



ANY REPLY OR SUBSEQUENT REFERENCE
TO THIS COMMUNICATION SHOULD BE
ADDRESSED TO THE ACCOUNTANT GENERAL
AND NOT TO ANY OFFICER BY NAME AND THE
FOLLOWING REFERENCE NUMBER QUOTED

ACCOUNTANT GENERAL'S DEPARTMENT
MINISTRY OF FINANCE AND THE PUBLIC SERVICE BUILDING
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July 22, 2021

Mrs. Sheila Sealy Monteith, CD
Permanent Secretary
Ministry of Foreign Affairs and Foreign Trade
2 Port Royal Street
Kingston

Dear Mrs. Monteith,

Re: Pension Payment for Jamaican Pensioners Overseas via Missions and Consulates

The Accountant General's Department (AGD's) is seeking to have a governance arrangement with the Ministry of Foreign Affairs and Foreign Trade (MFAFT) regarding the processing of pension payment through the Consulates and Missions.

The AGD has been having ongoing discussions with the Ministry which commenced in 2020. A meeting was convened with representatives from both organizations on February 24, 2020 and subsequent letters dated June 30 and November 2020 have been sent (attached for review). This was in an effort to respond to the audit and to formalize the current arrangement of the payment process.

We are desirous of bring the matter to a resolution by agreement between both parties. Therefore, we are proposing the following arrangement:

The AGD shall provide:

- The Ministry with the payroll for all pensioners living in foreign countries once per year to reflect the changes in their pension payment resulting from the annual increase.
- Monthly updates to Missions and Consulates in relation to additions and terminations of overseas pensioners.
- The format and type of life certificate to be dispatched to its pensioners living in foreign countries. The life certificate distribution cycle will be advised by the AGD.

The AGD shall have the right to inspect the records pertaining to the pension payments. This request will be in keeping with the Ministry's protocols currently established.

The Ministry through its Missions and Consulates shall:

- On behalf of the AGD collect life certificates and conduct checks to verify the validity of the life certificates. These checks include verifying that the life certificates are duly signed by the pensioners, and signed and stamped/ authorized by a Notary Public.
- Withhold payment to the pensioner if there is non-submission of the life certificate after the end of the quarter or the expiration period.
- Disburse pension payments to pensioners designated as living overseas by the AGD.

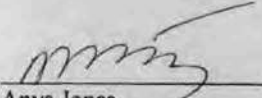
- Be responsible for making disbursement of pensions to these pensioners designated above on a monthly basis in keeping with the requirements of section 5.13.12 of the Financial Administration and Audit Act, Financial Instructions dated July 25, 2019.

We are available to provide clarification, if required.

Please indicate your acceptance of the agreement by signing below.

Signature and date

Sheila Sealy Monteith
Permanent Secretary



Anya Jones
Accountant General

Signature and date

Witness



Witness 26/9/2019



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November 3, 2020

Mrs. Viola Walton
Principal Financial Officer
Ministry of Foreign Affairs and Foreign Trade
21 Dominica Drive
Kingston 5

Dear Mrs. Walton

Re: Overseas Pensioner Payment Process

Further to our letter dated June 30, 2020, and with reference to the above captioned, the Auditor General's query report also stated the following:

2.1 For 2012/13 to 2016/17, over J\$608.7 million was paid to pensioners overseas. The AcGD did have any internal control systems in place to allow only eligible pensioners overseas to receive pension payment. Instead the Accountant Generals' Dept. relied on the Postal Corporation of Jamaica (PCJ) and the Missions/Crown Agents who both facilitated pension payments locally and overseas.

2.2 The practices involved in the overseas pension payment process were not consistent with the operations of the local Pension Payment Process. Example pension cheques were prepared by the Mission in Canada without first receiving the Life Certificate. Also, the Mission in New York and Canada paid pension quarterly to 379 and 6 pensioners respectively, instead of on a monthly basis. These Missions also deducted income tax in the computation of payroll while the Crown Agents in UK did not.

2.3 There was no standard procedure in place for information or reports to be submitted to the AcGD by the Missions. For instance, the March 2017 payroll, pension schedules reflecting payments totalling US\$54,745.89 or J\$6,862,834.61 for 139 pensioners paid by the Consulate in New York bore only names and amounts.

With regards to our meeting held on February 24, 2020, the following points were discussed by representatives for both entities :

- Representatives from the Ministry indicated that they are unable to locate the original documents pertaining to the arrangement between the Ministry and the AGD for the treatment of pensioner payroll processing. As such, we expressed our intention to maintain a term of reference in relation to this matter. We also requested Standard Operating Procedures (SOPs) relating to its pension payment processing by its Missions.
- We advise that a visit of the New York Mission is required in light of the findings noted in the Auditor General's report hence we request that this be actioned before the end of April 2020 so that an assessment of the pension payroll process is conducted. However, this was delayed given the COVID 19 pandemic and we are proposing that other communication mediums, such as, virtual meetings are utilized to facilitate this process. Thus, we are proposing a meeting for November 23, 2020.
- We expressed concerns surrounding the timeliness of payroll payments to pensioners at the New York Mission. The Ministry advised that it has been experiencing resource constraints and this has posed a challenge with the overseas pension payment process. Consequently, the Ministry advised that the New York Mission pays approximately 691 pensioners, over 300 are paid quarterly and over 200 monthly. The AGD noted that this was a concern, although warranted, should have been brought to attention earlier so that steps could be taken to handle this matter. The Ministry advised that it will provide an analysis of the costs it incurs to better inform and for further fulsome discussion.

It was also agreed by both entities that to avoid delays in the pensioner payments for the New York mission, the Ministry will provide the AGD with the listing of pensioners paid along with the reimbursement schedule in a timely manner.

There were other matters discussed included the following:-

- The Ministry advised of outstanding cheques that are being honoured by the Bank up to one year and six months. The local regulation for cheques is six months, the Ministry is being asked to provide confirmation from the Banks of its policy .
- The Ministry also advised that the AGD explores alternatives to facilitate payments to the Jamaica Diaspora, such as, facilitating direct payments to pensioners using foreign banking relationships and the submission of life certificates directly to pensioners. The AGD considered this option and is seeking the Ministry's advice to acquire the necessary banking and social security information. The AGD also advised its intention to obtain new pension payroll software that may facilitate this process in the future. However, there is no definitive timeframe for the overseas payment facility.

We do appreciate the efforts made to make this meeting possible, as this was necessary to ensure the efficiency and effectiveness in the mandates of both entities. Consequently, we look forward to continued communication, with a view to foster a fruitful relationship moving forward.

Regards,



Nicole Clarke (Ms)
Deputy Accountant General
Financial Operations

cc: Patricia Bernard Greaves, Director, Pensions and Centralized Salaries



CONSULATE GENERAL OF JAMAICA - NEW YORK

LIFE CERTIFICATE
OCTOBER – DECEMBER 2021

NAME IN FULL

ADDRESS:

EMAIL:

TELEPHONE NO:

THIS CERTIFICATE SHOULD BE RETURNED FOR BENEFITS TO BE PAID

PENSIONER SIGNATURE:

I hereby certify that:

Whose signature is affixed above, appeared before me this

Day of 2021

To be signed by a Notary Public

Address:

QUALIFICATION:

STAMP OR SEAL: DATE:

To ensure proper dispatch of cheques, please forward Life Certificates
by the 10th of October