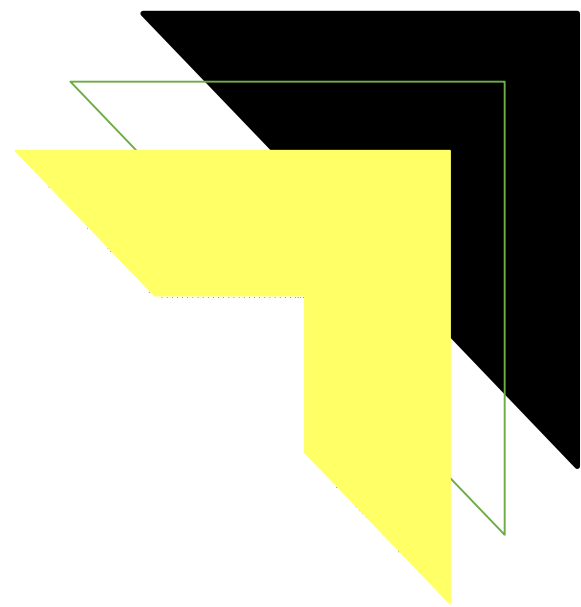


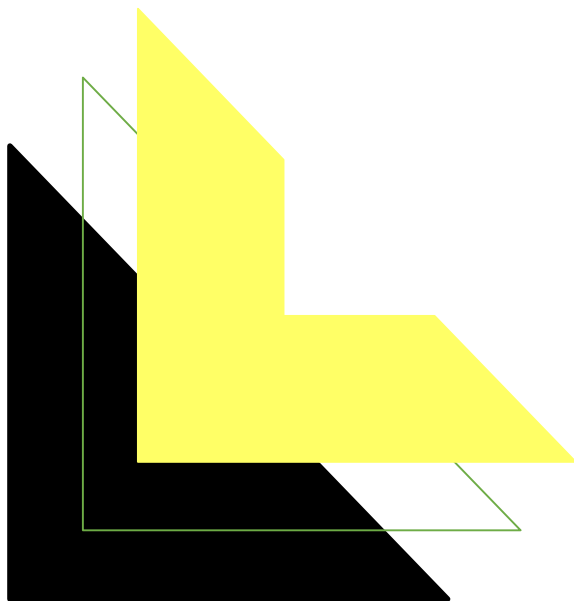


AUDITOR GENERAL'S
DEPARTMENT OF JAMAICA



Caribbean Maritime University (CMU)
Governance, Procurement and Resource Management

Special Audit Report



"A Better Country Through Effective Audit Scrutiny"

Auditor General's Foreword

Against the background of public concerns regarding allegations of malpractices at the Caribbean Maritime University (CMU), I commissioned a special audit to determine the veracity of the allegations and whether the University had in place, an effective governance and monitoring framework with appropriate systems of internal controls. My audit found weaknesses in CMU's governance practices and internal control environment, which were manifested by a lack of financial transparency, breaches of the Human Resource (HR) policy, minimal adherence to Government guidelines and limited accountability by CMU's leadership. In some instances, questionable decisions by the President resulted in expenditures that created no apparent value for the University.

I urge the CMU and Ministry of Education, Youth and Information (MoEYI), to seriously consider the recommendations contained in this report to resolve the weaknesses identified, which if left unresolved, could expose the University to financial losses. Further, CMU and the MoEYI, should determine whether expenditure, specified in the report represent proper charges on the University; with a view to recovering said amounts from the officers responsible for the payments made.

I take this opportunity to thank the management of the University and Ministry for the courtesies extended to my staff during the execution of the audit.



Pamela Monroe Ellis, FCCA, FCA
Auditor General

Technology Advancement Programme (TAP)

3.6 CMU entered into an agreement with USF to provide training under the TAP at a cost of \$70 million and \$3.8 million for rental. This programme had two components over a twelve-month period, comprising twelve (12) consecutive weeks of training and a nine (9) month internship. The MOU for the TAP between USF and CMU however, did not stipulate how the funds disbursed should be allocated. We noted that 892 students were registered relative to the 1,000 students indicated in the agreement with USF (**Table 6**).

3.7 We asked USF for the basis for the selection of CMU; however, USF was unable to indicate the basis on which CMU was selected to administer the TAP, but responded that:

“The USF through its partnership with CMI provided major assistance in helping the CMI to be upgraded to university status” Further that “consideration was the fact that CMU’s educational mandate places a strong emphasis on paramilitary training and based on the fact that TAP caters to unattached youths, USF considered this type of training would benefit the participants in improved discipline, employability and life skills”.

3.8 We found that USF was less effective in its oversight and monitoring of TAP when compared to the Phase II Capacity Building Programme (**Table 5**). USF disbursed \$73.8 million to CMU for the TAP programme including \$3.8 million for rental of buildings to undertake the programme (**Table 6**). We saw no evidence that USF required periodic reporting from CMU to satisfy itself that the TAP was being implemented according to plan. USF entered into lease agreements with 10 entities to use their sites for the delivery of the programmes. However, CMU only used and paid \$480,000 for one of the locations leased by USF. Instead CMU made payments in the amount of \$8.4 million for rental to other entities without lease agreements. Therefore, CMU paid \$5.1 million more for rental above the amount targeted. In addition, CMU engaged 86 instructors and paid \$21.2 million based on submission of invoices; however, the requisite contractual agreements were not provided. We could not ascertain how CMU assured itself that the instructors’ performance satisfied the requirements for payment.