



**REPORT OF THE DIRECTOR OF AUDIT ON THE PUBLIC  
ACCOUNTS OF ST.VINCENT AND THE GRENADINES FOR THE  
PERIOD 1<sup>ST</sup> JANUARY 2004 TO 31<sup>ST</sup> DECEMBER 2005**

**INTRODUCTION**

**1.1** The Director of Audit is the constitutionally appointed auditor of all Government departments, authorities of government, courts of law, and other offices and commissions established by the Constitution of St. Vincent and the Grenadines. This Report summarises the results and conclusions of the audit of the public accounts for the years ending 31<sup>st</sup> December 2004 and 31<sup>st</sup> December 2005. The main purpose of the audit is to obtain the necessary information for the issuing of an opinion on the accounts and providing Parliament with the assurance that the funds appropriated by Parliament have been applied to the purposes intended.

**1.2** I have examined the accounts of the Ministries and Departments of the Government of St. Vincent and the Grenadines and the Financial Statements submitted by the Accountant General for the fiscal years ended 31<sup>st</sup> December 2004 and 31<sup>st</sup> December 2005, in accordance with section 75 of the Constitution of St. Vincent and the Grenadines (Cap 2 Laws of SVG) and the Finance and Audit Act Cap 182.

**1.3**

This Report is prepared for laying in the House of Assembly pursuant to Section 75 (4) of the schedule to the Constitution of St. Vincent and the Grenadines, Cap. 2 of the Laws of St. Vincent and the Grenadines.

**1.4**

The Report on the accounts for the years 2002 and 2003 was tabled in the House of Assembly on 20<sup>th</sup> September 2007.

### **AUDIT MANDATE**

**1.5**

Section 75 subsection 2 of the Constitution of St. Vincent and the Grenadines (Cap 2 Laws of SVG) requires the Director of Audit, at least once in every year to audit and report on the public accounts of St. Vincent and the Grenadines, the accounts of all courts of law in St. Vincent and the Grenadines, the accounts of every commission and the accounts of the Clerk of the House. The Finance and Audit Act, Cap 182 sets out the accounts and statements which the Accountant General is required to submit to the Director of Audit and the time frame within which the accounts are to be submitted.

The Director of Audit is authorised to have access to all books, records, returns, reports and other documents, which in his opinion relate to any of the accounts referred to in Section 75 (2) of the St. Vincent and the Grenadines Constitution.

**1.6**

The Director of Audit is the independent auditor of Government, acting on behalf of the taxpayer, through Parliament and it is on his investigation that Parliament has to rely for assurance about the fairness and regularity of the Public Accounts. The Constitution sets out to address the independence of the



Director Audit in Section 75 (7) which states; “in the exercise of his functions under subsection 2,3,4 and 5 the Director of Audit shall not be subject to the direction or control of any other person or authority.”

### **SCOPE OF AUDIT**

**1.7** The preparation of the Financial Statements is the responsibility of the Accountant General, Government’s Chief Accounting Officer. It is the responsibility of the Director of Audit to form an independent opinion on the Public Accounts based on the audits carried out by his Office.

**1.8** The audits were conducted in accordance with the Constitution of St. Vincent and the Grenadines Section 75 and the Finance and Audit Act Cap 182 section 10. The Accounting Officers are responsible for ensuring that adequate controls, internal checks and internal audits are in place in their Ministry or Department to safeguard the assets and other resources against fraud and irregularities. They must ensure that the Financial Rules and Regulations are complied with.



## **GENERAL ISSUES**

### **PUBLIC ACCOUNTS COMMITTEE**

**1.9**

The House of Assembly at a meeting on 5<sup>th</sup> December, 2003 appointed a seven (7) member Public Accounts Committee to serve for the fourth session of the seventh Parliament pursuant to Section 76 of the St. Vincent and the Grenadines Constitution.

**1.10**

The 2005 committee was appointed on the 10<sup>th</sup> December, 2004.

**1.11**

The Public Accounts Committee is required to consider the accounts in conjunction with the Report of the Director of Audit and in particular to report to the House:-

(a) in the case of any excess or unauthorised expenditure of public funds, the reasons for such expenditure; and

(b) any measures it considers necessary in order to ensure that public funds are properly spent, and such other duties relating to public accounts as the House may from time to time direct.

### **NON-COMPLIANCE**

**1.12**

As indicated in previous reports there are several systems and procedures which have not been maintained. The following are examples.

**1.13****Arrears of Revenue Returns**

No Returns of Arrears of Revenue were submitted by Heads of Department who are responsible for the collection of Revenue. This contravenes Financial Rule # 67. A list of the responsible Ministries and Departments can be found at Appendix II.

**1.14****Equipment Ledger and Inventories**

The Store Rules nos. 48-51 set out the format and the process of accounting for equipment and furniture. These records are very important for the tracking of assets, which in some instances are costly, and are at a high risk for misappropriation. In the absence of these vital records it is impossible to ascertain that all of the assets that were purchased for use in the Ministry or Department are still on hand. In spite of numerous queries and reports the Accounting Officers in many Ministries and Departments continue to flout the rules.

**1.15**

Table 1.0 shows the status at the end of 2005 and that at the time of writing this report.

**Table 1.0**

<b>MINISTRY/DEPARTMENT</b>	<b>2005 STATUS</b>	<b>PRESENT STATUS</b>
House of Assembly	Inventories & Equipment Ledger were not produced for Inspection	Inventories were maintained for 2006, but no Equipment Ledger was produced
Government House	Inventories & Equipment Ledger not maintained	Inventories & Equipment Ledger not maintained
Ministry of Telecommunications	Not produced for inspection	Inventories & Equipment Ledger were not maintained



<b>MINISTRY/DEPARTMENT</b>	<b>2005 STATUS</b>	<b>PRESENT STATUS</b>
Magistrates	Inventories & Equipment Ledger were not maintained	Inventories were up to date, Equipment Ledger not maintained
Family Court	Inventories & Equipment Ledger were maintained	Inventories & Equipment Ledger were not maintained
Office of the Prime Minister	Inventories & Equipment Ledger were not produced for inspection	Inventories & Equipment Ledger were not produced for inspection
Electoral Office	Inventories & Equipment Ledger were maintained	Inventories & Equipment Ledger were maintained
API	Inventories were maintained but no Equipment Ledger was maintained	Inventories were maintained but no Equipment Ledger was maintained
Government Printery	-----	Inventories & Equipment Ledger were maintained
Ministry of Finance	Inventories & Equipment Ledger were not maintained	Inventories & Equipment Ledger were not maintained
Central Planning Unit	Inventories & Equipment Ledger were not maintained	Inventories & Equipment Ledger were not maintained
Ministry of Social Development	Inventories & Equipment Ledger were not produced for inspection	Inventories & Equipment Ledger were maintained.



<b>MINISTRY/DEPARTMENT</b>	<b>2005 STATUS</b>	<b>PRESENT STATUS</b>
Ministry of Agriculture	Inventories were maintained, Equipment Ledger is maintained for the Accounts Division.	Inventories were maintained, Equipment Ledger is maintained for the Accounts Division.
<i>- Forestry Department</i>	Inventories & Equipment Ledger were not maintained	Inventories were maintained, Equipment Ledger not maintained.
<i>- Fisheries Division</i>	Inventories & Equipment Ledger were maintained	Inventories & Equipment Ledger maintained.
<i>- Plant Protection Unit</i>	Equipment Ledger not maintained	Inventories were maintained, Equipment Ledger not maintained.
Labour Department	Inventories and Equipment Ledger were maintained	Inventories and Equipment Ledger were maintained
Ministry of Transport & Works	Inventories & Equipment Ledger were not maintained	Inventories & Equipment Ledger were not maintained
Ministry of Health	Inventories & Equipment Ledger were not maintained	Inventories & Equipment Ledger were not maintained



<b>MINISTRY/DEPARTMENT</b>	<b>2005 STATUS</b>	<b>PRESENT STATUS</b>
Ministry of Foreign Affairs	Inventories & Equipment Ledger were maintained and updated.	Inventories & Equipment Ledger were maintained.
Ministry of Legal Affairs	Inventories & Equipment Ledger were maintained	
Prisons	Equipment Ledger was not produced for inspection	Inventories & Equipment Ledger were not maintained
E.T. Joshua Airport	Inventories were not updated and Equipment Ledger was not produced for inspection.	Inventories were not updated and Equipment Ledger was not produced for inspection.
Ministry of Education	Inventories were maintained, Equipment Ledger not maintained	Inventories were maintained, Equipment Ledger not maintained
- <i>Documentation Centre</i>	Inventories were maintained, Equipment Ledger not maintained	Inventories were maintained, Equipment Ledger not maintained
- <i>Archives</i>	Inventories were maintained, No Equipment Ledger maintained	Inventories were maintained, No Equipment Ledger maintained
- <i>Youth Affairs</i>	Inventories and Equipment Ledger were not maintained	Inventories and Equipment Ledger were not maintained





<b>MINISTRY/DEPARTMENT</b>	<b>2005 STATUS</b>	<b>PRESENT STATUS</b>
- <i>Sports Division</i>	Inventories & Equipment Ledger were not maintained	Inventories & Equipment Ledger were not maintained
- <i>Technical College</i>	Inventories not updated & Equipment Ledger was seen with no entries	Not audited
- <i>Teachers College</i>	Inventories & Equipment Ledger not maintained	Inventories & Equipment Ledger not properly maintained

**1.16****Half –Yearly Return of Receipt Books**

Half -Yearly Returns of Receipt Books have not been submitted by revenue collecting Departments as required by Financial Rule # 93.

**1.17****Stores Tabular Summary**

No Stores Tabular Summary has been submitted for the Public Works Department Unallocated Stores as required by Store Rule #91.

**1.18****Site Stores Ledger**

Materials purchased for jobs undertaken are not controlled by use of the requisite site Stores Ledger. Therefore, the possibility of waste and abuse cannot be excluded in such circumstances.

**1.19****Motor Vehicle Log Books and Garage Register**

Vehicle Log Books and Garage Registers are records designed to capture data that can be used to assess the economy and efficiency of operating each item



of equipment and also to control the use of these valuable items. Many departments have slighted these requirements.

## **A STATEMENT OF LOSSES**

**1.20**

A Statement of Losses due to fraud, theft or negligence since the date of the last Audit Report is found at Appendix III.

**1.21**

These losses are due to overpayment of salary, misappropriation of funds and duplicate payments made during the financial years under review.

**1.22**

It appears that the Accounting Officers make little or no effort to report on a timely basis losses as stipulated by the Financial Rules, consequently the Audit Office cannot vouch for the completeness of the Statement of Losses.

**1.23**

Overpayments on salary may be due to several factors including, late implementation and in some instances non-implementation of salary changes in respect of resignations, abandonment of post and no pay leave.

**1.24**

In cases where an Officer resigns without giving the stipulated one's month notice they are required to repay one month's salary in lieu of notice. In such instances it appears unlikely that salary would be recovered.



## **AUDIT QUERIES**

**1.25**

Audit queries are issued to Accounting Officers highlighting shortcomings or discrepancies detected during the course of the audit. Exit interviews are conducted at the completion of the audit by the audit team, apprising the Accounting Officer or the Head of Department of the findings of the audit.

