



# **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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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 31<sup>st</sup> 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
<b>Governance</b>	
<p><b>Outstanding amounts owed to Government entities</b></p> <p>3.2.17. RGD was not faithfully paying over to the Tax Administration Department and the Accountant General’s Department statutory deductions, and net surplus on operations. RGD’s records disclosed that the Agency owes the Consolidated Fund and Tax Administration of Jamaica (TAJ) \$102.27 million for protracted periods spanning more than five years. This amount comprises \$14.09 million in unpaid PAYE deductions and \$88.18 million representing unremitted surplus for period 2015 to 2017. The GoJ guidelines and the EA Act require entities to pay over statutory deductions and 50 per cent surplus five working days after the date it was deducted and three months after the financial year in which the surplus was earned. RGD indicated that TAJ agreed to a payment plan with the Agency in 2016; whereby the Agency will make equal monthly instalment of \$2 million until the amount is cleared. However, the Agency records revealed that only five of the 12 monthly payments were made during the period.</p> <p><b>Recommendations</b></p> <p>3.2.18 RGD was advised to implement proper systems that will ensure review and reporting of the Agency KPIs is in keeping with the stipulated guidelines.</p> <p>3.2.19 Management was also encouraged to review and streamline its business processes in an effort to improve the Agency’s cash flow so that outstanding obligations can be met when they fall due.</p> <p>3.2.20. RGD has since advised that the Agency intends to resume the \$2m payments to TAJ in the 4<sup>th</sup> quarter of FY (2020-2021) as it experienced a drastic reduction in revenue for the period March to June 2020 mainly due to Covid-19 and its attendant challenges. The RGD is still trying to recover while trying to honour all our liabilities.</p> <p>3.2.21. The Agency acknowledged its failure to remit to the Accountant General’s Department the 50 per cent net surplus for the years identified and explained that it is extremely difficult to comply, as there have been dire cash flow constraints and the volume of liabilities to be settled from the limited cash available also presented a challenge.</p> <p>3.2.22. RGD indicated that it is cognizant of its obligations to settle and is trying as best as is possible to make payments to the Accountant General’s Department in the soonest possible time. The Agency also advised of its intention to engage the Executive Agency Monitoring Committee of the Ministry of Finance and the Public Service to seek advice on how to treat this matter.</p>	