



# 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 31<sup>st</sup> 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**

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><b>Actual Expenditure from the Consolidated Fund Principal Bank Account as Compared with the Estimates of Expenditure - Statement C</b></p> <p><b>3.2.84.</b> 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><b>3.2.85.</b> 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
<b>RESOURCE MANAGEMENT</b>	
<p><b>3.2.86.</b> 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><b>3.2.87.</b> 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>	

ISSUE/CONCERNS	FINANCIAL EXPOSURE
<p>and also places TAJ in a vulnerable position of not being able to recover the overpayments, especially from officers who separated from the entity. It is therefore crucial for TAJ to strengthen the controls over the payroll process to prevent and detect errors and irregularities.</p> <p><b>3.2.88.</b> TAJ subsequently advised that controls are being implemented to prevent continued overpayment.</p> <p><b>Untimely reconciliation of Bank Accounts</b></p> <p><b>3.2.89.</b> TAJ was not consistently reconciling the bank accounts on a timely basis as, contrary to GoJ requirement for monthly reconciliation of official bank accounts, TAJ took between 75 days and 219 days in some instances to complete bank reconciliation statements. Additionally, five bank reconciliation statements for March 2023 showed erroneous credits and debits totalling approximately \$696.6 million and \$52.5 million, respectively. Furthermore, the bank reconciliation statements for three bank accounts had unreconciled balances totaling \$14.5 billion. TAJ indicated that it faced difficulties obtaining the transaction details from the relevant banks.</p> <p><b>3.2.90.</b> The untimely reconciliation of TAJ’s bank accounts and clearing of the reconciling items heightens the risk of late or non-detection of irregularities. There is also the matter of inaccurate tax status information that could arise from the records not being current to reflect recent payments TAJ advised that the delay in the preparation of the bank reconciliation was due to high staff turnover in the bank reconciliation unit.</p> <p><b>Recommendations</b></p> <p><b>3.2.91.</b> Timely reconciliation is important for maintaining the integrity of financial records and ensuring the accuracy of tax information. Therefore, TAJ should establish robust financial controls that are aligned with a stringent monitoring system to mitigate the risks. TAJ should also ensure that the reconciling items are promptly investigated and cleared.</p> <p><b>3.2.92.</b> Management subsequently advised that the Agency continues to implement strategies aimed at reducing the level of unidentified deposits and reducing the time taken to resolve erroneous debits and credits made by the banks. Some of the measures include the introduction of the DFTN (Direct Funds Transfer Number) process, which requires taxpayers to generate a DFTN prior to making a transfer to TAJ’s bank account; implementation of guidelines to address the issue of unidentified deposits; and integration of systems between TAJ, eGov, and the Accountant General’s Department.</p> <p><b>3.2.93.</b> Up to the time of reporting TAJ brought the reconciliation statements of the mentioned bank accounts up to date. However, in October and</p>	<p>\$749.1 million</p> <p>\$14.5 billion</p>

ISSUE/CONCERNS	FINANCIAL EXPOSURE
November 2024, the erroneous credits and debits increased to approximately \$198.7 million and \$909.3 million, respectively for the five bank reconciliation statements.	

#### HEAD 20060: MINISTRY OF FINANCE AND THE PUBLIC SERVICE - FINANCIAL INVESTIGATIONS DIVISION

ISSUE/CONCERNS	FINANCIAL EXPOSURE
<b>RESOURCE MANAGEMENT</b>	
<p><b>3.2.94.</b> During the period, I conducted the audits of the 2018/2019, 2019/2020 and 2020/2021 financial statements of the Financial Investigations Division. The audit revealed a generally satisfactory state of affairs.</p>	

#### HEAD 26000: MINISTRY OF NATIONAL SECURITY – FIREARM LICENSING AUTHORITY

ISSUE/CONCERNS	FINANCIAL EXPOSURE
<b>RESOURCE MANAGEMENT</b>	
<b>INFORMATION AND COMMUNICATION TECHNOLOGY</b>	
<p><b>3.2.95.</b> During the period under review, I completed the audit of the financial statements of the Firearm Licensing Authority for the financial year 2019/2020. The audit revealed that there was a breakdown in the controls over the reconciliation of closing and opening balances, management of property, plant and equipment (PPE), revenue recognition, access to the accounting system and the preparation of journals. The Authority also did not have an effective and efficient system to provide the requisite audit schedules and supporting documents in a timely manner for amounts included in its financial statements. This resulted in significant delays in the finalisation of the audit of the 2019/2020 financial statements.</p> <p><b>3.2.96.</b> Management has since taken steps to strengthen the relevant controls.</p>	