**1.26**

Queries are just a formality of shortcomings not adjusted during the audit which needs addressing. The response to these queries has not been favourable over the years since most Departments and Ministries fail to respond to these Queries. This does not augur well for the Public Service since not only are responses to queries not forthcoming but the same issues persist year after year and are thereby reported upon. It is hoped that Accounting Officers would ensure that responses to Audit queries are made in a timely manner and measures put in place to correct the shortcomings and not wait until some fraudulent activity takes place before they act.

**1.27**

A list of outstanding queries are found at Appendix I.

## **IMPRESTS**

**1.28**

It is a requirement that all Imprest be retired by the date stated in the Imprest Warrant. There has been a failure to comply with this rule on the part of several Ministries and Departments. This situation is compounded by the occurrence of classification errors. The aforementioned has resulted in the under reporting of expenditure by the defaulting Ministries.

**1.29**

The inactive Imprests that were mentioned in the 2002 – 2003 report maintained a net balance of **\$177,786.39** (Dr) at 31<sup>st</sup> December, 2004. No action has been taken to have these balances cleared to the Consolidated Fund, inspite of recommendations in earlier Audit Reports.

**1.30**

The balance on the account under the Ministry of Social Development increased to **\$1,245,152.96**. This is an indication that some expenditure incurred during the year have not been accounted for.

**1.31**

There were twenty-six (26) Imprest Accounts that were outstanding at 31<sup>st</sup> December, 2004 of these seven (7) bore credit balances and nineteen (19) showed debit balances of **\$97,726.89** and **\$1,468,045.05** respectively.

**1.32**

Twenty-five (25) Imprest Accounts remained outstanding at 31<sup>st</sup> December, 2005. Eight (8) had credit balances totalling **\$713,608.06** and seventeen (17) recorded debit balances **\$515,955.99**.

**1.33**

The Imprest outstanding for Family Services under the Ministry of Social Development was reduced from a debit balance of **\$1,245,152.96** to **\$419,602.96**.

**1.34**

Table 1.1 and 1.2 summarizes the Active Imprests for 2004 – 2005.

**Active Imprests 2004****Table 1.1**

MINISTRY/DEPARTMENT	NO	BALANCE	
		DR	CR
REGISTRY HIGH COURT	1	-----	496.10
MAGISTRATES	1	1184.03	-----
COMMISSIONER OF POLICE	3	17,497.60	3,217.29
TREASURY	1	113,244.34	-----
SOCIAL WELFARE	1	1,245,152.96	-----
PS/HOUSING	1	-----	45,000.00
PS/EDUCATION	9	23,548.50	14,863.50
POST OFFICE	2	200.00	200.00
HEALTH	5	67,217.62	-----
TRADE	1	-----	33,950.90
<b>TOTAL</b>	<b>27</b>	<b>1,468,045.05</b>	<b>97,727.79</b>

**Active Imprests 2005****Table 1.2**

MINISTRY/DEPARTMENT	NO	BALANCE	
		DR	CR
REGISTRY HIGH COURT	1	-----	496.10
MAGISTRATES	1	1,184.03	-----
COMMISSIONER OF POLICE	3	17,497.60	3,217.29
TREASURY	1	-----	15,880.37
SOCIAL WELFARE	1	419,602.96	-----
PS/HOUSING	1	-----	45,000.00
PS/EDUCATION	9	23,594.50	14,863.50
POST OFFICE	2	200.00	200.00
HEALTH	5	53,922.90	-----
TRADE	1	-----	33,950.90
<b>TOTAL</b>	<b>25</b>	<b>515,955.99</b>	<b>113,608.06</b>



## **VIREMENT WARRANTS**

**1.35** Fifty-six (56) Virement Warrants totalling **\$520,584.55** were approved in respect of the year ended 31<sup>st</sup> December 2005 as compared with sixty-eight (68) Virement Warrants in the sum of **\$917,607.68** in 2004.

**1.36** The Warrants approved in 2004 were to vire funds from sixty-five (65) items to sixty-three (63) items under thirty-eight (38) programmes while those approved in 2005 was to reallocate funds from fifty-three (53) items to supplement sixty-five (65) items under thirty- four (34) programmes.

## **SPECIAL WARRANTS**

**1.37** One hundred and thirty six (136) Special Warrants totalling **\$44,304,469.45** were approved in 2004, but only **\$43,641,062.79** was reflected in the accounts a difference of **\$663,406.66**.

**1.38** Supplementary Appropriation amounted to **\$26,811,464.85** a difference of **\$17,493,004.06** for which no Supplementary Appropriation was seen.

**1.39** In 2005 there were one hundred and twenty three (123) Special Warrants approved for a total of **\$50,831,424.42**. Supplementary Appropriation to date was **\$38,980,864.00**.



## **PREVIOUS YEARS EXPENDITURE**

**1.40**

There were several instances where expenditure relating to the previous financial year was deferred to the current financial year. This practice has implications for effective management of expenditure since these amounts are not provided for in the estimates of the financial year in which payment is actually made.

## **OVER EXPENDITURE**

**1.41**

The Funds Exception module in the SMARTSTREAM Accounting programme is a control mechanism used to prevent excess spending on object codes and programmes by Accounting Officers. An analysis of the Detailed Statement of Expenditure prepared by the Accountant General's Office revealed overspending on object codes and programmes.

**1.42**

It appears that this control was overwritten to allow for excess spending on programmes where there are insufficient funds. Accounting Officers should ensure that funds are available before making commitments and be good stewards in the administering of their programmes. In instances where goods and services are required and there is insufficient funds the requisite applications should be made and approval received before funds are committed.



## **ACKNOWLEDGEMENT**

**1.43**

My sincerest thanks and appreciation to the members of staff of the Audit Office who have worked diligently throughout the year and to those members who were directly involved in the production of this report.

**1.44**

I also wish to acknowledge the co-operation given to me by the Accountant General and staff, other Accounting Officers and the staff of the Government Printery.





## **FINANCIAL STATEMENTS**

### **2.1**

The following statements for the financial years 2004 and 2005 were received for examination from the Treasury.

- Abstract Account
- Detailed Statement of Expenditure
- Detailed Statement of Revenue
- Statement of Advances
- Statement of Loans Repayable to the State
- Statement of General Deposits
- Statement of Investments
- Statement of Public Debt
- Statement of Assets and Liabilities

**ABSTRACT ACCOUNT****2004**

2.2 The Actual Expenditure for the year under review was **\$414,696,503.14**. This amount exceeded actual receipt of **\$351,973,416.69** by **\$62,723,086.45**.

2.3 An amount of **\$483,349,881.00** was appropriated by Parliament. Of this amount **\$343,580,291.00** was authorised as Recurrent Expenditure while **\$139,769,590.00** was authorised as Capital Expenditure.

**RECURRENT REVENUE 2004**

2.4 The Actual Recurrent Revenue collected was **\$324,783,235.49** reflecting a shortfall of **\$19,018,464.51**. Despite failing to realise the estimated target of **\$343,801,700.00** the Actual Recurrent Revenue collected showed an increase of **\$6,222,492.82** over last year's amount of **\$318,560,742.67**.

2.5 Listed hereunder are the Revenue categories and the amounts by which they exceeded or fell short of the budgeted amount for the year under review.

<b>RECURRENT REVENUE HEADS</b>	<b>SHORTAGE</b>	<b>INCREASE</b>
Taxes on Income and Profits	8,441,783.74	---
Taxes on Property	516,794.25	---
Taxes on Int'l Trade & Transaction	1,767,130.31	---
Taxes on Domestic Goods & Transaction	1,286,354.31	---
Licenses	---	1,995,702.74
Fees, Fines and Permits	4,712,516.15	---
Interest Rent & Dividends	8,458,140.74	---
Other Revenues	---	4,168,552.25
<b>Total Recurrent Revenue</b>	<b>25,182,719.50</b>	<b>6,164,254.99</b>

**Table 1.0**



**2.6**

**RECURRENT EXPENDITURE 2004**

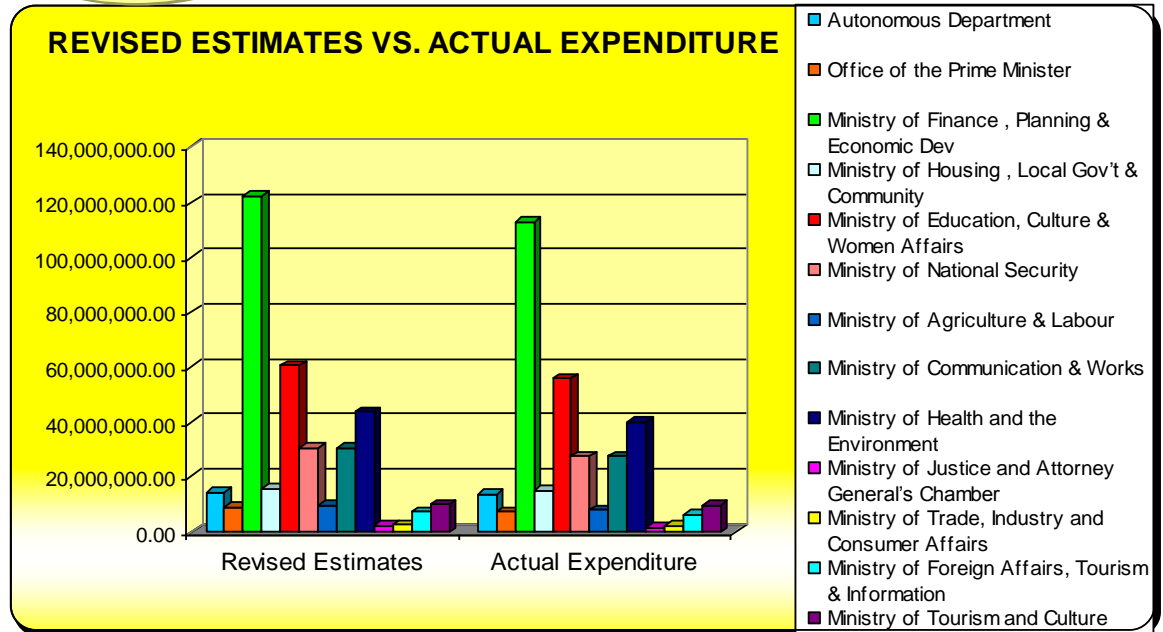
An amount of **\$343,680,983** was reflected in the estimates as Recurrent Expenditure. The amount actually spent was **\$327,646,677.85**. This was an increase of **\$20,030,691.14** or 6% over that of the previous year's figure of **\$307,615,986.71**. Table 1.1 and Figure 1 shows a comparison of Revised Estimates of Recurrent Expenditure with Actual Recurrent Expenditure for the year 2004.

