

GOVERNMENT OF JAMAICA AUDIT COMMISSION

ANNUAL REPORT FOR FINANCIAL YEAR ENDING MARCH 31, 2013

1. INTRODUCTION:

The matter for tabling in the Honorable Houses of Parliament is the Annual Report for the Government of Jamaica's Audit Commission for the year ending March 31, 2013.

2. OVERVIEW:

The Government of Jamaica (GOJ) Audit Commission was reconstituted July 1, 2011 and is a body corporate vested with the responsibility of overseeing that the corporate governance structure of the public sector through the provision of continued monitoring and support of the Audit Committees in compliance with appropriate regulation.

During the financial year 2012/2013, seven (7) meetings were convened by the Commission. There are currently thirty-one (31) Audit Committees under the purview of the Commission and thirty (30) of these are fully functional.

3. OPERATIONAL HIGHLIGHTS:

- a) *Appointment of Members.* In order to ensure the effective operations of the committees and in accordance with the First Schedule to the Financial Administration and Audit (FAA) Act, the Audit Commission appointed sixty-two new members to thirteen (13) audit committees.
- b) *Meeting with Stakeholders.* The Commission met with the Minister of Finance & Planning, Dr. the Honorable Peter Phillips and the members of the Permanent Secretaries' Board within the financial year to sensitize this group on the mandate of the Audit Commission and to solicit their support of the audit committees within Ministries', Departments and Executive Agencies.
- c) *Training.* Training was conducted in May 2012 with approximately two hundred (200) attendees which included audit committee members and

the accounting officers of the relevant entities. Presentations were made by the Auditor General, a Senior Director at the Cabinet and a Partner at PriceWaterhouseCoopers (PWC).

4. AUDIT COMMITTEES MAJOR CONCERNS

- a) Timeliness of Management Response. There has been less than favorable rate of management responses to audit queries and in some cases the quality of these responses requires significant improvements.
- b) Accountability. Appropriate levels of accountability and enforcement of sanctions to ensure accountability were not maintained for some entities, resulting in a proliferation of non-compliance and breaches within most entities.
- c) Automation. The abundance of manual processes within some entities such as Accountant General's Department (AGD) and the Tax Administration Jamaica (TAJ) are inimical to efficient and effective operations within these entities.
- d) Staffing. Internal Audit Units (IAUs) were impacted negatively by the lack of adequate and appropriately skilled staff which affected their ability to provide reasonable assurance that the entities' major risks are being addressed.

5. FINANCIAL HIGHLIGHTS

- a) Despite a budget of JA\$4.05m being submitted for the financial year 2012/2013, the approved amount for the Audit Commission was JA\$890,000. The actual expenditure for this period was a total of JA\$673,169. The approved budget included the stipend paid to each Commissioner for attendance at meetings and the training session that was held on May 31, 2012.
- b) The overall amount paid for stipend to the seven Commissioners was JA\$150,500 for the financial year (*See attached: Commissioners Compensation Schedule*) and the overall expenditure for the Conference held on May 31, 2012 totaled JA\$522,669.
- c) The Audit Commission's finances are administered by the Ministry of Finance and Planning; that is, all expenses are met from an activity under the Ministry's recurrent head of expenditure. Hence, the details of its

financials can be found in the Ministry's audited financial statement for the relevant period.

6. CONCLUSION

The Audit Commission was successful in its pursuit to ensure that the Audit Committees are established for all relevant entities under its watch by March 31, 2013. Going forward, the Commission will focus on stronger monitoring and support for the Audit Committees to ensure better performance and effectiveness. Also, further steps will be taken by the Government to ensure that the internal audit functions are properly staffed and that the management of the relevant entities address reported internal control weaknesses/ deficiencies in a timely manner.



THE HON. PETER D PHILLIPS, PhD, MP

MINISTER OF FINANCE AND PLANNING

APRIL , 2015

May 5

COMMISSIONERS COMPENSATION

For the period ending March 31, 2013

COMMISSIONERS	Gross Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
LEIGHTON MCKNIGHT (CHAIRMAN)	49,000.00	NIL	NIL	NIL	49,000.00
COLLIN GREENLAND	17,500.00	NIL	NIL	NIL	17,500.00
HOPE BLAKE	21,000.00	NIL	NIL	NIL	21,000.00
MARJORIE JOHNSON	21,000.00	NIL	NIL	NIL	21,000.00
DELORES LINTON- WILLIAMS	17,500.00	NIL	NIL	NIL	17,500.00
DWIGHT MOORE	24,500.00	NIL	NIL	NIL	24,500.00
NICOLE FOSTER- PUSEY	0.00	NIL	NIL	NIL	0.00

Notes

1. Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above.
2. The Gross fees are taxable at twenty five percent (25%).