00	00.00	00.00	00.00	100,000,000.00	93,448,855.36	6,551,144.64	00.00	6,551,144.64
Total for Project	0000 NA	648,918,000.00	-19,000.00	20,308,000.00	00.00	669,207,000.00	650,756,294.32	19,981,238.49	1,530,532.81	18,450,705.68
Total for Sub-Programme	20 Audits	648,918,000.00	-19,000.00	20,308,000.00	00.00	669,207,000.00	650,756,294.32	19,981,238.49	1,530,532.81	18,450,705.68
Total for Programme	001 Executive Direction & Administration	648,918,000.00	-19,000.00	20,308,000.00	00.00	669,207,000.00	650,756,294.32	19,981,238.49	1,530,532.81	18,450,705.68
Total for Sub-Function	99 Other General Public Service	648,918,000.00	-19,000.00	20,308,000.00	00.00	669,207,000.00	650,756,294.32	19,981,238.49	1,530,532.81	18,450,705.68
Total for Function	01 General Public Services	648,918,000.00	-19,000.00	20,308,000.00	00.00	669,207,000.00	650,756,294.32	19,981,238.49	1,530,532.81	18,450,705.68
Total for Fin. Pattern : 11 - Recurrent -Vot		648,918,000.00	-19,000.00	20,308,000.00	00.00	669,207,000.00	650,756,294.32	19,981,238.49	1,530,532.81	18,450,705.68
Less AIA		10,000,000.00	00.00	00.00	00.00	10,000,000.00	9,524,677.67			475,322.33
NET		638,918,000.00	-19,000.00	20,308,000.00	00.00	659,207,000.00	641,231,616.65			17,975,383.35

Auditor General's Department
INTERNAL AUDIT
Examined: *[Signature]*
Date: 29/7/2018

UNAUDITED



Appropriation Account By Object

Financial years : 02 (2017/2018)
 Financial Pattern : 11 - Recurrent -Voted
 Period Number: 1 (Close) To : 13 (Close) (Apr 01 2017 - Jun 30 2018)

Function	-	Sub-Function	-	Programme	-
Sub-Programme	-	Project	-	Sub-Project	-
Activity	-				

Code	Description	Original Estimate	Supplimentary Estimates			Revised Estimates	Total Net Expenditure	Variance		Net Variance
			First	Second	Third			Less Than	More Than	
Function	01-General Public Services									
Sub-Function	99-Other General Public Service									
Programme	001-Executive Direction & Administration									
Sub-Programme	20-Audits									
Project	0000-NA									
Sub-Project	00-NA									
Activity	0280-Administration of External Audit Services									


 Accounting Officer

Date: 2018/07/31

UNAUDITED

Appendix 2 – Detailed Training Programmes Executed

	Programme	Period of Training	No
1.	National Audit Office, Performance and Compliance Audit Training	April 3 – October 31, 2017	90
2.	Indian Technical and Economic Cooperation (ITEC) Programme <ul style="list-style-type: none"> • 137th ITP on Auditing in the IT Environment • 138th ITP on Audit of State--Owned Enterprise • 139th ITP on Performance Audit • 140th ITP on e-Governance • 141st ITP on Environment Audit 	October 2017 – March 2018	5
3.	Auditing Fundamentals Level 1 Module 2	October 30 – November 7, 2017	2
4.	Government Accounting, Level 1 Module 1	November 6 – 10, 2017	1
5.	Government Accounting Level 1 Module 3	November 13 – 17, 2017	3
6.	Auditing Fundamentals Level 1 Modules 3 – 4	November 6 – 10, 2017 and March 12 – 16, 2018	2
7.	Government Accounting, Level 1 Module 1	January 8 – 12, 2018	1
8.	Diploma in Forensic Accounting	January 13 – February 2018	5
9.	Government Accounting Level 2 Module 1	January 22 – 26, 2018	5
10.	Basic Digital Designs, Level 1	January 28, 2018	2
11.	INPRI Public Sector Procurement Certification Series, Levels 1 – 2	January 22 – 26, 2018 and February 19 – 23, 2018	1
12.	ITL Foundation	February 22 – 24, 2018	1
13.	Government Accounting, Level 1 Module 1	March 5 – 9, 2018	2
14.	Government Accounting Level 2 Modules 3 - 5	March 12 – 19, 2018	2
15.	MS Excel 2016 Level 1	April 12, 2018	1
16.	MS Word 2016 Level 1	April 13, 2018	1
17.	Audit Fundamentals Level1 Module 1	April 30- May 4, 2018	4
18.	Supervisory Management	April 17 – 18, 2018	1
19.	Public Sector Procurement Certification Series Levels 3-4	April 23- 26, 2018	1
20.	MS Excel 2016 Level 2	April 26, 2018	1
21.	MS Excel 2016 Level 3	May 4, 2018	1
22.	Customer Relations Management Skills	April 24, 2018	3
23.	Government Accounting Level1 Module 2	May 14, 2018- May 18, 2018	3
24.	IDI Auditing SDGs Programme (Audit Review Meeting)	May 21-25, 2018	3
25.	Government Accounting Level1 Module 5	June 4, 2018- June 11, 2018	4
26.	Supervisory Management	June 6-7, 2018	1
27.	Budget Execution Reform Seminar	June 21- 22, 2018	1