**Table 1.1**

<b>Ministry/Department</b>	<b>Revised Estimates</b>	<b>Actual Expenditure</b>
Autonomous Department	14,210,484.00	13,724,204.36
Office of the Prime Minister	9,052,013.00	7,305,697.25
Ministry of Finance , Planning & Economic Dev	122,334,035.00	112,716,565.90
Ministry of Housing , Local Gov't & Community	15,677,311.00	15,194,687.01
Ministry of Education, Culture & Women Affairs	60,510,072.00	55,951,150.82
Ministry of National Security	30,589,124.00	27,403,838.93
Ministry of Agriculture & Labour	9,626,833.00	7,942,248.50
Ministry of Communication & Works	30,423,547.00	27,399,770.10
Ministry of Health and the Environment	43,768,641.00	40,107,731.92
Ministry of Justice and Attorney General's Chamber	2,392,781.22	1,735,687.28
Ministry of Trade, Industry and Consumer Affairs	2,657,745.00	2,216,443.92
Ministry of Foreign Affairs, Tourism & Information	7,313,765.66	6,386,018.40
Ministry of Tourism and Culture	9,988,388.00	9,562,633.46
<b>TOTAL</b>	<b>358,544,739.88</b>	<b>327,646,677.45</b>



Figure 1



**CAPITAL REVENUE**

2.7

The Estimated Capital Revenue was **\$139,648,873.00** to be realised from twenty-three (23) sources. Of these sources Actual Revenue of **\$27,190,181.20** was collected from nine (9) sources, three (3) sources exceeded the estimated amount while twenty (20) sources fell short of the estimated amount. Nonetheless there was an increase of **\$3,785,320.84** over that of the previous year's Capital Revenue of **\$23,404,860.36**.



2.8

Table 1.2 is a summary of Estimated Capital Revenue and Actual Capital Revenue according to Types/Sources.

<b>Table 1.2</b>		
<b>Type/Source</b>	<b>Estimate</b>	<b>Actual</b>
Sale of Land	1,500,000.00	870,626.97
Local Revenue	0.00	1,340,449.78
Local Revenue – Other Capital Receipt	7,132,933.00	0.00
Contribution- National Lottery	500,000.00	0.00
Grant – CDB	2,530,000.00	0.00
Grant - PAHO	0.00	37,257.84
Grant – Roc/Taiwan	10,674,010.00	1,141,386.99
Grant – Japan	6,500,000.00	6,056,968.00
Grant – LIBYA	680,000.00	0.00
EU Grant	19,792,030.00	11,375,072.68
UN Grant	555,000.00	97,816.21
Grant- WHO	80,000.00	0.00
Grant – FAO	411,000.00	0.00
Grant – Local Loans	41,504,840.00	570,602.73
Loans – CDB	3,750,000.00	0.00
Loans – Gov't T & T	0.00	5,700,000.00
Loans – ROC/Taiwan	2,500,000.00	0.00
Loans- LIBYA	10.00	0.00
Loans – IDA/IBRD ( World Bank)	600,000.00	0.00
Development Bonds	3,925,000.00	0.00
Other Loans/ Kuwait Fund for Arab Economic Dev.	2,500,000.00	0.00
Other Loans- Other External Loans	34,014,050.00	0.00
<b>TOTAL</b>	<b>138,148,873.00</b>	<b>27,190,181.20</b>

2.9

**CAPITAL EXPENDITURE 2004**

The estimated Capital Expenditure was **\$139,769,590.00**. Actual amount recorded was **\$87,049,825.29**. This was 62.3% of the Original Estimates and 52.2% of the Revised Estimates. This year's Actual Expenditure shows a 6.2% increase in Actual Capital Expenditure over that of last year's figure of **81,980,655.14**.

**2.10**

Table 1.3 shows a comparison of Estimated Capital Expenditure and Actual Capital Expenditure according to Ministries.

<b>MINISTRY</b>	<b>ESTIMATES</b>	<b>ACTUAL</b>
Autonomous Departments	0.00	10,333.07
Office of the Prime Minister	4,740,010.00	4,920,024.17
Ministry of Finance etc.	20,600,010.00	18,960,429.67
Ministry of Housing etc.	3,784,200.00	857,135.23
Ministry of Education etc.	21,455,020.00	13,052,212.01
Ministry of National Security	18,554,410.00	6,899,580.55
Ministry of Agriculture & Labour	15,909,840.00	12,169,217.60
Ministry of Communication & Works	42,545,040.00	27,773,351.51
Ministry of Health & the Environment	7,073,020.00	-761,722.34
Ministry of Justice & Attorney General's Office	325,010.00	235,507.11
Ministry of Trade etc.	2,590,020.00	1,701,003.55
Ministry of Foreign Affairs etc.	834,010.00	353,158.43
Ministry of Tourism & Culture	1,359,000.00	879,594.73
<b>TOTAL</b>	<b>139,769,590.00</b>	<b>87,049,825.29</b>

**Table 1.3**

**Budget Out Turn 2004:**

2.11

The Budget Out Turn 2004 is as follows:-

	<b>ESTIMATES</b>	<b>ACTUAL</b>	<b>DIFFERENCE</b>
Recurrent Revenue	343,801,700.00	324,783,235.49	(19,018,464.51)
Recurrent Expenditure	343,680,983.00	327,646,677.85	16,034,305.15
<b>Surplus/(Deficit)</b>	<b>120,717.00</b>	<b>(2,863,442.36)</b>	<b>(2,984,159.36)</b>
Capital Revenue	139,648,873.00	27,190,181.20	(112,458,691.80)
	139,769,590.00	24,326,738.84	(115,442,851.16)
Capital Expenditure	139,769,590.00	87,049,825.29	52,719,764.71
<b>Surplus/(Deficit)</b>	<b>NIL</b>	<b>(62,723,086.45)</b>	<b>(62,723,086.45)</b>

**Table 1.4****2005**

2.12

The total Revenue collected for the year was **\$391,011,083.92** while total Expenditure was **\$462,002,193.56**. The total Expenditure exceeded the total Revenue collected for this year by **\$70,991,109.64**.

2.13

The total Expenditure appropriated by Parliament was **\$586,989,063.00**. Of this amount **\$379,143,893.00** was allotted to Recurrent Expenditure while **\$207,845,170.00** was allotted to Capital Expenditure.

2.14

**RECURRENT REVENUE**

An amount of **\$341,982,230.00** was estimated as Recurrent Revenue. Actual Recurrent Revenue received was **\$334,090,929.97**. This actual figure surpassed last year's Actual Recurrent Revenue by **\$9,307,694.48**.

**2.15**

The under-mentioned heads show the amounts by which they exceeded or fell short of Revenue for the period under review.

**Table 1.5**

<b>RECURRENT REVENUE</b>	<b>ACTUAL</b>	<b>SHORTFALL</b>	<b>INCREASE</b>
Taxes on Income and Profits	89,803,578.03	196,421.97	0.00
Taxes on Property	2,508,720.99	541,279.01	0.00
Taxes on International Trade & Transaction	142,379,483.75	0.00	6,659,483.75
Taxes on Domestic Goods and Transactions	52,234,854.46	8,315,145.54	0.00
Licenses	18,381,954.72	0.00	1,942,954.72
Fees, Fines & Permits	14,746,149.81	3,734,360.19	0.00
Interest, Rent & Dividends	5,729,837.94	4,309,882.06	0.00
Other Revenues	8,306,350.27	0.00	603,350.27
<b>Total Recurrent Revenue</b>	<b>334,090,929.97</b>	<b>17,097,088.77</b>	<b>9,205,788.74</b>

**2.16****RECURRENT EXPENDITURE**

The Estimated Recurrent Expenditure was **\$379,250,129.00**. Actual Expenditure incurred was **\$365,274,156.02**, reflecting an increase of **\$37,627,478.17** or 11.5% when compared with last year's figure.

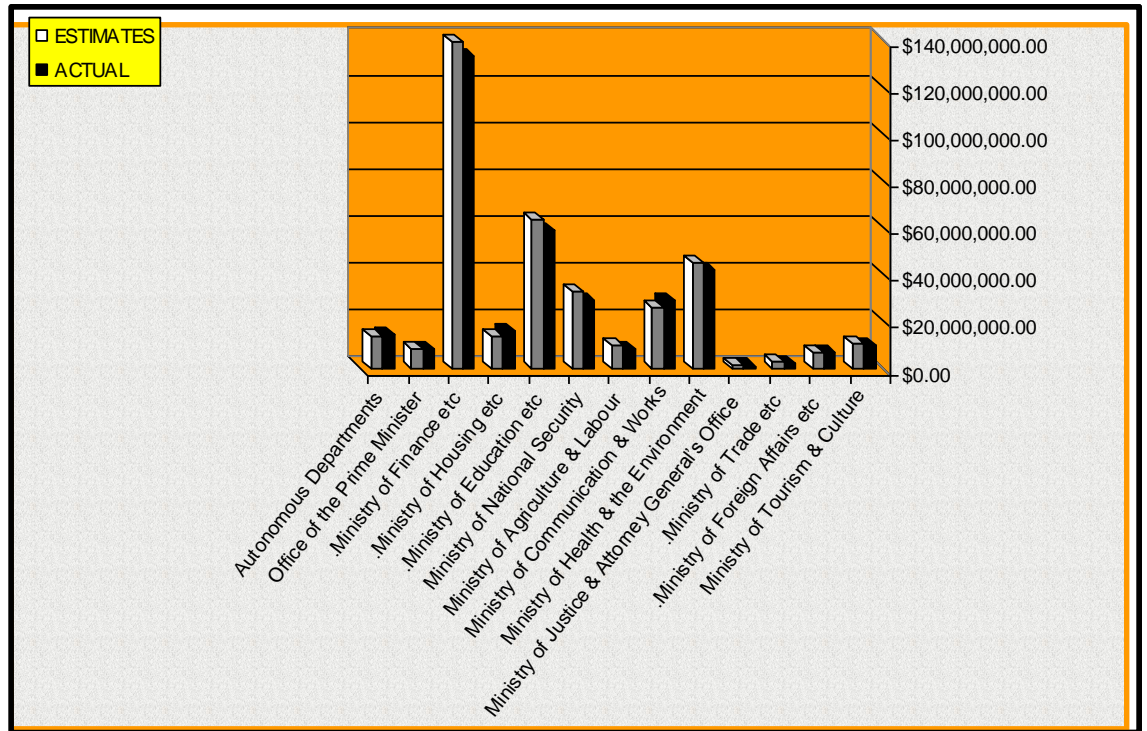




2.17

Figure 2 below shows a comparison of Revised Estimates of Recurrent Expenditure with the Actual Recurrent Expenditure for the period under Review.

Figure 2



2.18

CAPITAL REVENUE 2005

An amount of \$245,113,069.00 was estimated to be realised from twenty-two (22) sources. Actual Revenue of \$56,920,153.95 was collected from thirteen (13) sources. Two (2) sources surpassed the estimated amount while twenty (20) fell short of the estimates. There was an increase of \$29,729,972.75 or 109% over that of last year's Capital Revenue of \$27,190,181.20. The major contributors to this significant increase are: Caribbean Development Bank Grant and IDA/IBRD World Bank and other External Loans.



