

MINISTRY PAPER 18/15  
STATISTICAL INSTITUTE OF JAMAICA  
ANNUAL REPORTS  
FOR FINACIAL YEARS ENDED MARCH 31, 2011, 2012 AND 2013

## 1.0 INTRODUCTION

1.1 The matter for tabling in the Houses of Parliament is the Annual Reports for the Statistical Institute of Jamaica (STATIN) for years ended March 31, 2011, 2012 and 2013. The entity was established under the Statistics (Amendment) Act 1984. The Institute is vested with all the powers formerly held by the Department of Statistics (previously the Bureau of Statistics), along with other powers.

1.1.2 The Institute's mission is to provide on a timely and cost effective basis, a comprehensive body of reliable and accurate statistical information which meets recognised international standards. Its main functions include collecting, compiling, analysing, abstracting and publishing national statistical information relating to the commercial, industrial, socio-economic and general activities of Jamaicans. STATIN also conducts any census in Jamaica.

## 2.0 DISCLOSURES

### 2.1 Auditor's Report

2.1.2 The auditors, Paul Goldson & Company (for 2010/11) and UHY Dawgen Chartered Accountants<sup>1</sup> (for 2011/12 and 2012/13) gave their unqualified opinion for the three reporting periods. The auditors stated that proper accounting records were kept and that the financial statements which are in agreement therewith, give a true and fair view of the state of affairs of the Institute for those years. The auditors also noted that the financial statements were prepared in accordance with the International Financial Reporting Standards and complied with the provisions of the Statistics (Amendment) Act 1984.

### 2.2 Compensation for Senior Executives and Directors

2.2.2 Pursuant to the Second Schedule (Part 1) of the Public Bodies Management and Accountability Act (Amendment 2011), the Annual Reports include details of the compensation packages for the executive managers and directors. The emoluments in respect of the eleven (11) Senior Executives were \$52.69 million (2010/11), \$52.73 million (2011/12) and \$65.7 million (2012/13). Total emoluments accounted for 16.09% of total employee expenses in 2010/11 (2011/12: 12.09% and 2010/11: 14.85%). Compensation paid to directors amounted to \$0.53 million (2010/11), \$0.28 million (2011/12) and \$0.39 million (2012/13).

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<sup>1</sup> Incorporating Paul Goldson & Co.

### 3.0 OPERATIONAL REVIEW

3.1 During 2012/13, STATIN implemented its data collection system (eDACS) which was developed in-house. The system is aimed at re-engineering the data collection process, for efficiency and effectiveness. Additionally data collection costs are expected to decline. Other notable activities over the review period are outlined in Table 1.

**Table 1 Major Activities in financial years 2010/11, 2011/12 and 2012/13**

|   |   |
|---|---|
| Population and Housing Census                                     | Jamaica conducted its fourteenth Population and Housing Census in 2011/12. The findings were released on October 17, 2012. The census revealed a population count of 2,697,983 (2001 census: 2,607,632).  |
| Labour Force Survey   | The objectives of the survey are to determine the levels and rates of employment and unemployment for persons 14 years and over, in private households. Data at the end of October of each financial year, show that the unemployment rate rose by 0.8% to 12.8% in 2011/12 and remained at that level for 2012/13. However that for youth (14-24 years old) grew from 30.9% to 35.3% over the period.  |
| Implementation of the System of National Accounts 2008 (2008 SNA) | The 2008 SNA is the latest version of the international statistical standard for the national accounts, adopted by the United Nations Statistical Commission which oversees the work of the United Nations Statistical Division (UNSD). As part of a global initiative by the UNSD, a seminar was held between January and February 2013 towards developing a programme for the Implementation of the 2008 SNA, as well as supporting statistics for CARICOM Countries. This seminar was part of the technical assistance provided by the UNSD to enhance statistical capacity building in the region to alleviate the difficulties faced by the countries in the implementation of some recommendations of the 2008 SNA. Jamaica is expected to produce its first set of GDP estimates (based on the SNA 2008) in 2015/16. |
| National Youth Survey   | This survey was the first of its kind to be conducted in Jamaica and was undertaken between August 2010 and March 2011. The survey presented a situational analysis of Jamaican youth (those of the street compared to those in households) and should facilitate an assessment of the effectiveness of new and existing youth programmes and policies. The final report was launched in 2011/12 and workshops held to sensitise the public to the finding and address the challenges presented by the survey   |
| Multiple Indicators Cluster Survey (MICS)                         | UNICEF supported the fourth round of this survey in 2011. MICS findings have been used extensively as a basis for policy decisions and programme interventions as it relates to women and children. STATIN completed the related Report and submitted it to the client in 2011/12.  |

