



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**

HEAD 42000: MINISTRY OF HEALTH AND WELLNESS - SUPPORT FOR THE HEALTH SYSTEMS STRENGTHENING FOR THE PREVENTION AND CARE MANAGEMENT FOR NON-COMMUNICABLE DISEASES PROGRAMME

ISSUE/CONCERNS	FINANCIAL EXPOSURE
PROJECT MANAGEMENT	
<p>3.2.158. During the period I conducted the audit of the financial statements for the Support for the Health Systems Strengthening for the Prevention and Care Management for Non-Communicable Diseases Programme (HSSP) for the period ended March 31, 2024.</p> <p>Project Outline</p> <p>3.2.159. The Support for the Health Systems Strengthening for the Prevention and Care Management for Non-Communicable Diseases Programme (HSSP) is funded by US\$50 million loan from the Inter-American Development Bank (IDB), and counterpart funding of US\$87.2 million by the Government of Jamaica. The loan of US\$50 million should be disbursed over a five-year period from December 07, 2018. However, approval was granted by Inter-American Development Bank to extend the completion date to March 24, 2027, to facilitate the completion of the Project activities.</p> <p>3.2.160. The objective of the HSSP, is aligned to Goal Number 1 and National Outcome number 1- “A Healthy and Stable Population” of the NDP, Vision 2030 - and the United Nations SDG Goal Number 3 - Good Health and Wellbeing , is to contribute to the improvement of the health of Jamaica’s population by strengthening comprehensive policies for the prevention of Non-Communicable (Chronic) Diseases (NCDs) risk factors and improved access to an upgraded and integrated primary and secondary health network in prioritised areas with an emphasis on chronic disease management, that provide more efficient and higher quality care.</p> <p>Main Findings</p> <p>3.2.161. The HSSP’s accounting records were properly maintained, expenditures were incurred in accordance with the Loan agreement and GOJ’s guidelines. Notwithstanding, the following matters of concern were brought to management attention for corrective action:</p> <p>Project Accomplishments</p> <p>3.2.162. As at March 31, 2024, the Project had cumulatively spent US\$25.8 million (19%) of the US\$137.2 million programme budget, since its implementation in 2019. Our review of the Project’s records revealed that the HSSP encountered several challenges in implementation due to poor planning in the project design and conceptualisation phase, coupled with the breakout of the COVID 19 Pandemic. Additionally, the Project Implementation Unit (PIU) cited delays in</p>	

ISSUE/CONCERNS	FINANCIAL EXPOSURE
<p>filling key positions due to difficulties in finding the required skill sets, impacting contract execution.</p> <p>3.2.163. Arising from these impeding factors, the Project was restructured. During the restructuring period which commenced in June 2022 and concluded in December 2023, the PIU reported that several critical activities were placed on hold until the agreement was signed.</p> <p>3.2.164. As at March 31, 2024, the PIU implemented 14 of the 19 restructured activities. The status at that time showed 6 activities completed, 8 in progress, and 5 not yet started. However, our assessment of whether these activities were meeting their targets was not possible, as up to the end of the audit, the PIU had not developed an implementation plan.</p> <p>Recommendation</p> <p>3.2.165. To ensure that the Project is completed on time and within budget, ultimately achieving its objectives and delivering value to the Jamaican citizens, management was advised to implement realistic timelines, consistently monitor the project activities and to support these activities with robust controls to mitigate potential issues that may arise during execution.</p> <p>3.2.166. Management accepted our recommendation.</p>	
RESOURCE MANAGEMENT	
<p>Withholding Taxes</p> <p>3.2.167. The MoHW failed to comply with the Tax Administration Department's guidelines by not deducting the required 3% withholding tax from payments to 40 consultants. This non-compliance with Tax Act resulted in \$6.52 million in taxes not being remitted as of March 31, 2024. The consultants were under contracts totalling approximately J\$581 million. This oversight not only resulted in a loss of revenue for the Government of Jamaica but also exposes the Project to potential penalties, including interest and surcharges.</p> <p>Recommendation</p> <p>3.2.168. Management was advised to deduct and pay over to the TAJ the requisite withholding taxes in keeping with the GoJ tax regulations.</p> <p>3.2.169. Management has accepted the finding and has begun steps to settle the outstanding amount. Additionally, they advised that the Ministry started collecting withholding taxes from all new consultants as of September 2024 and aims to bring all current consultants in line by March 31, 2025.</p>	<p>\$6.52 million</p>