**2.19**

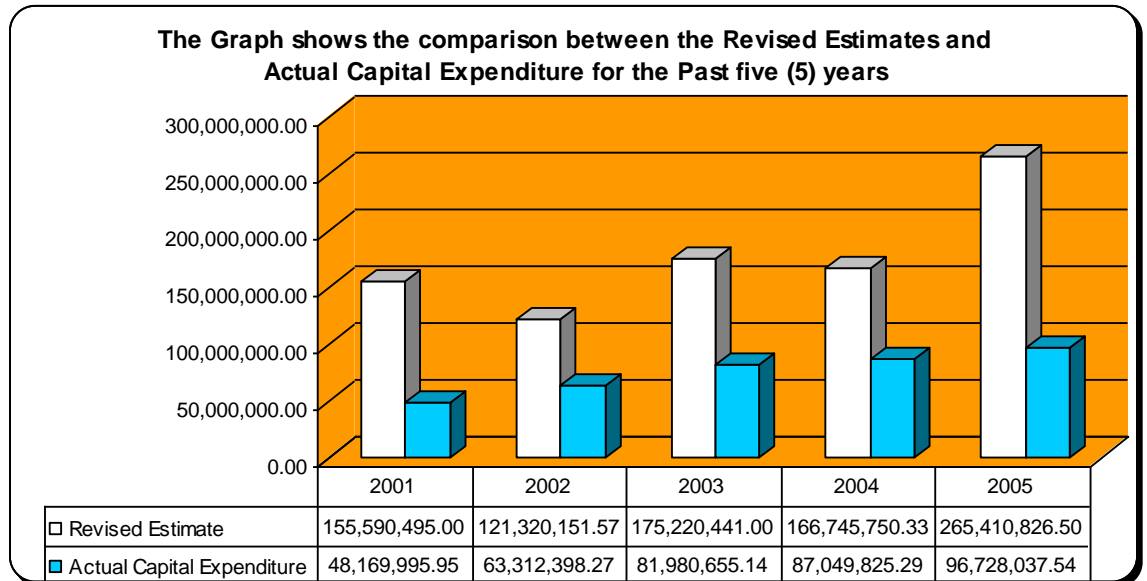
Listed hereunder are the Capital Revenue items that realised revenues for the year under review.

**Table 1.6**

<b>DESCRIPTION</b>	<b>ACTUAL</b>	<b>SHORTFALL</b>	<b>INCREASE</b>
Sale of Land	842,777.36	157,222.64	0.00
Local Revenue	3,014,000.00	0.00	3,014,000.00
Local Revenue –Other Capital Receipt	0.00	48,169,899.00	0.00
Contribution	0.00	500,000.00	0.00
Grant – CDB	45,892.86	1,954,107.14	0.00
Loan – CDB	4,855,486.72	0.00	4,855,486.72
Grant - Gov't of T& T	0.00	2,000,000.00	0.00
Grant – ROC	2,799,996.08	14,900,023.92	0.00
Grant – Japan	471,488.00	828,522.00	0.00
Grant – IDA/IBRD (World Bank)	461,402.89	538,597.11	0.00
Grant – UN Dev Programme	191,461.10	308,548.90	0.00
Grant - EU	3,171,482.81	22,140,547.19	0.00
Grant – Pan American Health	17,872.13	82,127.87	0.00
Grant – Food & Agriculture Organisation	0.00	681,000.00	0.00
Loans – Local Loans	0.00	65,071,020.00	0.00
Loans – CBC	563,775.08	9,036,224.92	0.00
Loans – ROC	0.00	10.00	0.00
Loans – Libya	0.00	15,000,000.00	0.00
Loans – IDA/IBRD World Bank	5,484,518.92	6,915,481.08	0.00
Loans – Kuwait Fund for Arab Econ Dev.	0.00	2,500,000.00	0.00
Loans –Other External Loans	35,000,000.00	1,579,060.00	0.00
Development Bonds	0.00	3,700,010.00	0.00
<b>TOTAL</b>	<b>56,920,153.95</b>	<b>196,062,401.77</b>	<b>7,869,486.72</b>

**2.20****CAPITAL EXPENDITURE 2005**

The Actual Capital Expenditure of **\$96,728,037.54** was 46.5% of the original estimates of **\$207,845,170.00** and 36.4% of the Revised Estimates of **\$265,410,826.50**. This year's figure exceeded last year's Actual Expenditure of **\$87,049,825.29** by **\$9,678,212.25**.

**Figure 3****2.21****Budget Out -Turn 2005**

The Budget Out-Turn for the year is shown below.

**Table 1.7**

	<b>ESTIMATES</b> (\$)	<b>ACTUAL</b> (\$)	<b>DIFFERENCE</b> (\$)
<i>Recurrent Revenue</i>	341,982,230.00	334,090,929.97	(7,891,300.03)
<i>Recurrent Expenditure</i>	379,250,129.00	365,274,156.02	13,975,972.98
<b><i>Surplus/(Deficit)</i></b>	<b>(37,267,899.00)</b>	<b>(31,183,226.05)</b>	<b>6,084,672.95</b>
<i>Capital Revenue</i>	245,113,069.00	56,920,153.95	(188,192,915.05)
	207,845,170.00	25,736,927.90	(182,108,242.55)
<i>Capital Expenditure</i>	207,845,170.00	96,728,037.54	111,117,132.46
<b><i>Surplus/(Deficit)</i></b>	<b>NIL</b>	<b>(70,991,109.64)</b>	<b>(70,991,109.64)</b>

**2.22**

Over the last six (6) years (see paragraph 2.283) the actual outturn of Capital Revenue has shown that financing for Capital works was not always forthcoming. This meant that adequate funds were not raised to finance and execute a number of projects included in the Capital Budget for the financial years. The Government should consider reviewing the total estimates for Capital Expenditure since these large shortfalls in Capital Revenue have implications for the credibility of the Capital Budget.

**DETAILED STATEMENT OF EXPENDITURE****2004****2.23**

The 2004 Appropriation Act was passed on 5<sup>th</sup> December 2003 and authorised Recurrent Expenditure of **\$343,580,291.00** and Capital Expenditure of **\$139,769,590.00** giving a total of **\$483,349,881.00**. The difference between the amounts approved for Recurrent Expenditure by Appropriation Acts and that reflected in the Estimates for the period under review is attributable to the Governor General's Emoluments which is provided for by the Governor General's Emoluments and Pensions Act.

**2.24**

The comments made hereunder are based on comparison of revised budget with actual expenditure.

**RECURRENT EXPENDITURE****Autonomous Departments****2.25**

The Autonomous Departments incurred approximately 1.57% of the Actual Recurrent Expenditure.

**Governor General****2.26**

The Governor General Programmes recorded net savings of **\$32,423.79** from its revised allotment of **\$330,021.00**. The savings were reduced by over expenditure totalling **\$38,050.08**. The over expenditure was due mainly to payments for Personal Emoluments - Governor General Office. The Programme had three (3) Special Warrants totalling **\$19,100.00**.

**House of Assembly****2.27**

The allotment for the House of Assembly was **\$2,480,729.00**. Actual Expenditure was **\$2,364,966.20** recording savings of **\$115,762.80**.

**2.28**

There was significant over expenditure on Personal Emoluments of **\$445,788.43** over its allocation of **\$1,531,784.00**. The under expenditure was due to savings recorded on a number of object codes including Professional and Consultancy Services **\$4,750.00**, Local Travel and Subsistence **\$23,000.00** and Allowances **\$525,132.74**. There was one (1) Special Warrant approved for **\$30,000.00**.

**Registry****2.29**

The budgeted amount was **\$1,678,349.00**; Actual Expenditure was **\$1,423,808.45** providing savings of **\$254,540.55**. All object codes realized savings. Special Warrant totalling **\$27,800.00** was approved.

**Magistracy****2.30**

The allotment to this programme was **\$1,128,003.00** of which **\$1,110,065.35** was spent recording savings of **\$17,397.65**. The allocation for Personal Emoluments was overspent by **\$127,005.16**. However, there were savings on other activities which included – Allowances **\$81,955.00**, Rental of Assets **\$13,983.67**, Local Travel and Subsistence **\$20,826.94**.

**Family Court****2.31**

Spending in this programme amounted to **\$369,597.72** out of the **\$534,894.00** budgeted, resulting in a net savings of **\$169,296.28**. Savings were realized on all activities which included Personal Emoluments **\$113,759.00**, Allowances **\$20,135.00** and Local Travel and Subsistence **\$18,622.24**.

**2.32****Service Commission**

A budget of **\$6,123,739.00** was allocated to this programme. Expenditure incurred amounted to **\$6,586,306.47** resulting in a net over expenditure of **\$462,567.47**. The major contributor to this over-expenditure was Personal Emoluments, overspending its allocation by **\$1,071,139.42** or approximately 46 %. The savings on Training represented less than 1% of its allocation. Activities with savings included Allowances of **\$508,413.17** Maintenance Services **\$24,606.00**, Rental of Assets **\$36,415.00** and Professional Consultancy Services **\$26,400.00**. Personal Emoluments represented 35% and Training 62.33% of the Actual Expenditure. There were two (2) Special Warrants totalling **\$705,000.00**.

**2.33****Office of the Director of Public Prosecutions**

A total of **\$323,024.37** was spent by this Office and resulted in savings of **\$167,884.63**. Contributing to these savings were Allowances of **\$81,900.00** and Professional Consultancy Services of **\$39,306.92**. No expenses were incurred for Rental of Assets which had an allocation of **\$24,606.00**.

**2.34****Commerce and Intellectual Property Office**

This Office had an expenditure level of **\$269,181.65** from an allocation of **\$346,464.00** giving a net savings of **\$77,282.35**. All activities recorded savings. There was one (1) Special Warrant of **\$10,558.00**.

**2.35****Office of the Prime Minister**

This Office was allocated **\$9,052,013.00** or 2.5% of the recurrent budget to meet expenditure of its ten (10) programmes. Expenditure incurred represented approximately 2.2% or **\$7,305,697.25** of the total Actual Recurrent budget. There were a total of fifteen (15) Special Warrants



amounting to **\$1,047,896.00**.

*Administration*

**2.36**

This programme's budget was **\$4,152,023.00** and spending was **\$3,246,679.07** hence a net savings of **\$905,343.93** was realized. All activities recorded savings with the exception of Social Welfare that had over expenditure of **\$15,000.00**. Sundry Expenses incurred over 32 % of the programme's budget.

*Grenadines Administration*

**2.37**

Allocation to the three (3) programmes under Grenadines Administration was **\$668,821.00** Actual Expenditure incurred was **\$489,873.94** resulting in a savings of **\$178,947.06**.

*Others*

**2.38**

The National Broadcasting Corporation and The Postal Corporation received contributions of **\$350,000.00** and **\$400,000.00** respectively.

**Ministry of Finance and Economic Planning**

**2.39**

This Ministry has seventeen (17) programmes with a budget allocation of **\$122,334,035.00**. The Actual Expenditure recorded was **\$112,716,565.90** resulting in a savings of **\$9,617,469.10**. This Ministry accounted for 34.4% of total Recurrent Expenditure. The Ministry had eight (8) Special Warrants totalling **\$4,376,683.00**.



**2.40***Administration*

The allotment to this programme was set at **\$1,598,420.00**. The operation of the programme recorded expenditure of **\$1,372,857.78** resulting in a savings of **\$225,562.22** or 14 % of its allocation. The main spending areas were Supplies and Materials **-\$249,275.33** and International Travel and Subsistence **\$473,255.22** representing 45% of their budget.