28.	Practical Training Workshop in the Use of FIDIC Forms of Contract	June 26,2018	5
29.	Quality Assurance (Review Meeting)	July 9-13,2018	1
30.	Government Accounting Level 2 Module 1	July 16,2018 – July 20,2018	4
31.	Introduction to Human Resource Management	July 11-12,2018	1
32.	IDI Certification Programmed for eLearning Specialists	August 5,2018 – November 22,2018	2
33.	SAI Fighting Corruption Programme (Audit Review Meeting)	August 6 -17,2018	5
34.	142 nd ITP on Financial and Regularity	August 13,2018 – September 7,2018	2
35.	Minutes Writing and Note Taking Skills	August 30 – 31,2018	2
36.	Procurement Law and Regulations	September 3-4,2018	2
37.	Procurement Law and Regulations	September 6-7,2018	1
38.	Government Accounting Level 3	September 10-17,2018	2
39.	Public Speaking and Presentation	September 3,5,7,13 and 14,2018	14
40.	Procurement Law and Regulations	September 20-21,2018	2
41.	Audit Fundamentals Level 1 Module 2	September 17- 25,2018	2
42.	Talent Management	September 12-13,2018	1
43.	Treasury Management	September 24 -28,2018	1
44.	Audit Fundamentals Level 1 Module 3	October 1 -5 ,2018	2
45.	Government Accounting Level 2 Module 2	October 1-5,2018	1
46.	Audit Fundamentals – Level 2 Module 1	October 8-12,2018	2
47.	Government Accounting Level 2 Module 2	October 1-5,2018	3
48.	Public Financial Management: Issues and Solutions	October 9 -14,2018	1
49.	IDI Strategy, Performance Measurement and Reporting (SPMR)	October 18-19,2018	2
50.	144 th ITP on Audit of State Owned Enterprises	October 22,2018 – November 16,2018	1
51.	GCT Workshop	November 4 &11,2018	2
52.	Information Technology Knowledge Forum	November 7-8,2018	1
53.	Budget Preparation Refresher Seminar	October 17, 2018	2
54.	Government Accounting Level 1 Module 3	November 12- 16,2018	1
55.	Best Practice Management and Reporting on IPSAS and IFRS Standards	November 19-23,2018	2
56.	Chart of Accounts Sensitisation Session	November 21,2018	4
57.	SAI Fighting Corruption: eLearning Course on Implementation of ISSAI 30	November15 – December 14,2018	3

