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.

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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
Clarendon Municipal Corporation **3.2.242.** The audit of the financial statements of the Clarendon Municipal Corporation (CMC) for the 2011/2012, 2012/2013, 2013/2014 and 2014/2015 financial years revealed the following area of concern: ***Limitation of scope due to lack of sufficient appropriate audit evidence***	
3.2.243. 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. Management indicated that due to the age of the financial statements, there were significant challenges in providing some source documents within the timeframe in which the audit needed to be executed. 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. **3.2.244.** Management indicated that the "*timeline given by the audit team in which the audit should be completed, the timelines in which to submit requested documentation/records, the inadequacy of the present Accounting Software to produce the General Ledger in the format acceptable by the Audit team, coupled with the difficulties experienced in retrieving the aged documentation/records from the Corporation's offsite storage facility and the lack of the required staffing to carry out the financial reporting functions, impaired the Corporation's ability to meet the deadlines in which to provide the necessary supporting documentation/records to support the audit exercise. Management, therefore, was in support of the view shared by the audit team that these challenges would impact the audit to conclude the accuracy of the Financial Statement for financial year 2011-2015 hence, the proposed Modified Audit Opinion was accepted*". **3.2.245**. Having reviewed the Corporation's response, I disagree with management's assertion that the timeline given to provide the relevant documents/records was inadequate. Our records revealed that a letter, dated 2017 October 18, was sent to the CMC requesting the relevant documents to facilitate the audits for the financial years 2008/2009 to 2012/2013. The fieldwork for these audits was scheduled to end on 2018 January 26. However, as at 2018 February 16, the audits for financial years 2010/2011 to 2012/2013 were delayed due to management's failure to provide the relevant documents in a timely manner to facilitate the completion of the audit of the 2010/2011 financial statements. This despite previous commitments from the KLX to provide the relevant documents to facilitate the completion of the audits within the planned timeline. **3.2.246.** A follow up letter, dated 2022 November 7, was sent to the CMC requesting information for the financial years 2010/2011 to 2014/2015. This	Cash and Cash Equivalents $385.9 million Revenue $1.07 billion Expenditure $2.42 billion

<table>
<tr><th>ISSUE/CONCERNS</th><th>FINANCIAL EXPOSURE</th></tr>
<tr><td>was followed by a letter, dated 2022 December 9, from the Permanent Secretary in the Ministry of Local Government to all Municipal Corporations, requesting that the Chief Executive Officers give priority to completing all the outstanding financial statements. A meeting was subsequently held on 2023 August 8 between the audit team and the management of the CMC where the audit approach and the proposed timeline for the audits were discussed. The Minutes of that meeting did not record any objections from management in relation to the proposed timeline. Despite attempts to complete these audits starting from as far back as 2017, management was still not able to provide sufficient and appropriate evidence to support all the relevant transactions and balances selected for testing.</td><td></td></tr>
<tr><td><u>Trelawny Municipal Corporation</u>

3.2.247. The audit of the financial statements of the Trelawny Municipal Corporation (TMC) for the 2015/2016 and 2016/2017 financial years revealed weaknesses in the controls over accounting for staff costs and liabilities.

3.2.248. Management has since indicated that steps will be taken to strengthen the relevant controls.</td><td>$364.08 million</td></tr>
<tr><td><u>Westmoreland Municipal Corporation</u>

3.2.249. The audit of the financial statements of the Westmoreland Municipal Corporation (WMC) for the 2013/2014 financial year revealed the following area of concern:

Limitation of scope due to the absence of sufficient appropriate supporting documents/records

3.2.250. 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.

3.2.251. The management of the WMC reported that the Corporation was unable to locate/retrieve some financial documents/records due to them being illegible, damaged, or lost. As a result, I was unable to perform key audit procedures to determine whether the significant account balances and transactions were fairly presented in the financial statements.</td><td>Cash & Cash Equivalents
$36.2 million

Revenue
$250.6 million

Expenditures
$416.5 million</td></tr>
<tr><td><u>St. Thomas Municipal Corporation</u>

3.2.252. The audit of the financial statements of the St. Thomas Municipal Corporation (STMC) for the 2011/2012 financial year revealed the following area of concern:</td><td></td></tr>
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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**		