



# **Auditor General's Department Annual Report Financial Year 2018/2019**



REPORT OF THE AUDITOR GENERAL ON THE  
FINANCIAL TRANSACTIONS AND FINANCIAL  
STATEMENTS OF THE GOVERNMENT OF JAMAICA FOR  
THE FINANCIAL YEAR ENDED MARCH 31, 2019  
AND  
A PERFORMANCE REPORT OF THE  
AUDITOR GENERAL'S DEPARTMENT



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

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December 20, 2019

The Hon Speaker  
House of Representatives  
Gordon House  
81 Duke Street  
Kingston

Dear Sir,

Pursuant to the provision of Section 122 (2) of the Jamaican Constitution, I have the honour to submit my report on the results of my examination of the accounts of the Island for the year ended 31<sup>st</sup> March 2019 for tabling in the House of Representatives.

Yours faithfully,

Pamela Monroe Ellis (Mrs.)  
Auditor General

Issue/Concern(s)	Financial Exposure
<p><b>3.2.112</b> PATH subsequently advised that the amount of \$172.12 million represents stale dated cheques but did not provide evidence, and an updated bank reconciliation statement to support this claim, despite our requests.</p>	
Project Management	
<p><b><u>Weak project management practices in the execution of the Project</u></b></p> <p><b>3.2.113</b> PATH signed a Loan Agreement in November 2015 to implement the Integrated Support to Jamaica's Social Protection Strategy (ISJSPS) over a four-year period. The commencement of this Project was inextricably linked to the completion of the Integrated Social Protection and Labour (ISPL) Programme, which was delayed by eighteen months. Due to the delay of the completion of the ISPL project, a number of procurement activities and contracts under the current ISJPS Project had not commenced on the agreed date.</p> <p><b>3.2.114</b> From our review of the PATH's procurement plan at the time of reporting, we noted that 10 of the 44 project activities with an estimated cost of US\$1.38 million were at the planning stage of the procurement process; though a number of them were scheduled to have been completed by March 31, 2019. These included four contracts under the component Enhancing the Services of PATH and three for the Modernisation of Social Security Services component. The delays have significantly impacted the successful roll out of the institutional strengthening of the Ministry of Labour and Social Security. We noted that due to the delays in the implementation of the project activities, the Bank granted an extension to November 2020.</p> <p><b><u>Weak oversight over the Project</u></b></p> <p><b>3.2.115</b> Though the National Social Protection Steering Committee, (NSPC) (chaired by the Planning Institute of Jamaica) charged with effectively overseeing the implementation of Social Project met quarterly, we found no evidence from our review of the minutes that there were discussions on the challenges being faced with this Project. The NSPC was intended to meet regularly and provide strategic oversight to the Project, benefitting from the diverse technical knowledge to mobilize resources and coordinate amongst the stakeholders in escalating the Project's activities to achieve the desired outcomes. Given the importance of this Project to Goal number one and Outcome Number Three - <b>Effective Social Protection</b> - of the National Development Plan (NDP), we would have expected to see from the minutes of the NSPC meetings, discussions held and action taken at the oversight level to ensure the Project outcomes are met in a timely manner.</p> <p><b>3.2.116</b> Additionally, our review of the minutes of the two PATH/MLSS's management meeting held for the period under review, showed no evidence that</p>	

Issue/Concern(s)	Financial Exposure
<p>management was proactive in discussing and implementing strategies relating to Component 2 of the Project - PATH Feeding Subsidy. As at March 2019, none of the seven (7) planned activities under the PATH Feeding Subsidy component were accomplished.</p> <p><b>3.2.117</b> We noted that this component of the Project, which is aligned to the United Nations Sustainable Goals 2- Zero Hunger and NDP Goal Number 1 , Outcomes number 1 and 3<sup>3</sup>, was without clear direction and coordination. We expected the PATH/MLSS to develop a Memorandum of Understanding (MOU) with the Ministry of Education Youth and Information (MOEYI), the Ministry of Health and other stakeholders, setting out clear direction for planning, delivery and reporting on this component; however, up to the time of reporting this was not done. Given the extension of the Project to November 2020, we expected the MLSS/PATH to obtain relevant information, review the ISJSPS progress and make necessary strategic interventions, where performance was below target.</p>	

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<sup>3</sup> A Healthy and Stable Population and Effective Social Protection