**2.41****Accounting Division**

This division realized savings of **\$143,457.73** on its budget of **\$6,620,200.00**. A number of activities recorded savings including Personal Emoluments **\$54,743.78.00**, Communication Expenses **\$59,476.38.00** and Professional and Consultancy Services **\$59,347.33**. However there, was over expenditure on Retiring Benefits of **\$146,974.22** on an allocation of **\$4,500,300.00**.

**2.42****Customs and Excise**

This Programme incurred expenditure of **\$4,702,745.19** against an allocation of **\$5,015,683.00**. There was over expenditure on two (2) activities amounting to **\$54,003.31**. There was a net savings of **\$312,937.81**.

**2.43****Inland Revenue Department**

The Department was allocated a budget of **\$4,150,437.00**. Actual Expenditure incurred amounted to **\$3,687,754.36**. A net savings of **\$462,682.64** was recorded. The major areas of expenditure included Personal Emoluments, Utilities, Maintenance Services and Refunds.

**Lands and Surveys Department****2.44**

This department spent 80% of its allocation resulting in a savings of **\$275,817.97**. There was no expenditure recorded for Rental of Assets and Training which had budgets of **\$5,000.00** and **\$21,000.00** respectively.

*Servicing of Debt***2.45**

Servicing of External Debt was allocated approximately **\$40,441,292.00** 33% of the Ministry's Recurrent Expenditure and 11.27% of the total recurrent budget. Actual Expenditure of **\$35,525,903.51** incurred represented 31.5 % of the Ministry's actual expenditure and 10.84% of total Recurrent Expenditure.

**2.46**

Servicing of Internal Debt was the Ministry's second largest programme and had a budget of **\$27,034,965.00** from which **\$25,083,285.92** was spent. The payments consisted of sinking fund contributions of **\$6,000,000.00**, Domestic amortization of **\$5,786,922.46** and interest of **\$13,296,363.46**.

*Others***2.47**

The Pensions and Retirement Benefits programme incurred over expenditure of **\$396,946.78** on its allocation of **\$17,614,000.00**. The remaining nine (9) programmes under this Ministry had a total budget of **\$18,334,128.00** representing 15% of the Ministry's total allocation. The total expenditure incurred by these programmes was **\$16,707,237.81** or 14.82% of the Ministry's Actual Expenditure. Savings of **\$1,626,890.19** were realized.

**2.48**

However, the Upkeep Administrative Centre programme recorded over expenditure of **\$12,850.88** on the Personal Emoluments activity.

**2.49****Ministry of Housing, Local Government and Community**

The Ministry received an allocation of **\$15.67 million** to cover expenditure for the eight (8) programmes that it was responsible for administering. Operations of these programmes resulted in a net savings of **\$482,623.99** or 3% of its allocation. Seven (7) Special Warrants totalling **\$1,338,370.00** were approved.

**2.50****Social Development General Administration**

The Social Development General Administration exceeded its allocation of **\$458,360.00** by **\$17,401.76**. Actual Expenditure was **\$475,761.76** resulting in over-expenditure. The major contributor to this over-expenditure was Personal Emoluments, over-spending its budget allocation of **\$348,505.00** by a further **\$38,203.36**.

**2.51****Family Services Department**

This is the Ministry's largest Programme with a budget of **\$9.9 million** from which **\$9.83 million** was spent recording a net savings of **\$73,674.14**. The major portion for this expenditure was **\$9.27 million** for Social Welfare. A Value for Money Audit (VFM) was conducted on the Family Services Department and a summary of this report is reproduced at pages 172 - 196 of this report.

**2.52****Local Government**

This is the Ministry's second largest programme, recording savings of **\$180,183.60** from its budget of **\$2,997,411.00**. Grants and Contributions was the major spending activity, spending 97.31% the programme budget.

**2.53***Others*

All other Programmes under this Ministry realized savings on their allocations. Co-operative Division had an allocation of **\$422,289.00** from which an amount of **\$357,432.18** was spent. The Community Development Division expended **\$526,885.10**, **\$69,850.90** less than its allotment. Non Formal Skills Training incurred Actual Expenditure of **\$65,204.44** from a budget of **\$646,871.00**. The Gender Affairs Programme had a savings of **\$14,499.07** from an allocated amount of **\$160,954.00**. The Liberty Lodge Boys Training Centre programme spent **\$458,686.22** of their **\$490,443.00** budget.

**2.54****Ministry of Education**

The Ministry was allocated **\$60.51 million** to meet the expenditure of the various programmes. Actual expenditure was **\$55.95 million** realising savings of **\$4.56 million**. One (1) Special Warrant for **\$22,372.00** was approved.

**2.55***General Administration*

From its allotment of **\$2,265,666.00**, this programme expended an amount of **\$1,882,329.73** hence savings of **\$383,336.27**. However, there was over-expenditure of **\$14,200.44** on Wages.

**2.56***Primary Education*

This was the largest of the Ministry's programme and accounted for 50.2% of the Ministry's allocation. Actual Expenditure incurred was **\$29.55 million** or 52.81%, recording net savings of **\$827,525.80**. Spending on Personal Emoluments was **\$28.16 million** against its allocation of **\$28.27 million**.

**2.57***Rural Secondary Schools*

This programme incurred expenditure of **\$5,562,049.14** against its allocation of **\$4,956,540.00** giving an over expenditure of **\$605,509.14**. Personal Emoluments overspent its allocation by **\$774,658.79**. However this over-expenditure was reduced as a result of savings realized on all other activities under this programme.

**2.58***Others*

The Girls High School realized savings of **\$5,644.09** on its budget of **\$1,641,586.00**; however, there was over-expenditure on Personal Emoluments of **\$22,804.94**. Adult and Continuing Education Programme incurred excess expenditure of **\$34,804.36** on Personal Emoluments however this excess was negated by the savings provided by the other activities resulting in a net savings of **\$9,404.21**. Emmanuel High School, Kingstown had savings of **\$97,777.59** on its allocation of **\$864,179.00**. The St Vincent and The Grenadines Community College realized savings of **\$334,960.17**.

**2.59**

All other Programmes realized savings on their budget with some activities not spending any of their allocation.

**2.60****Ministry of National Security**

A budget of **\$30,589,124.00** was allotted for the operation of the eight (8) programmes under the ambit of this Ministry. Actual Expenditure incurred was **\$27,403,838.93** recording savings of **\$3,185,285.07**. All programmes incurred net savings on their budget. Two (2) Special Warrants for **\$114,476.00** were approved.

**2.61***Police Department*

This Programme was allocated **\$18.03 million** of the Ministry's **\$30.59 million** budget. Actual Expenditure represented 60.78% of the Ministry's Actual Expenditure. The major spending area was Personal Emoluments which exceeded its **\$13,410,351.00** allotment by **\$151,391.83**; however savings on other activities covered this excess.

**2.62***Others*

General Administration incurred **\$384,474.19** against an allocation of **\$466,221.00**. The Public Sector Reform Division realized savings of **\$151,907.19**. Electoral Office had savings of **\$62,659.22** on its budget of **\$406,686.00**. Fire Service was allocated **\$1,425,168.00** and realized savings of **\$126,480.24**. Coast Guard Service showed savings of **\$597,614.85**. Airport incurred savings of **\$407,705.08** of their allocation of **\$3,388,227.00**. For the Prisons Department, the Personal Emoluments allotment was exceeded by **\$79,073.00**.

**2.63****Ministry of Agriculture**

This Ministry operated twelve (12) programmes, with a budget totalling **\$9.6 million**. The Actual Expenditure recorded was **\$7.9 million** providing a savings of **\$1.68 million**. One (1) Special Warrant was approved for **\$12.00**.

**2.64***Agricultural Planning Unit*

This Programme received an allotment of **\$390,859.00**. Actual Expenditure was **\$417,915.49** resulting in an over-expenditure of **\$27,056.89**. The over-expenditure was as a result of Personal Emoluments exceeding its allocation by **\$56,438.86**. All other activities realized savings.

**2.65***Others*

All other programmes under this Ministry realized savings on their budgets. These programmes included General Administration with savings of **\$115,436.12** from their allocation of **\$816,584.00**. The Research and Development programme spent **\$1.15 million** from its allocation of **\$1.26 million**. There was no expenditure recorded for allowances which had a budget of **\$20,000.00**. Fisheries Division spent **\$1.09 million** of its **\$1.29** allocation. Animal Health and Production Unit incurred **\$1.07 million** against an allocation of **\$1.17 million**. Forestry Division provided savings of **\$275,042.33**.

**2.66****Ministry of Transport Works and Housing**

This Ministry received an allocation of **\$30,423,547.00** for the operation of its seventeen (17) programmes. Actual expenditure was **\$27,399,770.10** with savings of **\$3,023,776.90**. The Ministry had sixteen (16) Special Warrants approved for **\$5,046,172.00**.

**2.67***Maintenance and Repairs of Roads and Drains*

This was the largest programme of the Ministry with **\$12.56 million** or 41.29% being allocated to this programme and **\$11.59 million** being spent. There was over expenditure on Personal Emoluments of **\$12,594.20**. All other activities showed savings resulting in a net saving of **\$0.98 million**.

**2.68***Construction Buildings Department*

This was the second largest programme for the Ministry with a budget of **\$4.83 million** from which **\$4.3 million** was spent. There was excess expenditure on Wages of **\$101,700.39**. The result of the operation of this programme was a net savings of **\$475,223.00**.

**2.69***Maintenance of Furniture and Fittings*

The total allocation for this programme was **\$96,945.00**. The Actual Expenditure was **\$875,126.01** recording an over-expenditure of **\$778,181.00**. This over-expenditure was due to expenditure of **\$791,025.65** on Sundry Expenses for which only a budget of **\$200.00** was allocated.

**2.70***Road Department*

This Programme was allotted **\$1.29 million** of which **\$1.59 million** was spent, resulting in over-expenditure of **\$301,488.93**. Personal Emoluments recorded expenditure of **\$314,225.82** over its allotment of **\$797,690.00**.

**2.71***Others*

The other twelve (12) programmes had a total budget of **\$11,651,072.00** representing 38.3 % of the Ministry's total allocation. The total expenditure incurred by these Programmes was **\$8,996,927.35** or 32.83% of the Ministry's Actual Expenditure. A combined saving of **\$2,654,144.65** was recorded. General Administration recorded savings of **\$161,045.71** from its allotment of **\$1,482,374.00**. Office of the Chief Engineer overspent its budget by **\$6,045.63** due to Personal Emoluments exceeding its budget by **\$108,477.81**. There was no expenditure on Allowance for which an amount of **\$83,071.00** was budgeted, the other areas also contributed to reduce the excess expenditure incurred by Personal Emoluments.

**2.72**

There was savings of **\$17,467.03** on the Electrical Inspectorate Programme, while Architectural Engineering Services spent approximately 86.41 % of its allotment of **\$1,292,460.00**.



