



ANNUAL REPORT

AUDITOR GENERAL'S DEPARTMENT

2024

Report of The Auditor General on the Financial Transactions and Financial Statements of the Government of Jamaica for the Financial Year Ended March 31, 2024, and Performance Report of the Auditor General's Department.



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
QUOTED: -

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December 30, 2024

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

Dear Madam,

Pursuant to the provision of Section 122 (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 2024 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 2023-November 2024 and all audits conducted up to November 2024.

Yours faithfully,

Pamela Monroe Ellis (Ms.), JP, F.C.A., F.C.C.A.
Auditor General

<p>3.2.78. Notwithstanding, JCA was encouraged to implement a robust user account management policy, including periodic access reviews, segregation of duties, and unique login credentials, which is crucial in strengthening the JCA's Information Systems control environment.</p>	
<p>3.2.79. JCA has since advised that steps have being taken to strengthen its IT control environment to mitigate the risk identified.</p>	

HEAD 20011: MINISTRY OF FINANCE AND THE PUBLIC SERVICE – ACCOUNTANT GENERAL'S DEPARTMENT (AcGD)

ISSUE/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
Appropriation Accounts	
<p>3.2.80. During the period, I conducted the audit of the 2020/2021 Appropriation Accounts for the AcGD. The audit revealed that the Appropriation Accounts were prepared in keeping with the financial Administration and Audit Act. Notwithstanding, we advised Management to implement proper systems of controls that will ensure the AcGD consistently prepares bank reconciliation statement monthly and promptly clear the long outstanding reconciling items of \$367.2 million. This amount was identified on the reconciliation statements for five bank accounts. Further, the AcGD was not able to clear unverified credits totalling \$2.3 billion identified in the reconciliation process. These amounts represent direct bank deposits to the AcGD's bank account for which there are no supporting documents to identify the depositor and the purpose for the deposit.</p> <p>3.2.81. The delayed reconciliation of bank accounts, sometimes by up to nine months, breached the Government of Jamaica guidelines.</p> <p>3.2.82. The AcGD advised that a Project Team was deployed to address the matter. Accordingly, at the time of reporting (December 2024) the unidentified deposits balance had reduced to \$161.2 million while the longstanding reconciling amounts reduced to \$200.6 million.</p>	<p>\$367.2 million</p> <p>\$2.3 billion</p>
Statement of Receipts and Payments of the Contingencies Fund - Statement J	
<p>3.2.83. The audit of the 2021/2022 Statement of Receipts and Payments of the Contingencies Fund – Statement J revealed that the Statement gave a true and fair view of transactions for the period and were presented in keeping with the Financial Administration and Audit Act. However, we reminded the AcGD of the need to implement proper systems of control</p>	

ISSUE/CONCERNS	FINANCIAL EXPOSURE
<p>that will ensure interest earned are accounted for in a timely manner. AcGD has since taken steps to address this matter.</p> <p>Actual Expenditure from the Consolidated Fund Principal Bank Account as Compared with the Estimates of Expenditure - Statement C</p> <p>3.2.84. The audit of Statement C for the financial years 2019/2020 to 2021/2022 revealed a generally satisfactory state of affairs. However, we noted that even though the AcGD has the authorized Government Financial Management Information System (GFMS), the Department continues to use Excel spreadsheets to record transactions for Statement C. Section 8.5 (iv), of the Financial Instructions states that spreadsheet applications should only be used for internal management information and not for official accounting records. Management was encouraged to fast track the implementation of the GFMS to process transactions relating to Statement C as this will not only minimise the risks of data manipulation and errors but will also improve the efficiency in the preparation of the Statement.</p> <p>3.2.85. Management has taken steps to address the matter and advised that for the financial year 2024/2025, the GFMS will be used to generate Statement C.</p>	

HEAD 20056: MINISTRY OF FINANCE AND THE PUBLIC SERVICE – TAX ADMINISTRATION JAMAICA

ISSUE/CONCERNS	FINANCIAL EXPOSURE
RESOURCE MANAGEMENT	
<p>3.2.86. During the period I conducted the audit of TAJ's 2022/2023 Appropriation Accounts. The audit revealed a generally satisfactory state of affairs. However, we noted that the controls TAJ implemented over the preparation of salaries were still not effective in preventing overpayments. For the financial year 2022/23, TAJ overpaid salaries totaling \$15.077 million to 520 employees. This was in addition to the prior year's overpayment balances of \$717,000 to 74 employees. At the time of reporting, TAJ recovered most of the overpayments leaving a balance of \$17,555</p> <p>3.2.87. As reported in the previous audit, the contributing factors for the overpayments included tardiness by Human Resource Management in communicating salary adjustments to the payroll unit and payment of full motor vehicle upkeep to officers whose motor vehicle documents had expired. Though TAJ has recovered most of the overpayments, these loopholes further exposed TAJ to fraudulent payments in the payroll process</p>	