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.

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 QUOTED: -

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

ISSUE/CONCERNS	FINANCIAL EXPOSURE
St. James Municipal Corporation **3.2.264.** The audit of the financial statements of the St. James Municipal Corporation (SJMC) for the 2014/2015, 2015/2016, 2016/2017 and 2017/2018 financial years revealed the following areas of concern: **Limitation of scope due to the unavailability of accounting records** **3.2.265**. I was unable to express an opinion on the financial statements due to the pervasive absence of sufficient and appropriate audit evidence to support the transactions, account balances and disclosures in the financial statements. **3.2.266.** The Management of the SJMC reported that the Corporation was unable to provide the relevant accounting records to support the significant account balances, transactions, and disclosures in the financial statements, due to a system failure, which resulted in the loss of accounting information for the periods under review. Additionally, management indicated that they were unable to locate some of the supporting documents, due to the passage of time. As a result, I was unable to perform key audit procedures to determine whether the transactions, account balances, and disclosures were fairly presented in the financial statements. **Non-Compliance with the applicable financial reporting framework** **3.2.267.** The SJMC has not yet implemented an accrual accounting system based on International Public Sector Accounting Standards (IPSAS) as required by the Local Government (Financing and Financial Management) Act, which became effective March 1, 2016. The Corporation was still operating under the modified accrual framework for the 2016/2017 and 2017/2018 financial years and as such, some account balances may be materially misstated and the financial statements are not in compliance with the applicable financial reporting framework i.e., IPSAS. **3.2.268.** The Ministry of Local Government and Community Development has since written to the Financial Secretary for further guidance on the way forward. **Weak Information Technology (IT) Control Environment** **3.2.269**. The Corporation did not have any documented policies in place to address the significant IT related risks that impact its financial reporting process. Notwithstanding a previous failure in its IT system resulting in the loss of accounting information, management has not yet implemented the relevant policies and procedures governing areas such as disaster recovery and business continuity, IT security, access controls, and change management in order to reduce the risk of further loss.	Cash & Cash Equivalents $271.7 million Revenue $4.79 billion Expenditure $4.99 Billion

ISSUE/CONCERNS	FINANCIAL EXPOSURE

Preparation and review of Cabinet Submission	April 29-May 16, 2025	
Approval from Cabinet	June 9-16, 2025	
Contract award, preparation, and review	June 17, 2025 – July 28, 2025	

Outstanding Financial Statements

3.2.277. At the time of this report, the responsible officers have not submitted a total of 86 financial statements *(Table 25)* as required by the Local Government (Financing and Financial Management) Act.

Table 25

Municipal Corporations	Years	Total outstanding	Response
St. Mary Municipal Corporation	2016/2017 - 2023/2024	8	• *The Corporation still does not have dedicated/specific internal personnel to work on the statements.* • *Frequent staff turnover has negatively impacted speedier reduction of the outstanding statements as new staff takes time to be trained to carry out the related tasks needed.* • *The contractor engaged to upload the information so that the backlog statements can be compiled has been working assiduously with us to ensure correctness of records and information.* • *Internet connectivity issues at the Corporation and between the Corporation and our consultant are impacting the adherence to the previous timelines set for submission.* • *We will endeavor to resolve the issues we can, to ensure the submission of the remainder of statements are on track.* • *2016/2017 financial statements is 90% completed and is to be submitted by the end of January 2025.* • *2017/2018 financial statements will be completed by the end of March 2025.* • *2019/2020 to 2023/2024 - two statements per year proposed to be submitted.*
Portmore City Municipality	2021/2022 - 2023/2024	3	No response
Hanover Municipal Corporation	2019/2020 - 2023/2024	5	No response
Westmoreland Municipal Corporation	2014/2015 - 2023/2024	10	No response

ISSUE/CONCERNS				FINANCIAL EXPOSURE
St. Thomas Municipal Corporation	2013/2014 - 2023/2024	11	No response	
St. James Municipal Corporation	2019/2020 - 2023/2024	5	No response	
Portland Municipal Corporation	2021/2022 - 2023/2024	3	• *2021/2022 –will be submitted by March 2025.* • *2022/2023 & 2023/2024 – will be submitted by July 2025.* *To meet these commitments staff from the Accounting Department have committed to carry out these duties over the weekends, due to limited staff and heavy workload. The Corporation is committed to completing all outstanding statements as mentioned.*	
St. Elizabeth Municipal Corporation	2023/2024	1	No response	
Clarendon Municipal Corporation	2016/2017 - 2023/2024	8	No response	
Kingston and St. Andrew Municipal Corporation	2016/2017 - 2023/2024	8	No response	
Trelawny Municipal Corporation	2021/2022 - 2023/2024	3	*Financial Statements for the years 2021/2022, 2022/2023 and 2023/2024 (with some outsourcing assistance) are projected to be completed and submitted in the required IPSAS format by July 31, 2025.*	
St. Catherine Municipal Corporation	2020/2021 - 2023/2024	4	No response	
Manchester Municipal Corporation	2023/2024	1	No response	
St. Ann Municipal Corporation	2009/2010 - 2023/2024	15	No response	
Parochial Revenue Fund	2023/2024	1	The 2023/2024 financial statements will be submitted before the end of January 2025. The delay was due to the late receipt of outstanding documentation from a financial institution.	
Total Financial Statements Outstanding		**86**		