**2.73**

Maintenance and Upkeep of Buildings spent **\$1,246,357.69** of its **\$1,249,099.00** allotment. The excess expenditure of **\$64,012.10** on wages was covered by the savings realized on all other activities. The net savings was **\$2,741.31**.

**2.74**

**Ministry of Health and the Environment**

This Ministry was responsible for administering nineteen (19) programmes for which an amount of **\$43,768,641.00** was allocated. The Actual Expenditure was **\$40,107,731.92** realising a net savings of **\$3,660,909.08**. Special Warrants totalled **\$1,514,000.00**.

**2.75**

*Milton Cato Memorial Hospital*

This programme accounted for **\$14,664,684.00** of the recurrent budget. Actual Expenditure was **\$13,300,575.82**. There was over-expenditure on Local Travel and Subsistence of **\$25,635.29**. The Outturn was a net savings of **\$1,364,108.18**.

**2.76**

*Medical Administration*

This Programme spent **\$1,051,779.41** of its allocation of **\$1,053,918.00**. There was over-expenditure on Personal Emoluments and International Travel and Subsistence of **\$270,256.39** and **\$27,398.50** respectively. There was significant savings of **\$249,900.00** on Supplies and Materials contributing to the net savings of **\$2,138.59** recorded.

**2.77**

*Medical Stores*

This programme had an expenditure level of **\$5.27 million** from a budget allocation of **\$5.38 million**. The major area of expenditure was Materials and



Supplies incurring **\$4,996,490.29** from a budget of **\$5,000,000.00**. Savings of **\$107,592.54** was realized on this programme.

*Central Pharmaceutical Service*

2.78

The allotment for the Central Pharmaceutical Service was **\$697,266.00**. A total of **\$779,084.53** was spent incurring an excess of **\$81,818.53**. The savings realized on the other activities was not sufficient to cover the excess spending on Personal Emoluments of **\$123,620.74**.

*Others*

2.79

All other programmes incurred savings on their allotment. Included in these programmes are The School of Nursing programme which spent **\$1.25 million** of its **\$1.66 million** allocation. The Lewis Punnett Home recorded savings of **\$185,289.01** of their allocation of **\$1,513,937.00**. Mental Health Centre recorded savings on their budget of **\$2,548,236.00**. Environmental Health recorded expenditure of **\$4,398,585.61** providing a savings of **\$278,880.39**. Rural Hospital and Health Centre allotment was **\$1,406,890.00**. Actual Expenditure incurred was **\$1,365,288.58** realising a savings of **\$41,601.42**

**Ministry of Legal Affairs**

2.80

The Ministry was allocated a budget of **\$2,392,781.22** to administer its operations. The major areas of Expenditure was Personal Emoluments of **\$612,358.00**, Rental of Assets of **\$204,446.87**, Professional and Consultancy Services of **\$296,674.80** and Claims against Government of **\$441,900.55**.

**2.81****Ministry of Telecommunications, Science, Technology and Industry**

This Ministry has five (5) programmes of which the Information Technology Services Division dominates with 42 % of the Ministry's estimate and 37% of Actual Expenditure. Special Warrants for **\$44,573.00** was approved.

*Others***2.82**

The other four (4) programmes had a total budget of **\$1,515,593.00** representing the remaining 58% of the Ministry's budget. All programmes recorded savings providing a combined total of **\$165,867.00**.

**2.83****Ministry of Foreign Affairs Commerce and Trade**

The Ministry is comprised of eight (8) programmes with a total allocation of **\$7,098,251.00**. Actual Expenditure incurred was **\$6,386,018.40**

*Administration***2.84**

The programme was allocated a budget of **\$1,217,635.00** from which **\$746,170.04** was spent recording savings of **\$458,464.96**. Major areas of expenditure included Personal Emoluments of **\$484,765.56** and Hosting and Entertainment of **\$171,865.98**.

*United Nations Mission***2.85**

A budget of **1.15 million** was provided to cover the expenditure of this programme. The Actual Expenditure incurred was **\$1.10 million** resulting in a savings of **\$47,861.41**.

**2.86**

There was over expenditure of **\$196,839.58** on Personal Emoluments. There was no expenditure on Allowance for which a budget of **\$229, 990.00** was provided hence this savings covered the excessive spending on Personal Emoluments.

**2.87**

*Washington Mission*

The budget allocated for the operation of this programme was **\$1,197,664.00**. Excess expenditure of **\$329,398.62** was incurred on Personal Emoluments. Significant savings of **\$214,907.87** was recorded for Allowances reducing the over expenditure in the programme to **\$88,461.70**. High levels of expenditure was realised in Maintenance Services of **\$123,920.91** from an allocation of **\$125,000.00**.

**2.88**

*High Commission London*

From a budget of **\$932,812.00**, an expenditure level of **\$887,124.89** was attained realizing a surplus of **\$45,687.11**. Personal Emoluments exceeded its allotment of **\$319,109.00** by **\$231,359.00**. Significant savings of **\$262,798.56** was provided by Allowances

**2.89**

*Toronto Consulate*

Net savings of **\$96,757.20** was realised from a budget of **\$952,369.66**. Personal Emoluments and International Travel and Subsistence was exceeded by **\$146,318.94** and **\$4,252.36** respectively. The significant savings of **\$160,349.00** on allowances contributed to the net savings.

**2.90***New York Consulate*

The amount allocated to this programme was **\$1,132,046.00**. Actual Expenditure was **\$1,094,691.84**. Personal Emoluments was exceeded by **\$154,770.99** however, with savings on the other activities including Allowances of **\$159,407.00** the programme realised a net savings of **\$37,354.10**.

**2.91***Commerce and Trade*

All activities under this programme realised savings from a budget of **\$726,032.00**, Actual Expenditure of **\$396,087.88** was recorded. There were some activities that did not incur any expenditure although monies were allotted. Wages and Allowances were allocated an amount of **\$5,800.00** and **\$7,200.00** respectively.

**2.92****Ministry of Tourism Youth and Sports**

The Ministry has eleven (11) programmes with a budget of **\$9,888,388.00**. The Actual Expenditure recorded was **\$9,562,633.46**. There was one (1) Special Warrant for **\$100,000.00**.

**2.93***Tourism Promotion*

The budget allocation for this programme was **\$5,053,250.00**; Actual Expenditure recorded was **\$4,912,482.77**. The activity incurring the highest level of expenditure was Advertising and Promotion with **\$4,317,317.73** or 87.88% of the programme's budget. Savings was realised on all activities resulting in a net saving of **\$140, 767.23**.

*Others*

2.94 General Administration incurred **\$267,109.98** against a budget of **\$428,101.00**. Tourism Administration exceeded their budget of **\$1,242,882.79** by **\$33,998.79**.

2.95 Overseas Representation New York had savings of **\$66,129.98** from its allotment of **\$462,019.00**. However, it exceeded its budget for Personal Emoluments by **\$44,348.24**.

2.96 Overseas Representation – London incurred over expenditure of **\$28,313.45**. This was mainly due to the Personal Emoluments allocation being overspent by **\$120,902.72**.

2.97 Overseas Representation – Toronto  
This programme recorded savings of **\$75,118.44** while exceeding its allotment on Personal Emoluments by **\$68,884.84**.

**CAPITAL EXPENDITURE**

2.98 The total capital spending represented 52.21% of its **\$166.75 million** budget

**Office of the Prime Minister**

2.99 Expenditure was incurred on eleven (11) out of the fifteen (15) projects, three (3) of which was not initially budgeted for. From a revised budget of **\$7.76 million**, an amount of **\$4.9 million** was expended.

**2.100**

The Special Development Projects incurred the highest expenditure, representing 25.71% of the Ministry's expenditure. Expenditure under this project included Rehabilitation of a Church, Construction of temporary bus terminal and Hardcourt and Bleachers.

**2.101**

Special Works and Services expenditure included financial assistance and contributions to various organizations. There were some expenses charged to this account that were similar to expenses charged to The Special Development Projects. Eleven (11) Special Warrants were approved for **\$3,024,423.33**.

**Ministry of Finance and Economic Planning**

**2.102**

The Ministry was allotted **\$30,585,939.00** or 18.34% of the total Capital Expenditure and incurred **\$18,960,429.67** or 21.78% of the Actual Expenditure. Five (5) Special Warrants for **\$9,985,929.00** were approved.

**2.103**

A sum of **\$196,416.90** was spent in acquiring computers for use at the Customs and Excise Department under the ASYCUDA Improvement Project. Compensation of **\$1.8 million** was paid to owners of businesses at Buccama on the Bay who were dislocated due to proposed hotel development. **\$4.6 million** was spent to acquire lands for various Government projects. From this expenditure an amount of **\$1.74 million** was spent for the acquisition of property at Richmond Hill for construction of a Hall of Justice. A total of **\$5.7 million** was paid as equity investment in LIAT as part of its restructuring plan.

**2.104****Ministry of National Mobilisation**

There were fourteen (14) projects allocated under this Ministry that had a budget of **\$3.78 million**. Expenditure of **\$0.86 million** was incurred on six (6) of these projects. The other eight (8) projects incurred nil expenditure.

**2.105****Ministry of Education**

The Ministry spent a total of **\$13,052,212.01** against its budget of **\$22,979,033.00**. Three (3) Special Warrants were received for **\$1,412,613.00**.

**2.106**

The Book Loan Scheme Project spent 99.9% of its **\$1.2 million** allotment. Other projects incurring expenses in excess of **\$1 million** were the expansion of Secondary Schools and the Construction of Peruvian Vale Primary School.

**2.107****Ministry of National Security**

The Ministry spent **\$6.9 million** of its **\$18.97 million** budget. Approval was received for two (2) Special Warrants totalling **\$418,006.00**. Projects which were allocated monies and for which no expenditure was incurred included the Rehabilitation of Union Island Airport and the Forensic Laboratory.

**2.108****Ministry of Agriculture Forestry and Fisheries**

Total expenditure under this Ministry was **\$12.17 million** from an approved budget of **\$17.8 million**. There were nine (9) Special Warrants for **\$1,946,562.00**.



**2.109**

The Fisheries Development Project spent **\$6.3 million** from its estimated budget of **\$6.5 million**. The Agricultural Diversification Programme spent **\$1.3 million** from an allotment of **\$2 million**.

**Ministry of Transport Works and Housing**

**2.110**

The Ministry was allocated **\$52,186,167.00** or 31.29% of the total Capital Expenditure and incurred **\$27,773,351.00** or 31.9% of the expenditure.

**2.111**

Rehabilitation of the Windward Highway had an expenditure level of **\$8.19 million**. Priority Road Works accounted for **\$3.18 million** of the expenditure. The sum of **\$3.75 million** was allocated for the construction of Resource Centres within designated areas. During 2004, **\$2.84 million** was spent. The National Public Library Complex received **\$4.5 million** from which the expenditure incurred was **\$1.97 million**. The Cross Country Road Project incurred expenditure of **\$2.5 million**.

**Ministry of Health and the Environment**

**2.112**

There were twenty-four (24) projects allocated under this Ministry which had an estimated expenditure of **\$7,498,520.00**. Special Warrants of **\$980,500.00** was received.

