



# 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><b>3.2.54.</b> Though the Forestry Department has submitted its accrual financial statements up to the 2020/2021 financial year along with two of the previously reported outstanding Appropriations Accounts, the Agency's Accounting Officer did not submit 11 Appropriation Accounts<sup>2</sup>.</p> <p><b>3.2.55.</b> Management has since indicated that steps will be taken to submit the outstanding accounts before the end of the 2024/2025 financial year.</p> <p><b>Table 11: Budgetary Allocation to the Forestry Department</b></p> <table border="1" data-bbox="380 548 1031 974"> <thead> <tr> <th>Financial Year</th> <th>Approved Budget [Gross] (\$)</th> </tr> </thead> <tbody> <tr> <td>2023/2024</td> <td>1,631,906,000</td> </tr> <tr> <td>2022/2023</td> <td>1,462,663,000</td> </tr> <tr> <td>2021/2022*</td> <td>1,184,168,000</td> </tr> <tr> <td>2020/2021*</td> <td>1,045,127,000</td> </tr> <tr> <td>2019/2020</td> <td>1,085,718,000</td> </tr> <tr> <td>2018/2019</td> <td>919,281,000</td> </tr> <tr> <td>2017/2018</td> <td>679,621,000</td> </tr> <tr> <td>2016/2017</td> <td>638,687,000</td> </tr> <tr> <td>2015/2016</td> <td>621,915,000</td> </tr> <tr> <td>TOTAL</td> <td>9,269,086,000</td> </tr> </tbody> </table> <p><i>*Heads 19046 &amp; 21046</i></p>	Financial Year	Approved Budget [Gross] (\$)	2023/2024	1,631,906,000	2022/2023	1,462,663,000	2021/2022*	1,184,168,000	2020/2021*	1,045,127,000	2019/2020	1,085,718,000	2018/2019	919,281,000	2017/2018	679,621,000	2016/2017	638,687,000	2015/2016	621,915,000	TOTAL	9,269,086,000	\$9.3 billion
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#### HEAD 19048: NATIONAL ENVIRONMENT AND PLANNING AGENCY - INTEGRATED WATER, LAND AND ECOSYSTEMS (IWEco) PROJECT

ISSUE/CONCERNS	FINANCIAL EXPOSURE
<b>PROJECT MANAGEMENT</b>	
<p><b>3.2.56.</b> During the period I conducted the audit of the Integrated Water, Land and Ecosystem (IWEco) Project for the four-year period ended December 31, 2022.</p> <p><b>3.2.57.</b> The Integrated Water, Land and Ecosystem (IWEco) Project is financed by the United Nations Environmental Programme (UNEP) under the Global Environment Facility (GEF) grant of US\$3.114 million. The Project is also Co-financed by US\$10.343 million from various agencies and counterpart funding of US\$43.8 million provided by the Government of Jamaica. The UNEP grant of US\$3.114 million should be disbursed over a four-year period from May 31, 2018, when the agreement was signed. However, approval was granted by UNEP to extend the completion date to September 30, 2024, to facilitate the completion of the Project activities.</p>	

<sup>2</sup> The Forestry Department's accrual based financial statements up to the 2020/2021 financial year have been submitted for audit. The 2019/2020 and 2020/2021 financial statements were being audited at the time of this report.

