



AUDITOR GENERAL'S
DEPARTMENT OF JAMAICA



Ensuring Value for Money in Public Health Procurement
University Hospital of the West Indies (UHWI)

EXECUTIVE SUMMARY

Performance Audit Report

Published: December 2025

"A better Country through effective audit scrutiny"

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

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

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Audit at a glance

Needs Assessment & Procurement Planning		Absence of effective needs Assessment	➔	Absence of key strategic documents caused major gaps in UHWI procurement management.
		Absence of proper procurement planning	➔	Procurement management at UHWI did not faithfully incorporate basic needs assessment and procurement planning.
Management & Execution of Procurement Activities		Inconsistent use of GOJEP Portal	➔	The GOJEP portal is not being used consistently to publish and report procurement activities.
		Absence of Procurement Records and procurement breaches	➔	The absence of procurement documentation, along with violations of procurement laws and procedures, indicated significant deficiencies in UHWI's procurement management practices.
		Misuse of Tax Exemption Status	➔	UHWI's utilization of its tax-exempt status to facilitate importing goods on behalf of private companies contributed to losses amounting to \$23.1 million.
		After-the-fact procurement	➔	UHWI began the procurement process and invited suppliers to bid, even though the goods or services have already been provided or the work has been finished.
		Splitting of contracts	➔	UHWI separated works into small components and used the direct contracting methodology to engage the contractors.



Executive Summary

The Government allocated \$671 billion to fund public health over the period 2019-20 to 2024-25. During this period, there was steady increase in the annual allocation moving from \$76 billion in 2019-20 to \$153 billion in 2024-25. Of the \$671 billion allocated during this period, \$361 billion (54 percent) was directed towards salaries and emoluments for public health professionals. This left \$310 billion to address essential requirements such as hospital equipment, supply chain management, and infrastructure development. As such, robust procurement practices were essential to ensure that healthcare facilities were properly equipped and that resources were utilised efficiently.

The audit, conducted as part of a broader initiative titled “Ensuring Value for Money in Public Health Procurement,” evaluated how the University Hospital of the West Indies (UHWI) managed its procurement activities to achieve value for money. It was crucial for UHWI to implement effective procurement procedures that maximised value, minimised waste, and improved efficiency, thereby ensuring that public health procurement resources were used to the greatest effect.

The audit revealed deficiencies in UHWI’s governance, procurement, and contract management processes, including instances of non-compliance with procurement legislation, accompanying regulations, and the Government of Jamaica Handbook of Public Sector Procurement Procedures. If not addressed, these weaknesses could increase the risk of corruption and undermine UHWI’s ability to deliver quality healthcare services. Part 1 of this report outlines the study’s scope, while Parts 2 and 3 focus on procurement needs assessment and planning, as well as the management and execution of procurement activities. The Case Study section presents a series of detailed cases grouped under common issues identified during the audit. Each specific case provides a focused analysis of challenges, discrepancies and areas of concern observed within UHWI’s procurement activities. This summary provides an overview of the issues identified and offers suggestions for improvement based on the findings.

Key Findings

US\$186K Incomplete strategic plans	\$65B Outstanding audited financial statements	\$1.6B Non-compliance GOJEP	\$521M No procurement records
\$23.1M Improper tax exemption	\$69.2M After-the-fact procurement	\$91.66M, US\$354K Private Wing procurement bypass	\$681M Other Procurement Irregularities



1. Absence of Strategic Documents and Procurement Planning

US\$186,600

UHWI's procurement management was undermined by the absence of critical strategic documents. UHWI failed to fulfil its obligation to prepare the required annual procurement plans, providing only two out of the seven mandated plans between 2018-19 and 2024-25. The Board of Directors did not approve the plans, and the two plans omitted essential information such as item counts, procurement timelines, suppliers, procurement methods, and performance indicators, despite the requirements set out in the Government of Jamaica's Public Procurement Handbook. Additionally, UHWI failed to provide any approved strategic plans for this period, even though US\$186,600 was paid to two consultants for strategic and operational reviews in 2022 and 2024, as referenced in **Case 3.4**.

