



# **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  
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*December 30, 2020*

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

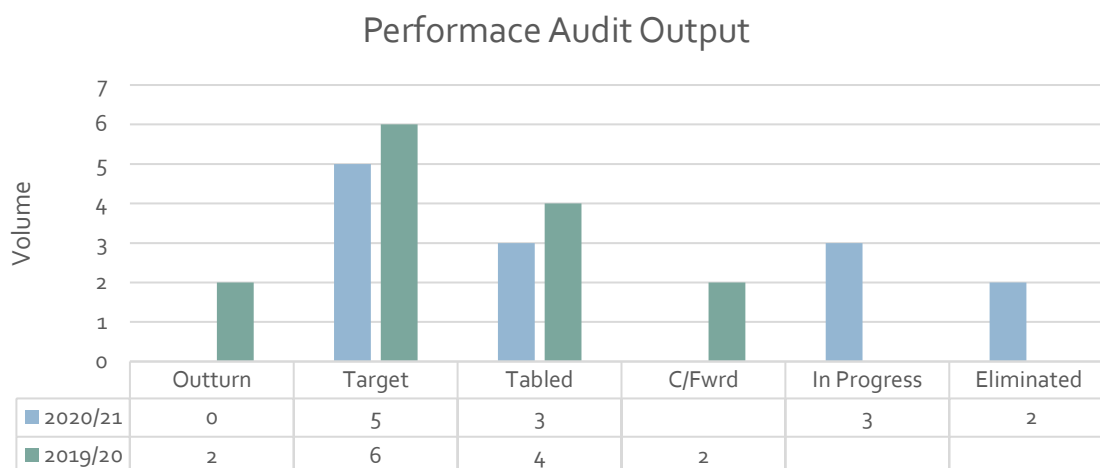
*Dear Sir,*

*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*



**Figure 9: Performance Audit Output**

## OUR FINDINGS

2.3.6. As in previous years, we found deficiencies in Governance practices, particularly monitoring and oversight, and the absence of internal controls that undermined the efficiency and effectiveness of some MDAs. In addition, limited adherence to Government procurement guidelines as well as weak contract management denied the achievement of value from money (VFM) spent on projects. A comparative review of findings from the audits of the management systems for roads under the purview of RADA, St Catherine and Kingston & St Andrew municipal corporations, revealed common weakness which raised concerns regarding the efficient and effective use of resources in undertaking project, such that the Government and citizens of Jamaica receive value for money. In all three instances, the audits revealed a lack of knowledge regarding the extent of the road network for which they were responsible, limited strategic direction from the municipal corporations in terms of targets and performance indicators, a lack of transparency in the award of contracts, weak oversight of road projects and deficiencies in testing to ensure completed works meet quality standards.

The audit sought to assess whether Government, through SCMC had a reliable quality management system for Jamaica's parochial roads; and whether SCMC had adequate systems of internal control to ensure that funds allocated for the rehabilitation/maintenance of road works were managed effectively to enable the delivery of roads that met quality standards and receipt of value for money.

### MANAGEMENT SYSTEMS FOR THE MAINTENANCE OF PAROCHIAL ROADS: ST CATHERINE MUNICIPAL CORPORATION (SCMC)

2.3.7. The audit revealed that the SCMC Council could not demonstrate that it provided strategic direction to enable the Corporation to achieve its objectives nor did it establish medium and long-term goals and performance targets to guide the entity's operation. For the last 5 years, the Council has not developed strategic, operational and procurement plans to guide parochial road repairs and maintenance. With no established service standards and KPIs, SCMC had no basis to determine performance and whether the targets were achieved. SCMC did not have a

comprehensive inventory of roads under its purview to inform the planning and appropriately

prioritize the use of limited resources for road maintenance and rehabilitation works. Further, the process of determining works to be carried out under the Roads in the Parish, Divisional Allocation and Lengthman programmes, lacked transparency.

2.3.8. SCMC failed to document the deliberations that informed decisions to guide the selection and approval of road projects and, by extension, the divisions that would benefit from road repairs. These records would have provided evidence of the requisite due diligence and consultations used to guide the selection of road projects. Deficiencies in record-keeping also limited verification that funds allocated from the Parochial Revenue Fund (PRF) were appropriately spent. Further, SCMC had limited information regarding its contract activities and due to the absence of a contract register, could not readily provide a list of the contracts entered into during the period under review. We identified 11 instances in relation to contracts with an aggregate value totalling \$15.4 million, for which SCMC permitted the commencement of works before agreements were signed. In these 11 instances, the dates on the supporting documents suggested that the SCMC accepted the supplier's offer after the contractors certified that the works were done.

2.3.9. Additionally, SCMC did not provide documentation related to the selection and award of the contractors for 55 road work projects, which had a combined value of \$121 million. Against this background, we could not determine how SCMC assured itself that it received value from funds spent. The Local Government (Financing and Financial Management) Act stipulates that the input of the public must be sought in determining the strategic direction of the corporation and the prioritization of limited resources. However, we saw no evidence that the SCMC consulted with the public in accordance with the Act.