



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*

HEAD 26000: MINISTRY OF NATIONAL SECURITY - FIREARM LICENSING AUTHORITY

Issue/Concerns	Financial Exposure
Governance	
Resource Management	
<p>Excess Termination Payments in breach of the Ministry of Finance Guidelines</p> <p>3.2.88. The FLA paid five former employees a total of approximately \$8.4 million in termination benefits in excess of the amounts due under their employment contracts and in breach of the Ministry of Finance Circular No. 15 dated May 8, 2012 - Fixed Term Contract Officers Policy Guidelines. The FLA terminated the employment of these individuals in 2017 and paid them notice pay ranging from three months to twenty months and gratuity without the requisite performance evaluations. One officer was also paid three months' travelling allowance as part of his termination package. The termination</p>	<p>\$8.4 million</p>

Issue/Concerns	Financial Exposure
Governance	
Resource Management	
<p>agreements for four of the former employees did not indicate why the employees were terminated and management did not provide any evidence of the reasons for their termination. The other employee was terminated with immediate effect after tendering his resignation and giving the FLA three months' notice.</p> <p>3.2.89. Management indicated that "in accordance with clause 9(i) of the said policy, the Firearm Licensing Authority (FLA) entered into mutual agreement (separation agreement) with four (4) employees" and "the mutual agreement facilitated changes in the terms and conditions of the existing contracts of the individuals and was done prior to the expiration of their original contracts. It was on this basis that the FLA made payments to these four (4) employees".</p> <p>3.2.90. However, the evidence presented revealed that the referenced agreements were separation agreements, which resulted in the immediate termination of the officers' employment contracts and did not facilitate changes in employment terms and conditions as intended by clause 9 (i). Additionally, FLA did not provide any evidence that the Ministry of Finance and the Public Service gave permission for any material changes to the contracts of these former employees as required by clause 10 (iii) of Circular No. 15.</p> <p>3.2.91. Management was reminded that those charged with the governance of the FLA are required to act in accordance with the guidelines issued by the Minister responsible for the public service in all matters relating to emoluments payable to staff in keeping with Section 20 of the Public Bodies Management and Accountability Act. Payment of termination benefits contrary to the Ministry of Finance guidelines exposes the FLA to an increased risk of loss and action may be taken against the responsible officers in keeping with the Public Bodies Management and Accountability Act.</p>	