\$65 billion

Furthermore, UHWI had not submitted annual reports and audited financial statements for 2019-20 to 2024-25 detailing how approximately \$65 billion in subventions were used. The lack of these key documents may have contributed to operational deficiencies and negatively affected governance standards in public procurement.

2. Non-Compliance with GOJEP Portal Requirements

\$1.6 billion

Following Circular No. 18 issued by the Ministry of Finance and Public Service on 23 June 2023, all public entities were required to conduct and publish procurement proceedings through the Government of Jamaica Electronic Procurement (GOJEP) portal from 1 August 2023. However, UHWI did not faithfully comply with the circular. We noted that of the 800 procurement activities valued at over \$1.6 billion reported to the Integrity Commission in UHWI's 2024 quarterly reports, only 20 were published on the GOJEP platform.

3. Absence of Procurement Documentation

\$521 million

UHWI could not provide procurement documentation for 51 contracts valuing \$521 million. The lack of these documents prevented a thorough review of whether the transactions adhered to procurement regulations and met the standards of transparency, accountability, and value for money. Key materials, including requisitions, tender documents, bid submissions, evaluation reports, and procurement records, were not available for examination.

4. Misuse of Tax-Exempt Status

UHWI inappropriately utilised its tax-exempt status to import goods for private companies, resulting in losses totalling \$23.1 million. Customs records showed that items such as office furniture, laundry, and medical equipment were declared as hospital imports, but inventory records confirmed these were not acquired by the hospital and were instead obtained by private entities. This misrepresentation breached the Customs Act, resulting in over \$20 million in unpaid import duties. Section 209(1) of the Act prohibits false declarations on customs documents, with violations subject to fines or prosecution.

\$23.1 million

- I. For example, UHWI used its tax-exempt status to import laundry equipment valued at approximately \$28 million for Private Company 1, causing a revenue loss of \$6.6 million, with UHWI paying the remaining import duties and charges of \$1.9 million, bringing the total loss to \$8.5 million (**Case 1.1**).
- II. Similarly, UHWI facilitated the import of office furniture and medical equipment valued at \$40.6 million for Private Company 2 (**Case 1.2**), as well as cups and dishes worth \$1.41 million for Private Companies 3 (**Case 1.3**), resulting in revenue losses of \$10.7 million. Subsequently, UHWI purchased the cups and dishes from Private Company 3 for a price of \$6.9 million.
- III. Additionally, UHWI enabled the import of 40 waste bins for Private Company 4, valued at \$6.6 million, saving the company \$3 million in customs duties. UHWI then purchased the bins for \$11 million and covered the remaining import duties and charges of \$980,049 (**Case 1.4**).

Description	A	B	C	D		E	F	C+E+F
	Total CIF \$	Total tax calculated by customs \$	Tax relief \$	Tax paid by		Additional Costs \$	Total Loss \$	
				Unknown \$	UHWI \$			
Private Company 1	27,978,014	6,910,484	6,595,020	-	315,464	1,581,922	8,492,406	
Private Company 2	40,575,444	11,193,688	10,089,665	1,104,023	-	-	10,089,665	
Private Company 3	1,410,000	622,417	615,784	6,633	-	-	615,784	
Private Company 4	6,599,601	3,033,181	2,958,382	-	74,799	905,250	3,938,431	
Total	76,563,059	21,759,770	20,258,851	1,110,656	390,263	2,487,172	23,136,286	

In its initial management response in August 2025, UHWI confirmed that it had ceased facilitating imports for private entities using its tax-exempt status. UHWI acknowledged that this practice violated public trust and procurement law. In October 2025, UHWI reiterated its acceptance of the findings, pending further investigations, and stated it was seeking the most suitable measures to prevent a recurrence of such activities.