ISSUE/CONCERNS	FINANCIAL EXPOSURE
<p><b>3.2.58.</b> The objective of the Project which is aligned to Outcome Number 13- Sustainable Management and use of Environmental and Natural Resources of the National Development Plan, Vision 2030, and Goal number 15 - Life on Land of the United Nation (UN) Sustainable Goals (SDG) is to promote conservation of internationally significant wetland biodiversity through the restoration of wetland ecosystem services and sustainable use of wetland biological resources. The three-fold overall goal of the Project is to (1) restore historical hydrological and other physical processes, (2) enhance and re-establish native vegetation communities to provide habitat to wetland fauna, (3) eliminate conflicts that degrade ecosystem functions and (4) implement institutional arrangements to ensure the long-term sustainability of wetland biological resources.</p> <p><b>Main Findings</b></p> <p><b>3.2.59.</b> The audit disclosed that the Project’s accounts were properly maintained, expenditure transactions were supported by adequate documentation and were incurred in accordance with the objectives of the Grant agreement and GOJ’s guidelines. Notwithstanding, NEPA the implementing Agency, was encouraged to address the inadequacies in the management of its logical access controls to ensure compliance with the GOJ IT Security Policy and to strengthen the network and application security to prevent exposure of NEPA’s financial information.</p> <p><b>3.2.60.</b> NEPA has since taken steps to address the inadequacies identified in the management of the logical access controls.</p> <p><b>Status of Project Activities</b></p> <p><b>3.2.61.</b> At December 31, 2022, NEPA completed 16 of the 45 project activities and utilized US\$1.1M or 36.67 per cent of the grant fund, since the implementation of the IW Eco Project in 2018. We also noted that 5 activities were not started, 9 were in progress and 15 were discontinued. Due to delays in implementation of the Project activities, the audit noted that the completion date was extended in three instances from its original end date of May 31, 2021, to September 30, 2024. Also, arising from a peer review carried out by the UNEP, the Project was rescope to 6 activities to ensure completion within the extended timeline.</p> <p><b>3.2.62.</b> The slow implementation of the Project activities was attributed to resignation of the Project Officer, delays in filling the position along with other key posts, impacting the execution of the contracts. We also noted slippages of up to 2 years to complete activities, which the Agency ascribed to the passage of the COVID 19 Pandemic, the lengthy procurement process as well as the 18 months taken to complete the peer review.</p>	

ISSUE/CONCERNS	FINANCIAL EXPOSURE
<p><b>3.2.63.</b> The delays in the completion of the project activities increase the risk of the project not achieving its intended objectives within the agreed timeline. This also increases the risk of the project losing grant funding which would result in reliance being placed of the Consolidated Fund to complete the outstanding activities.</p> <p><b>Recommendation</b></p> <p><b>3.2.64.</b> Considering the IWEco Project is intrinsically aligned to Outcome #13-Sustainable Management and use of Environmental Natural Resources the NDP Vision 2030 and UN SDG Number #15 - Life on Land, it is important that NEPA review the Project monitoring and evaluating system with the aim of implementing strategies that will ensure the agreed targets are completed within the stipulated timeframe and mitigate the risk of the Project losing grant funding.</p> <p><b>3.2.65.</b> Subsequent to the audit, the Project completed 4 of the 6 rescoped activities. NEPA advised that for one (1) activity, the available timeline based on the disbursement of funds (August 2024) would not have allowed for the completion of the activity. The sixth activity, which is the audit of the second phase of the Project, has not commenced, as the Draft Financial Statements for the 2023 and 2024 Financial Years were not received.</p>	

#### HEAD 20000: MINISTRY OF FINANCE AND THE PUBLIC SERVICE – FOUNDATIONS FOR COMPETITIVENESS AND GROWTH PROJECT (FCGP) 2024

ISSUE/CONCERNS	FINANCIAL EXPOSURE
<b>PROJECT MANAGEMENT</b>	
<p><b>3.2.66.</b> During the period I conducted the audit of the Foundations for Competitiveness and Growth Project (FCGP) financial statements for the period ended July 31, 2024.</p> <p><b>Project Overview</b></p> <p><b>3.2.67.</b> The Foundations for Competitiveness and Growth Project (FCGP) is funded by a loan of US\$50 Million from the World Bank (IBRD). The Loan was designated to be disbursed over a six-year period, September 3, 2014, to June 30, 2020. However, the Project received an extension to May 2022 to facilitate the completion of the outstanding deliverables. After this extension, approval was granted for additional financing (AF) of US\$15 Million, comprising a US\$10 Million loan from the World Bank and US\$5 Million from the GOJ Consolidated Fund, resulting in the completion date being extended to March 2024. The period April 2024 to July 2024 was used as the close out period to administer final payments relating to the project.</p>	