



Auditor General's Department Annual Report

Financial Year 2019/2020

REPORT OF THE AUDITOR GENERAL ON THE
FINANCIAL TRANSACTIONS AND FINANCIAL
STATEMENTS OF THE GOVERNMENT OF
JAMAICA FOR THE FINANCIAL YEAR ENDED
MARCH 31, 2020 AND
A PERFORMANCE REPORT OF THE AUDITOR
GENERAL'S DEPARTMENT



AUDITOR GENERAL'S DEPARTMENT

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JAMAICA

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
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December 30, 2020

*The Honourable Speaker
House of Representatives
Gordon House
81 Duke Street
Kingston*

Dear Sir,

Pursuant to the provision of Section 112 (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 31st March 2020 for tabling in the House of Representatives.

The report is a compendium of the performance of the Auditor General's Department for the period December 2019 – November 2020 and all audits conducted up to November 2020.

Yours faithfully,

*Pamela Monroe Ellis (Mrs.)
Auditor General*

Issue/Concerns	Financial Exposure
Governance	
<p>Weaknesses in procurement process</p> <p>3.2.99. We were unable to satisfy ourselves that DCS received value from \$185 million paid to four contractors between 2016/17 and 2017/18 as the contracts, requisite procurement documents and minutes of procurement meetings were not presented for audit review. Owing to this, we did not obtain any assurance that DCS' contract award process, including the evaluation, recommendation and approval, was transparent and in keeping with the provisions set out in the Government of Jamaica (GOJ) Procurement Guidelines.</p> <p>3.2.100. Additionally, in breach of the GoJ Procurement Guidelines, DCS utilized the direct contracting methodology to award contracts, totalling \$55.6 million, to four contractors for the supply of uniforms. The contract values, which ranged between \$6.7 million and \$18.9 million, surpassed the approved direct contracting threshold of \$1.5 million, and required the use of the limited tendering and local competitive bidding methodologies. Further, two of the contractors whose contract values totalled \$25.6 million, did not possess valid Tax Compliance Certificates at the time of contract award.</p> <p>3.2.101. According to DCS records, the Commissioner approved the direct contracting to meet a deadline and avoid the payment in lieu of uniform. However, this highlights a lack of proper planning and weaknesses in DCS governance practices as an approaching timeline for an annual expenditure is not an appropriate justification for direct contracting. By circumventing the competitive process, DCS would have denied itself the opportunity of procuring the items at a more economic rate to achieve greater value for money.</p>	<p>\$185.0 million</p>