Workshops, Conferences

	Programme	Period	No. of Persons Trained
1.	ICAJ Business Conference, Mega Trends 2.0	October 6, 2017	6
2.	Jamaica Computer Society Information Technology Conference	October 18-20, 2017	1
3.	IDI SAI Fighting Corruption	October 5 – 13, 2017	5
4.	Post Disaster Needs Assessment Training Workshop – PIOJ and Caribbean Development Bank	November 2017	1
5.	IDI Workshop on Quality Assurance	November 6 – 10, 2017	3
6.	High Impact Coaching Skills for Managers and Supervisors – Make your Mark Consultants	December 2017	8
7.	Auditing SDGs – Audit Planning Meeting	December 4 -8, 2017	3
8.	How to Delegate Effectively – Make Your Mark Consultants	February 20, 2018	12
9.	Succession Planning Workshops – HRMAJ	February 1, 2018	1
10.	IDI Strategic Engagement with Stakeholders	March 12 – 16, 2018	1

Appendix 3 – Financial Statements for Statutory Bodies and Executive Agencies that are Work-In-Progress

No	Agency	Year	Agency Type	Audit type	STATUS	Qty
1	Capital Development Fund	2007/08	Fund	FS	WIP*	1
2	Capital Development Fund	2008/09	Fund	FS	WIP*	1
3	Capital Development Fund	2009/10	Fund	FS	WIP*	1
4	Capital Development Fund	2010/11	Fund	FS	WIP*	1
5	Capital Development Fund	2011/12	Fund	FS	WIP*	1
6	Capital Development Fund	2012/13	Fund	FS	WIP*	1
7	Capital Development Fund	2013/14	Fund	FS	WIP*	1
8	Capital Development Fund	2014/15	Fund	FS	WIP	1
9	Capital Development Fund	2015/16	Fund	FS	WIP	1
10	Capital Development Fund	2016/17	Fund	FS	WIP	1
11	Fair Trading Commission	2014/15	Statutory Body	FS	WIP	1
12	National Youth Services	2012/13	Statutory Body	FS	WIP	1
13	Passport Immigration and Citizenship Agency	2011/12	Executive Agency	FS	WIP	1
14	Jamaica 4h Clubs	2012/13	Statutory Body	FS	WIP	1
15	Firearm Licensing Authority	2016/17	Statutory Body	FS	WIP	1
16	Jamaica Information Service	2017/18	Executive Agency	FS	WIP	1
17	Management Institute for National Development	2017/18	Executive Agency	FS	WIP	1
18	Youth Employment in the Digital & Animation Industries Project	2017/18	Project	FS	WIP	1
19	Jamaica Customs Agency	2016/17	Executive Agency	FS	WIP	1
20	National Environment and Planning Agency	2016/17	Executive Agency	FS	WIP	1
21	Council of Community College	2014/15	Fund	FS	WIP	1
22	Provident Fund	2016/17	Fund	FS	WIP	1
23	Provident Fund	2017/18	Fund	FS	WIP	1
24	National Insurance Scheme	2013/2014	Statutory Body	FS	WIP	1
25	National Insurance Scheme	2014/2015	Statutory Body	FS	WIP	1
26	National Land Agency	2010/11	Executive Agency	FS	WIP	1
29	Quickstart Programme	2017/18	Project	FS	WIP	1
30	Road Maintenance Fund	2017/18	Fund	FS	WIP	1
31	Administrator General's Department	2017/18	Executive Agency	FS	WIP	1
32	INDECOM	2017/18	Project	FS	WIP	1
33	Bath Fountain Hotel & Spa	2017/18	Statutory Body	FS	WIP	1
34	Clarendon Municipal Corporation	2010/2011	Municipal Corporation	FS	WIP	1
35	Clarendon Municipal Corporation	2011/2012	Municipal Corporation	FS	WIP	1
36	Clarendon Municipal Corporation	2012/2013	Municipal Corporation	FS	WIP	1
37	KSAMC	2009/2010	Municipal Corporation	FS	WIP	1
38	Manchester Municipal Corporation	2011/2012	Municipal Corporation	FS	WIP	1
39	Manchester Municipal Corporation	2012/2013	Municipal Corporation	FS	WIP	1
40	Manchester Municipal Corporation	2013/2014	Municipal Corporation	FS	WIP	1