## 4.0 FINANCIAL HIGHLIGHTS

**Table 2: Income and Expenditure Statement (\$ million)**

| Particulars                      | 2012/13       | 2011/12        | 2010/11       | 2009/10       | Variance      |               | Variance      |                | Variance      |               |
|----------------------------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|
|                                  |               |                |               |               | 11/12 - 12/13 |               | 10/11 - 11/12 |                | 09/10 - 10/11 |               |
|                                  |               |                |               |               | \$            | %             | \$            | %              | \$m           | %             |
| <b>Income:</b>                   |               |                |               |               |               |               |               |                |               |               |
| Government Grants                | 579.54        | 540.92         | 552.20        | 548.68        | 38.62         | 7.14          | -11.28        | -2.04          | 3.52          | 0.64          |
| Surplus on closed projects       | 13.68         | 41.69          | 8.98          | 3.00          | -28.01        | -67.19        | 32.71         | 364.25         | 5.98          | 199.33        |
| Other Income                     | 11.62         | 5.65           | 4.41          | 7.59          | 5.97          | 105.66        | 1.24          | 28.12          | -3.18         | -41.90        |
| <b>Total Income</b>              | <b>604.84</b> | <b>588.26</b>  | <b>565.59</b> | <b>559.27</b> | <b>16.58</b>  | <b>2.82</b>   | <b>22.67</b>  | <b>4.01</b>    | <b>6.32</b>   | <b>1.13</b>   |
| <b>Expenses:</b>                 |               |                |               |               |               |               |               |                |               |               |
| Compensation of Employees        | 408.35        | 436.08         | 354.91        | 352.01        | 27.73         | 6.36          | -81.17        | -22.87         | -2.90         | -0.82         |
| Travelling and Other Benefits *  | 110.76        | 93.41          | 97.79         | 95.04         | -17.35        | -18.57        | 4.38          | 4.48           | -2.75         | -2.89         |
| Purchase of goods/other services | 24.24         | 20.04          | 16.40         | 20.72         | -4.20         | -20.96        | -3.64         | -22.20         | 4.32          | 20.85         |
| Rent                             | 70.48         | 64.11          | 59.79         | 52.59         | -6.37         | -9.94         | -4.32         | -7.23          | -7.20         | -13.69        |
| Depreciation                     | 29.82         | 31.78          | 32.00         | 31.49         | 1.96          | 6.17          | 0.22          | 0.69           | -0.51         | -1.62         |
| Other Expenses                   | 53.60         | 54.35          | 43.16         | 42.38         | 0.75          | 1.38          | -11.19        | -25.93         | -0.78         | -1.84         |
| <b>Total Expenses</b>            | <b>697.25</b> | <b>699.77</b>  | <b>604.05</b> | <b>594.23</b> | <b>2.52</b>   | <b>0.36</b>   | <b>-95.72</b> | <b>-15.85</b>  | <b>-9.82</b>  | <b>-1.65</b>  |
| <b>Net Deficit</b>               | <b>-92.41</b> | <b>-111.51</b> | <b>-38.46</b> | <b>-34.96</b> | <b>19.10</b>  | <b>-17.13</b> | <b>-73.05</b> | <b>-189.94</b> | <b>3.50</b>   | <b>-10.01</b> |

\* travelling, subsistence, pension and insurance benefits

4.1 Table 2 indicates that STATIN's income increased by \$39.25 million over the 3-year period. Notwithstanding, earnings were inadequate to cover expenses. For 2010/11, the net deficit incurred was \$38.46 million. The deficit deteriorated to \$111.51 million for 2011/12, with improvement to -\$92.41 million recorded in 2012/13. The fluctuating results were due primarily to movements in staff compensation levels, attributed to the implementation of the 7% salary adjustment in 2011/12. Further, arrears were paid for the period April 2011 to August 2012. Consequently, compensation costs of \$436.08 million were incurred in 2011/12 (2010/11:\$354.91 million).

4.2 Other cost increases of note over the period, include those for travelling and other benefits, as well rent, which rose by \$12.97 million and \$10.69 million respectively. Increased travelling allowances resulted from an adjustment in the Government's travelling rates during 2011/12. In addition, all field staff were assigned to undertake the census in 2011/12 and they were paid travelling from the project budget rather than the entity's recurrent budget. With respect to rental costs, the increase was directly related to the higher lease rates indicated in the relevant agreements.

4.3 During 2010/11, 2011/12, 2012/13, the Institute realised total revenue of \$565.59 million, \$588.26 million, and \$604.84 million respectively. This upward trend resulted notwithstanding a

decrease in 2011/12 (by \$11.28 million), in government grants, which on average, accounted for (over) 90% of STATIN's income over the period. Notably, the decline was compensated by higher earnings on closed projects. STATIN undertakes projects on behalf of various entities and earns a surplus upon closure; during 2011/12, eight (8) projects were closed (2010/11; 4).

## 5.0 Balance Sheet and Cash Flow Highlights

5.1 During the review period, STATIN experienced a considerable reduction in liquidity. Working capital surplus declined from \$105.95 million (2010/11) to \$20.50 million (2011/12). However, the entity recorded a working capital deficit of \$55.63 million in 2012/13. Of note, cash and equivalents were utilised over the review period to finance the purchase of fixed assets and other projects. Consequently, cash levels declined by approximately 50% at March 31, 2013 from \$208.75 million at the end of 2010/11. The liquidity levels were further exacerbated as trade payables grew from \$14.26 million in 2010/11 to \$67.81 million in 2012/13.

## 6.0 CONCLUSION

6.1 During the review period, The Statistical Institute of Jamaica continued its efforts to fulfil its mission "to provide relevant, timely and accurate statistical information and technical services, consistent with international standards, to national and international clients". Despite budgetary constraints and increased demand for statistics, the regular programme of work was completed, while the institute continued to interface with local and international stakeholders.



Peter Phillips Ph.D., MP  
Minister of Finance and Planning  
September 30, 2014