**Windward Water Supply Project**

**2.113**

The Windward Water Supply Project was approved in 2002 with an estimated project cost of **\$23,000,000.00**. The project which was for the upgrading of the Water Supply Network was to be executed by the Central Water and Sewerage



Authority (CWSA) with an expected completion date in 2002. The project was to be funded from by an external loan from France.

**2.114**

The approved expenditure for 2002 and 2003 was **\$1,000,000.00**. The statement received from Central Water Sewage Authority in 2003 indicated that the amount drawn down was **\$7,154,412.29** resulting in an under provision of **\$6,154,412.29**.

**2.115**

In December 2003 a request was made for a Special Warrant in the sum of **\$6,154,412.29** to effect a journal to bring the accounts to balance. Approval was received in January 2004. However, it appears that this was not brought to account in the Treasury Accounts.

**2.116**

This transaction was therefore not journalised before the closure of the 2003 accounts in 2004. The Detailed Statement of Expenditure erroneously recorded the actual figure as a negative figure thereby reflecting the overall expenditure for the Ministry with a net figure of **\$761,722.34**.

## **2005**

### **RECURRENT EXPENDITURE**

**2.117**

The 2005 Appropriation Act was passed on 10<sup>th</sup> December 2004 authorising expenditure of **\$586,989,063.00** comprising of Recurrent Expenditure of **\$379,250,129.00** and Capital Expenditure of **\$207,845,170.00**.

**2.118****Autonomous Departments**

A total budget of **\$15.27 million** was allocated to the ten (10) autonomous departments. Expenditure level of these departments was **\$15.28 million** resulting in an over expenditure of **\$11,733.81**.

**2.119**

Two (2) of the departments overspent the budget on their programmes. The Office of the Governor General overspent its budget of **\$181,868.00** by **\$3,695.42**. This was attributable to excess expenditure of **\$25,356.89** on Personal Emoluments. However, savings realised on the other activities resulted in the net savings.

**2.120**

The other department which recorded a net over expenditure was the Services Commissions Department, recording a net over expenditure by exceeding its allocation for Personal Emoluments and Training by **\$714,780.16** and **\$649,792.51**, respectively. The savings realised on the other activities reduced the over expenditure to **\$1.18 million**.

**2.121**

The House of Assembly, Judiciary, Family Court and Commerce and Intellectual Property Office all exceeded their allotments for Personal Emoluments by **\$139,234.61**, **\$48,108.22**, **\$3,385.43** and **\$5,997.99** respectively. However, the savings realised on all other activities resulted in net savings for their programmes

**2.122****Office of the Prime Minister**

The Office of the Prime Minister was allocated **\$10.03 million** for the operation of the programmes for which it was responsible. **\$8.9 million** or 87.4% of that allocation was spent. The Office of the Prime Minister's - General Administration was allocated **\$4.9 million** from which it spent **\$4.4 million**.

**2.123**

The Labour Department and the Agency for Public Information overspent their allocation for Rental of Assets by **\$6,000.00** and **\$9,007.50** respectively nevertheless they recorded savings on their programmes.

**2.124**

**Ministry of Finance and Economic Planning**

Expenditure of **\$133.5 million** was incurred from the Ministry's budget of **\$146.8 million**.

**2.125**

Servicing of External Debt recorded the highest expenditure of **\$44.7 million** or 33.5% followed by servicing of Internal Debt with an expenditure level of **\$31.5 million** or 23.5%.

**2.126**

The Customs and Excise Department recorded expenditure of **\$7.81 million** from a budget of **\$8.5 million**. Savings were realised on all activities.

**2.127**

The Accounting Division from its budget of **\$7.0 million**, spent **\$6.8 million**. The major area of expenditure was Retiring Benefits with a spending level of **\$4.68 million**, **\$8,930.24** less than its allocation.

**2.128**

The Inland Revenue Department realised savings of **\$342,304.49** from its budget of **\$4.2 million**. 48% & 41.8% of the department's budget was spent on Personal Emoluments and Refunds respectively.

**2.129**

The only programme under the Ministry of Finance to overspend its allocation was the Pensions and Retirement benefits programme spending **\$66,006.13** in excess of its allocation of **\$19.4 million** on its Retiring Benefits activity.

**2.130****Ministry of National Mobilisation**

The Ministry incurred expenditure of **\$16.4 million** thereby realising savings of **\$993,657.76** on its operations.

**2.131**

Personal Emoluments expenditure of **\$113,979.73** was recorded for Youth Skills Training although this programme was not recorded in the Estimate under this Ministry for 2005.

**2.132****Ministry of Education**

The Ministry spent **\$59.4 million** from its budget of **\$64.3 million** providing a savings of **\$4.86 million**.

**2.133**

The programme showing the greatest expenditure level was Primary Education incurring expenditure of **\$29.8 million** from its budget of **\$30.29 million**.

**2.134**

The Secondary School programmes had expenditure of **\$5.9 million** from its allocation of **\$6.3 million**.

**2.135**

St. Vincent and the Grenadines Community College had the third highest level of expenditure, spending **\$3.8 million** from its budget of **\$4.2 million**.

**2.136**

The only programme to overspend its allocation was the Assisted Private Secondary School overspending its Personal Emoluments by **\$206,314.73**. Savings of **\$54,573.44** on the Allowances and Grants and Contributions reduced the level of over expenditure to **\$151,741.29**.

**Ministry of National Security**

**2.137** The Ministry was allocated a budget of **\$33.6 million** for the operations of its programmes. Actual Expenditure was **\$29.7 million** realising a savings of **\$3.9 million**.

**2.138** The Police General Administration programme spent **\$17.5 million** from its budget of **\$19.57 million**.

**2.139** The Prisons Department was allocated **\$3.99 million** or 11.88% of the Ministry's budget and incurred expenditure of **\$3.59 million**. Personal Emoluments allocation was exceeded by **\$62,763.54**, however, significant savings on the other activities provided a net savings of **\$397,591.70**.

**2.140** Airport spent **\$3.17 million** of its **\$3.62 million** budget while Coast Guard Service spent **\$2.54 million** realising savings of **\$439,995.10**.

**Ministry of Agriculture**

**2.141** The programmes under this Ministry provided a combined savings of **\$1.9 million** from its allocation of **\$10.6 million**.

**2.142** All programmes recorded savings although there were four (4) programmes which incurred excess expenditure on Personal Emoluments.

**Ministry of Transport Works and Housing**

**2.143** This Ministry was provided with an allocation of **\$30.3 million** spending **\$29.8 million** realising savings of **\$563,287.32**.

**2.144**

Two (2) programmes incurred expenditure in excess of their allocation.

**2.145**

Sundry Expenses incurred expenditure of **\$2.2 million**. Only an amount of **\$200.00** was budgeted for, hence the significant over expenditure. Other programmes which incurred excess spending on their activities included:

General Administration- Rewards and Incentives **\$9,600.00**. There were no amounts budgeted for this. Maintenance and Upkeep of Hospitals and Clinics- Personal Emoluments of **\$11,144.31**. Maintenance Repairs for Roads and Drains - Wages of **\$204,928.74**. However savings on all other activities contributed to the net savings achieved on these programmes.

**2.146**

**Ministry of Health and the Environment**

The Ministry received a budget of **\$45.52 million** compared to **\$43.8 million** in 2004. The expenditure level was **\$42.2 million** an increase of 5% over 2004 expenditure.

**2.147**

The Kingstown General Hospital was allocated **\$15.04 million**, 33% of the Ministry's budget. The Actual Expenditure was **\$14.12 million**.

**2.148**

Rural Hospital and Health Centres over spent its budget of **\$1.43 million** by **\$81,809.19**. Contributing to the over expenditure was Personal Emoluments of **\$102,690.14**, and Local Travel and Subsistence of **\$4,800.00** for which no provision was made.

**2.149**

All other programmes operated within their budget allocations providing savings contributing to the Ministry's net savings of **\$3.33 million**.

**2.250****Ministry of Legal Affairs**

The Ministry recorded savings of **\$519,298.98** from an allocation of **\$2.03 million**.

**2.251****Ministry of Telecommunications, Science, Technology**

The five (5) programmes within this Ministry operated within their budgets, together all providing a total savings of **\$653,430.21** from their budget of **\$3.11 million**.

**2.252****Ministry of Foreign Affairs, Commerce and Trade**

All of the Missions/Consulates which are in operation overspent their Personal Emoluments allocation. No monies were allocated for the operation of the Embassy of St. Vincent and the Grenadines/Cuba. Actual Expenditure incurred was Personal Emoluments of **\$12,577.10** and Allowances of **\$31,437.41**.

**2.253****Ministry of Tourism and Culture**

Savings of **\$1.04 million** was recorded against a budget of **\$11.34 million**. Some programmes incurred excess expenditure on their Personal Emoluments.

**2.254**

The Tourism Promotion Programme exceeded its International Travel and Subsistence allocation by **\$123,888.00**.



**CAPITAL EXPENDITURE****2.255**

The Capital Budget for the year was **\$265 million** a 6% increase over last years budget. Actual Expenditure incurred amounted to **\$96.7 million**, 36% of the current year's budget, an increase in spending of **\$9.7 million** or 11% over the 2004 level of expenditure.

**2.256**

The Ministry of Transport Works and Housing accounted for **\$36.2 million** or 37% of the expenditure. The other significant users of capital funds were the Ministry of Education incurring **\$20 million**, the Ministry of National Security **\$12.2 million**, the Ministry of Finance and Economic Planning **\$9.7 million** (10.13%) and The Office of the Prime Minister **\$6.3 million** (6.5%)

**2.257****The Ministry of Transport Works and Housing**

The majority of the spending by this Ministry was in respect of the four (4) sub projects for the Rehabilitation of The Windward Highway with a combined expenditure of **\$8,192,018.34**. Priority Road Works had an expenditure of **\$6.7 million**, the Cross Country Road had costs of **\$4.9 million**. The project for the construction of Resource Centres recorded expenditure of **\$4.8 million**.

**2.258****The Ministry of Education Youth and Sports**

Capital Expenditure of **\$20 million** by the Ministry included the Expansion of Secondary Schools project of **\$5.4 million**; Youth Empowerment Service **\$2.47 million**, OECS Education Development Project **\$2.07 million**; Basic Education Project II **\$1.8 million**; Book Loan Scheme **\$1.55 million**. An amount of **\$1.65 million** was spent on Upgrading of Arnos Vale Playing Field.

**2.259****The Ministry of National Security**

The Ministry had expenditure of **\$12.18 million** from its budget of **\$33.51 million**. Expenditure of **\$3.8 million** was recorded for the Correctional Facility project. An amount of **\$2,224,735.34** was used in the purchasing of one (1) 45 ft patrol vessel for the Coast Guard Service.

**2.260****The Office of the Prime Minister**

This Office was allocated a budget of **\$10.9 million**, compared to **\$7.8 million** in 2004. Projects under this Office included the Special Development Project which overspent its budget of **\$1.3 million** dollars by **\$0.85 million**. The Special Works and Services and the NBC/API project incurred expenditure in excess of **\$1 million** each.

**2.261****The Ministry of Agriculture, Forestry and Fisheries**

This Ministry incurred Capital Expenditure of **\$5.4 million** from a budget of **\$26.7 million**. The major area of expenditure was on the Rural Agricultural Development, Co-ordination and Irrigation Consolidation Programme (RADCICP) with an expenditure level of **\$2.2 million**.