No	Agency	Year	Agency Type	Audit type	STATUS	Qty
41	St. James Municipal Corporation	2006/2007	Municipal Corporation	FS	WIP	1
42	St. James Municipal Corporation	2007/2008	Municipal Corporation	FS	WIP	1
43	St. James Municipal Corporation	2008/2009	Municipal Corporation	FS	WIP	1
44	St. James Municipal Corporation	2009/2010	Municipal Corporation	FS	WIP	1
45	St. James Municipal Corporation	2010/2011	Municipal Corporation	FS	WIP	1
46	St. James Municipal Corporation	2011/2012	Municipal Corporation	FS	WIP	1
47	St. Thomas Municipal Corporation	2010/2011	Municipal Corporation	FS	WIP	1
48	St. Thomas Municipal Corporation	2011/2012	Municipal Corporation	FS	WIP	1
49	Westmoreland Municipal Corporation	2009/2010	Municipal Corporation	FS	WIP	1
50	Westmoreland Municipal Corporation	2010/2011	Municipal Corporation	FS	WIP	1
51	Westmoreland Municipal Corporation	2011/2012	Municipal Corporation	FS	WIP	1
52	Westmoreland Municipal Corporation	2012/2013	Municipal Corporation	FS	WIP	1
53	National Library of Jamaica	2015/2016	Statutory Body	FS	WIP	1
54	Social Development Commission	2016/2017	Statutory Body	FS	WIP	1
55	Export Division	2012/2013	Statutory Body	FS	WIP	1
56	Export Division	2013/2014	Statutory Body	FS	WIP	1
						54

Appendix 4: Outstanding Financial Statements

Head	Ministry, Statutory Bodies and Executive Agencies	Type of Statements	Years	Total outstanding	Unaudited issued Funds from the Consolidated Fund \$'000
	Forestry Department	Accrual basis	2015/16 - 2017/18	3	-
	Jamaica Customs Agency	Accrual basis	2016/17 - 2017/18	2	-
	National Environment and Planning Agency	Accrual basis	2017/18	1	-
	National Land Agency	Accrual basis	2011/12 - 2017/18	7	-
	Passport, Immigration and Citizenship Agency	Accrual basis	2016/17 - 2017/18	2	-
	Companies Office of Jamaica	Accrual basis	2017/18	1	-
	Fisheries Management and Development Fund	Cash basis	2015/16 - 2017/18	3	-
	Antidumping & Subsidies	Accrual basis	2016/17 - 2017/18	2	-
	Council of Community College	Accrual basis			-
	Fair Trading Commission	Accrual basis	2017/18	1	-
	Financial Investigations Division	Accrual basis	2016/17 - 2017/18	2	-
	Institute of Jamaica	Accrual basis	2014/15 - 2017/18	4	-
	Jamaica 4 H Clubs	Accrual basis	2017/18	1	-
	Jamaica Intellectual Property Office	Accrual basis			-
	Jamaica National Heritage Trust	Accrual basis	2006/07 - 2017/18	12	-
	Jamaica Veterinary Board	Cash basis	2015/16 - 2017/18	3	-
	Land Administration Management Programme	Accrual basis	2015/16 - 2017/18	3	-
	Milk River Bath	Cash basis	2017/18	1	-
	National Council on Drug Abuse	Accrual basis	2014/15 - 2017/18	4	-
	National Council on Education	Accrual basis	2017/18	1	-
	National Gallery of Jamaica	Accrual basis	2010/11 - 2017/18	8	-
	National Insurance Scheme	Accrual basis	2015/16 - 2017/18	3	-
	National Youth Services	Accrual basis	2013/14 - 2017/18	5	-