5. After-the-Fact Procurement Activities

\$69.2 million

UHWI frequently initiated the procurement process after goods or services had already been delivered or works completed. This was the case for the purchase of 41 laptops and renovations to several facilities, including the staff clinic, occupational building, doctors' quarters, daycare nursery, wards 17 to 20, and the Wi-Fi building. The total estimated value of these projects amounted to \$69.2 million, and none adhered to the required procurement guidelines. UHWI only began inviting suppliers to bid after the goods or services had been provided, a breach of the procurement act, related regulations, and the public sector procurement procedures handbook, as detailed in **Cases 2.1 - 2.3**.

Item Description	Contract/Purchase Order Value \$000
41 Laptops	12,385
Staff clinic and occupational building renovation	19,509
Doctors' quarters renovation	2,635
Daycare nursery renovation	13,915
Wards 17 to 20 – painting works	1,621
Wi-Fi building renovation *	19,133
Total	69,198

*UHWI Bill of Quantity estimated Wi-Fi renovation at \$19,133 million. Payment was not made as August 19, 2025.

6. Use of the Private Wing for Procurement

**\$91.66M and
US\$354,334**

UHWI conducted two purchases through its Private Wing, thereby bypassing standard procurement procedures. In June 2019 and March 2023, UHWI entered into two loan agreements valued at \$91.66 million and US\$354,334, respectively with UHWI Private Wing for the acquisition of a Phillips Digital Diagnost C50 Dual Panel machine and mobile C-Arm equipment for use at UHWI. According to the agreements, the Private Wing was responsible for the procurements, with costs to be recovered from future payments owed to UHWI. Despite concerns from the Board and advice from the Ministry of Finance and Public Service (MoFPS), UHWI did not seek alternative funding or request additional budget support to facilitate purchases through established procurement channels. Furthermore, the required written approval was not obtained from the Minister of Finance, nor was there assurance that the Private Wing complied with the requirements of the Public Procurement Act.

7. Other Procurement Irregularities

**\$681 million,
US\$186,600**

UHWI did not follow required procurement procedures for hiring consultants and other service providers. UHWI engaged multiple consultants and service providers for redevelopment and operational activities without adhering to established procurement procedures. The total payments made by UHWI across these cases amounted to approximately \$681 million for consultancy, design review services and other services and US\$186,600, for two consulting contracts related to strategic and operational reviews (**Case Study 3**).

Recommendations

Governance Oversight and Procurement Planning

UHWI should prioritise the development and submission of an annual procurement plan that comply with the standards stipulated in the Government of Jamaica Public Procurement Handbook, ensuring the plans include clear strategies, timelines, and performance measures. To enhance accountability and transparency, in light of significant financial allocations, UHWI must promptly finalise and submit all outstanding financial statements and annual reports to the Ministry of Health and Wellness (MoHW). The MoHW should intensify its oversight of UHWI's activities by ensuring the timely submission of all required reports by UHWI. Additionally, UHWI should conduct an internal review to determine the cause of missing procurement documents and strengthen controls to prevent recurrence.

Compliance with Procurement Laws and Procedures

UHWI must address violations of procurement regulations and protocols by conducting a comprehensive assessment of its procurement processes. This review should ensure full compliance with the Public Procurement Act 2015, Public Procurement Regulations 2018, the Government of Jamaica Handbook of Public Sector Procurement Procedures, and relevant circulars issued by the Ministry of Finance and Public Service. Furthermore, UHWI must adhere to the requirement to use the Government of Jamaica Electronic Procurement (GOJEP) platform and submit the monthly Procurement Systems Report in a timely manner, in accordance with Circular No. 18 dated 23 June 2023.

Addressing Misuse of Tax-Exempt Status

UHWI should immediately cease facilitating imports for private entities using its tax-exempt status. Tax exemptions should be strictly limited to imports for hospital use, in keeping with the relevant legislations. A referral is being submitted to the Financial Secretary in accordance with Section 26 of the Financial Administration and Audit (FAA) Act, which states *"if, in the course of an audit it appears to the Auditor General – that any loss or deficiency has occurred and has not been reported to the Financial Secretary, the Auditor General shall report the matter to the Financial Secretary and shall inform the accounting officer concerned"*.

End