



REPORT OF THE AUDITOR GENERAL ON  
THE FINANCIAL TRANSACTIONS AND  
FINANCIAL STATEMENTS OF THE  
GOVERNMENT OF JAMAICA FOR 2016



of an addendum to the service agreement for the additional works. Some of the claims made by the Contractor were for land acquisitions and routine maintenance.

### **Recommendation**

RMF should investigate the magnitude of excess on the contract with a view to taking the necessary corrective action(s) and to ensure that the Fund suffers no loss.

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## HOUSING FUND

### **Inadequate Management of Mortgage by Housing Fund**

- 2.1.13 The Housing Fund was established by the Housing Act 1968, amended 1995. The fund is the responsibility of the Minister of Housing. The primary function of the fund is to provide low income housing solutions to Jamaicans. The fund receives income from sale of units, sale of lots, legal fees, rental/lease (schemes), and bank and investment interests. The Housing Fund also manages properties for the Housing Agency of Jamaica.
- 2.1.14 The records of the Housing Fund showed that 7,829 individuals who benefitted from housing solutions had mortgage arrears totaling \$530,949,663.55 as at December 2015. Of this amount \$519,910,067.58 represented arrears for solutions developed by the Ministry, while \$11,828,084.43 represented solutions developed by the Housing Agency of Jamaica (HAJ) for properties administered by the Ministry. In addition, the Ministry's failure to timely finalize sales agreements for properties resulted in the Fund having \$115,319,222.14 in escrow for protracted periods. We were unable to determine how long these deposits were held in escrow as the Mortgage Software used by the Ministry was unable to generate aged reports for the escrow accounts or the HAJ arrears. The delays may result in misuse of the funds.

## **HEAD 19048: NATIONAL ENVIRONMENT AND PLANNING AGENCY (NEPA)**

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### THE INTEGRATED MANAGEMENT OF THE YALLAHS AND HOPE RIVER WATERSHED MANAGEMENT - GRT/FM-14607-JA

- 2.1.15 During the period under review, an audit of the financial transactions and the effectiveness of the administrative and accounting controls of the project was conducted to determine whether adequate systems, policies and procedures were implemented.
- 2.1.16 The accounting records were generally maintained in a satisfactory manner except for the slow implementation of the project.