Head	Ministry, Statutory Bodies and Executive Agencies	Type of Statements	Years	Total outstanding	Unaudited issued Funds from the Consolidated Fund \$'000
	Pharmacy Council of Jamaica	Accrual basis	2015/16 - 2017/18	3	-
	Police Civilian Oversight Authority	Accrual basis	2015/16 - 2017/18	3	-
	Export Division	Accrual basis	2014/15 - 2017/18	4	-
	Social Development Commission	Accrual basis	2017/	1	-
	National Library of Jamaica	Cash basis	2016/17	1	-
	Jamaica Library Services	Accrual basis	2013/14 - 2017/18	5	-
	Clarendon Parish Council	Modified Accrual Basis	2013/14 - 2017/18	5	-
	Hanover Parish Council	Modified Accrual Basis	2015/16 - 2017/18	3	-
	Kingston & Saint Andrew Municipal Council	Modified Accrual Basis	2012/13 - 2017/18	6	-
	Manchester Parish Council	Modified Accrual Basis	2014/15 - 2017/18	4	-
	Portland Parish Council	Modified Accrual Basis	2012/13 - 2017/18	6	-
	Portmore Municipal Council	Modified Accrual Basis	2011/12 - 2017/18	7	-
	St. Ann Parish Council	Modified Accrual Basis	2009/10 - 2017/18	9	-
	St. Catherine Parish Council	Modified Accrual Basis	2009/10 - 2017/18	9	-
	St. Elizabeth Parish Council	Modified Accrual Basis	2014/15 - 2017/18	4	-
	St. James Parish Council	Modified Accrual Basis	2012/13 - 2017/18	7	-
	St. Mary Parish Council	Modified Accrual Basis	2013/14 - 2017/18	5	-
	St. Thomas Parish Council	Modified Accrual Basis	2014/15 - 2017/18	4	-
	Trelawny Parish Council	Modified Accrual Basis	2015/16 - 2017/18	3	-
	Westmoreland Parish Council	Modified Accrual Basis	2012/13 - 2017/18	6	-
	Parochial Revenue Fund	Accrual basis	2005/06 - 2017/18	13	-
02000	Houses of Parliament	Appropriation Account	2014/15 - 2015/16	2	1,570,122
06000	Office of the Services Commission	Appropriation Account	2011/12, 2014/15 - 2017/18	5	918,085
19046	Forestry Department (*)	Appropriation Account	2013/14 - 2017/18	5	1,879,090

Head	Ministry, Statutory Bodies and Executive Agencies	Type of Statements	Years	Total outstanding	Unaudited issued Funds from the Consolidated Fund \$'000
19047	National Land Agency (*)	Appropriation Account	2005/06 - 2017/18	13	2,787,085
19048	National Environment and Planning Agency (*)	Appropriation Account	2016/17 - 2017/18	2	1,706,804
19050	National Works Agency (*)	Appropriation Account	2001/02 - 2017/18	17	-
20000	Ministry of Finance and the Public Service - Recurrent	Appropriation Account	2016/17 - 2017/18	2	45,931,201
20000A	Ministry of Finance and the Public Service - Capital A	Appropriation Account	2017/18	1	1,835,619
20000B	Ministry of Finance and the Public Service - Capital B	Appropriation Account	2015/16 - 2017/18	3	6,206,435
20011	Accountant General	Appropriation Account	2013/14 - 2017/18	5	2,958,283
20012	Jamaica Customs Agency (*)	Appropriation Account	2013/14 - 2017/18	5	-
20018	Public Debt Servicing (Interest Payments)	Appropriation Account	2013/14 - 2017/18	5	1,244,298,594
20019	Pensions	Appropriation Account	2013/14 - 2017/18	5	138,033,637
20056	Tax Administration Jamaica	Appropriation Account	2017/18	1	8,909,828
26000	Ministry of National Security - Recurrent	Appropriation Account	2017/18	1	18,326,413
26000A	Ministry of National Security - Capital A	Appropriation Account	2017/18	1	4,046,662
26000B	Ministry of National Security - Capital B	Appropriation Account	2017/18	1	1,220,325
26022	Police Department	Appropriation Account	2017/18	1	34,450,205
26024	Department of Correctional Services	Appropriation Account	2016/17 - 2017/18	2	14,553,556
28000	Ministry of Justice - Recurrent	Appropriation Account	2017/18	1	1,724,225
28000A	Ministry of Justice - Capital A	Appropriation Account	2017/18	1	390,755
28000B	Ministry of Justice - Capital B	Appropriation Account	2017/18	1	348,064
28027	Resident Magistrates' Courts	Appropriation Account	2011/12 - 2015/16	5	5,556,530
28029	Supreme Court	Appropriation Account	2011/12 - 2016/17	5	4,083,977
28030	Administrator General's Department (*)	Appropriation Account	2017/18	1	-

Head	Ministry, Statutory Bodies and Executive Agencies	Type of Statements	Years	Total outstanding	Unaudited issued Funds from the Consolidated Fund \$'000
28032	Trustee in Bankruptcy	Appropriation Account	2014/15 - 2015/16	2	97,177
28054	Court Management Services	Appropriation Account	2010/11	1	-
30000	Ministry of Foreign Affairs & Foreign Trade - Recurrent	Appropriation Account	2017/18	1	4,201,260
40000	Ministry of Labour & Social Security - Recurrent	Appropriation Account	2011/12 - 2013/14, 2017/18	4	9,629,291
40000A	Ministry of Labour & Social Security - Capital A	Appropriation Account	2012/13	1	650,000
40000B	Ministry of Labour & Social Security - Capital B	Appropriation Account	2011/12 - 2017/18	7	35,525,333
41000	Ministry of Education, Youth & Information - Recurrent	Appropriation Account	2012/13, 2014/15 - 2017/18	5	437,143,937
41000A	Ministry of Education, Youth & Information - Capital A	Appropriation Account	2014/15 - 2017/18	4	2,626,770
41000B	Ministry of Education, Youth & Information - Capital B	Appropriation Account	2014/15 - 2017/18	4	5,355,299
41051	Child Development Agency	Appropriation Account	2017/18	1	2,259,284
42000	Ministry of Health - Recurrent	Appropriation Account	2013/14 - 2017/18	5	250,250,892
42000A	Ministry of Health - Capital A	Appropriation Account	2015/16 - 2017/18	3	85,089
42000B	Ministry of Health - Capital B	Appropriation Account	2014/15 - 2017/18	4	5,017,387
42020	Registrar General's Department (*)	Appropriation Account	2013/14 - 2017/18	5	-
42034	Bellevue Hospital	Appropriation Account	2015/16 - 2017/18	3	4,657,585
42035	Government Chemist	Appropriation Account	2015/16, 2017/18	2	84,523
45000	Ministry of Youth & Culture - Recurrent	Appropriation Account	2015/16	1	1,987,229
45000B	Ministry of Youth & Culture- Capital B	Appropriation Account	2015/16	1	48,777
46000	Ministry of Culture, Gender, Entertainment & Sport - Recurrent	Appropriation Account	2015/16 - 2017/18	3	6,112,293
46000A	Ministry of Culture, Gender,	Appropriation Account	2015/16 - 2017/18	3	108,500

Head	Ministry, Statutory Bodies and Executive Agencies	Type of Statements	Years	Total outstanding	Unaudited issued Funds from the Consolidated Fund \$'000
	Entertainment & Sport - Capital A				
46000B	Ministry of Culture, Gender, Entertainment & Sport - Capital B	Appropriation Account	2015/16 - 2017/18	3	72,243
50000	Ministry of Industry, Commerce, Agriculture & Fisheries - Recurrent	Appropriation Account	2015/16, 2017/18	2	6,355,786
50000A	Ministry of Industry, Commerce, Agriculture & Fisheries - Capital A	Appropriation Account	2015/16, 2017/18	2	2,365,018
50000B	Ministry of Industry, Commerce, Agriculture & Fisheries - Capital B	Appropriation Account	2015/16, 2017/18	2	633,092
53000	Ministry of Industry, Investment & Commerce - Recurrent	Appropriation Account	2014/15 - 2015/16	2	3,773,332
53000B	Ministry of Industry, Investment & Commerce - Capital B	Appropriation Account	2014/15	1	2,534
56000	Ministry of Science & Technology	Appropriation Account	2017/18	1	4,396,941
56000A	Ministry of Science & Technology - Capital A	Appropriation Account	2017/18	1	149,805
56000B	Ministry of Science & Technology - Capital B	Appropriation Account	2017/18	1	485,448
	Total			343	2,325,810,320

* These entities are required to prepare both appropriation account and accrual basis accounts and therefore I am only reporting on the years that the statements have not been submitted for audit