**2.262****The Ministry of Health and The Environment**

The expenditure level was **\$2.17 million** with over 53% (**\$1.16 million**) spent on the HIV/AIDS Prevention and Control Program.

**2.263***Others*

The Ministry of Telecommunications, Science and Technology had a total expenditure of **\$1.37 million**. The Ministry of Tourism Youth and Sports **\$0.7 million**, Ministry of Foreign Affairs, Commerce and Trade **\$0.5 million** and the Ministry of Legal Affairs **\$0.1 million**.



## **DETAILED STATEMENT OF REVENUE**

**2.264**

The details of Revenue collected during 2004 and 2005, with comparison to the Estimates are shown in Appendix V. The Financial Statements consist of Recurrent and Capital Revenue which are classified by accounts. The Recurrent Revenue Estimates comprised of eight (8) categories while Capital Revenue is comprised of five (5) main sources.

**2.265**

An examination of the Detailed Statements of Revenue in the Accounts and the Estimates has shown that a number of Revenue collections were classified under the wrong Ministry/ Department and Programmes with some correctly classified under the Detailed Accounts. A total of **\$4,831,476.25** in Recurrent Revenue was classified under the wrong Ministry, Programmes and Accounts. Also, amounts for Estimated and Actual Revenue for Capital Accounts were posted to accounts not provided for in the approved Estimates.

**2.266**

No reasons to justify the substantial departure from the Estimates were provided in the Financial Statements. These matters were drawn to the attention of the Accountant General and to date there has been no response.

**2.267**

The total Actual Revenue (Recurrent and Capital) for the years 2004 and 2005 were **\$351,973,416.69** and **\$391, 011,083.92**, against the total estimates of **\$483,450,573.00** and **\$587,095,299.00**, respectively.

**2004****RECURRENT REVENUE 2004****2.268**

The Statement of Recurrent Revenue 2004 reveals that two (2) of the eight (8) categories of the Revenue Accounts surpassed the Estimates by **\$6,164,254.99** while six (6) recorded **\$25,182,719.50** less than the Estimates, a net shortfall of **\$19,018,464.51**.

**2.269**

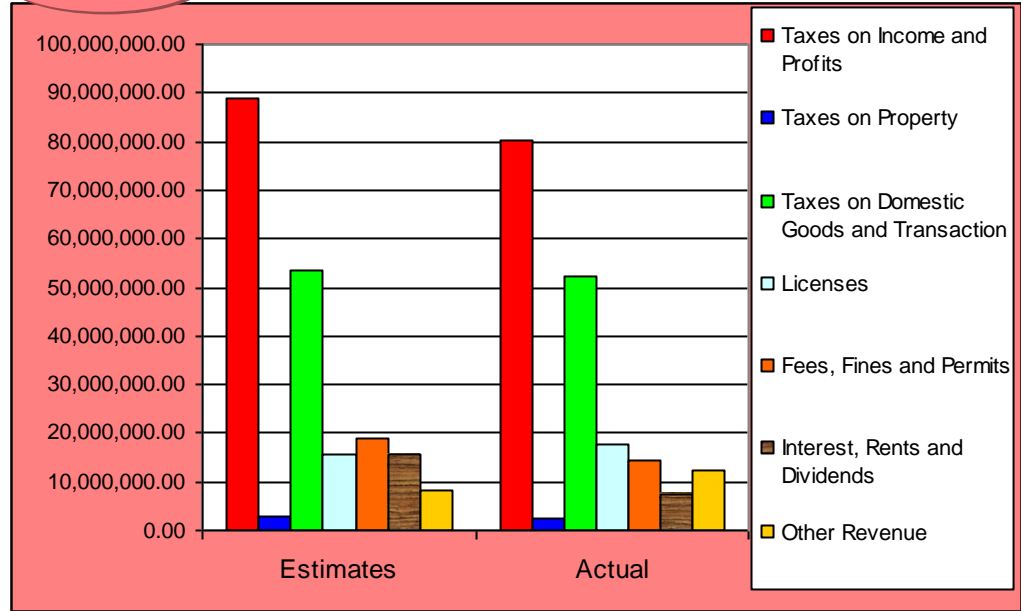
Table 1.0 and figure 1 below show the actual budget out-turn under Revenue Accounts for the eight (8) categories of Recurrent Revenue for the year 2004.

**Table 1.0**

<b>Recurrent Revenue</b>	<b>Estimates</b>	<b>Actual</b>	<b>Over/(Under)</b>
<b>Taxes on Income and Profits</b>	88,820,000.00	80,378,216.26	(8,441,783.74)
<b>Taxes on Property</b>	3,000,000.00	2,483,205.75	(516,794.25)
<b>Taxes on International Trade and Transaction</b>	139,820,000.00	138,052,869.69	(1,767,130.31)
<b>Taxes on Domestic Goods and Transaction</b>	53,380,000.00	52,093,645.69	(1,286,354.31)
<b>Licenses</b>	15,780,000.00	17,775,702.74	1,995,702.74
<b>Fees, Fines and Permits</b>	19,070,000.00	14,357,483.85	(4,712,516.15)
<b>Interest, Rents and Dividends</b>	15,699,700.00	7,241,559.26	(8,458,140.74)
<b>Other Revenue</b>	8,232,000.00	12,400,552.25	4,168,552.25
<b>Total</b>	<b>343,801,700.00</b>	<b>324,783,235.49</b>	<b>(19,018,464.51)</b>



Figure 1



2.270

A detailed examination of the statement showed that no Revenue was collected under nine (9) items of Revenue. The total of \$4,970,000.00 represents 26% of the Recurrent Revenue shortfall of \$19,018,464.51.

2.271

Table 1.1 shows items for which no Recurrent Revenue were recorded for the year 2004.

Table 1.1

CATEGORY	ITEM	ESTIMATES
<b>Fees, Fines and Permits</b>	Data Services	70,000.00
	School Buses	40,000.00
	Sanitation Services	25,000.00
<b>Interest, Rent and Dividends</b>	National Commercial Bank	2,000,000.00
	East Caribbean Flour Mill	250,000.00
	St. Vincent Electricity Services	1,200,000.00
	Currency Profits	1,000,000.00
	Interest- Joint Consolidated Funds	10,000.00
	Royalties from Quarries	375,000.00
<b>TOTAL</b>		<b>4,970,000.00</b>

**2.272****CAPITAL REVENUE 2004**

The approved Capital Estimates of **\$139,648,873.00** represents 28.8% of the total estimates for 2004. The Actual Capital Revenue of **\$27,190,181.25** fell short of the Estimates by **\$112,458,691.80**. This represents a shortfall of approximately 80% of the projected Capital Revenue. Table 1.2 below shows the Actual Revenue collected in 2004.

**Table 1.2**

<b>Estimates</b>	<b>Actual</b>	<b>Shortfall</b>	<b>%Shortfall</b>
139,648,873.00	27,190,181.25	112,458,691.80	80%

**2.273**

An examination of the statement for Capital Revenue revealed a number of errors which were recorded in the Capital Accounts for 2004 as follows:

- The Budgeted Revenue of **\$1,500,000.00** for the Sale of Crown Lands was omitted from the Accounts.
- The Estimate of **\$7,132,933.00** and Account 22001-1031 for other Capital Receipts were omitted.
- The Estimates for Account 22201-3524 was shown as **\$200,000.00** instead of **\$555,000.00**, a difference of **\$355,000.00**.
- The Estimate for Account 22399-3996 (Other Loans) was included in the accounts as **\$33,744,050.00** instead of **\$34,014,050.00**, an understatement of **\$270,000.00**.
- Account 22001-1001 (Local Revenue) estimated at **\$9,865,640.00** was included in the Accounts; however, the account and amount were not included in the approved Estimates of Revenue for 2004.



- Contributions – the Estimate of **\$500,000.00** from the National Lottery Board, Account 22101-1031 was shown under Account 22101-3996 which was not provided for in the 2004 Estimates.
- An Estimate of **\$108,010.00** was shown under A/c 22201-1001 (Grant). This item was not included in the 2004 Estimates.
- Account 22201-3365 was reflected as 22201-3995.

**2.274**

As a result of the above errors the Estimates for Capital Revenue was shown as **\$140,219,590.00** instead of **\$139,648,873.00**, a difference of **\$570,717.00**. *These errors were subsequently adjusted after the statements were audited.*

## **2005**

### **RECURRENT AND CAPITAL REVENUE**

**2.275**

An examination of the Detailed Statement of Revenue for 2005 revealed that the Estimates for Capital Revenue for 2005 is understated by **\$10**; and **\$2,000,000.00** estimated under Recurrent Revenue Account 14010 – Telecommunication Surcharge was posted to Account 14008 – Airport Service Charge.

**2.276**

Further, examination shows that the Actual Revenue collected for the fiscal year 2005 was **\$391,011,083.92**, **\$196,084,215.08** less than the Estimates of **\$587,095,299.00**. The total of **\$391,011,083.92** realised for Recurrent and Capital Revenue represents an increase of **\$39,037,667.23** over 2004 fiscal year Actual Revenue of **\$351,973,416.69**.



**2.277**

The following is a comparative summary of Actual Revenue collected during 2004 and 2005. (See Table 1.3)

**Table 1.3**

Sources of Revenue	Actual 2004	Actual 2005	Over / (Under)
Recurrent Revenue	324,783,235.49	334,090,929.97	9,307,000.00
Capital Revenue	27,190,181.20	56,920,153.95	29,729,972.75
<b>TOTAL</b>	<b>351,973,416.69</b>	<b>391,011,083.92</b>	<b>39,037,667.23</b>

**2.278**

Recurrent Revenue Accounts -Taxes on International Trade and Transaction, Interest, Rents and Dividends and Other Revenue were the main contributors to the increase. However, none of the Capital Revenue Accounts registered increases.

**2.279**

Listed hereunder in Table 1.4 are the Revenue Accounts that recorded over and under the projections for the year 2005.

**Table 1.4****RECURRENT REVENUE**

Taxes on Income and Profits	90,000,000	89,803,578.03	(196,421.97)
Taxes on Property	3,050,000	2,508,720.99	(541,279.01)
Taxes on International Trade and Transaction	135,720,000	142,379,483.75	6,659,483.75
Taxes on Domestic Goods and Transaction	60,550,000	52,234,854.46	(8,315,145.54)
Licenses	16,439,000	18,381,954.72	1,942,954.72
Fees, Fines and Permits	18,480,510	14,746,149.81	(3,734,360.19)
Interest, Rents and Dividends	10,039,720	5,729,837.94	(4,309,882.06)
Other Revenue	7,703,000	8,306,350.27	603,350.27
<b>TOTAL</b>	<del>341,982,230</del>	<del>334,090,929.97</del>	<del>(7,891,300.03)</del>



<b>ACCOUNTS</b>	<b>ESTIMATES</b>	<b>ACTUAL</b>	<b>(UNDER) / OVER</b>
<b>CAPITAL REVENUE</b>			
Other Receipt:			
Local Revenue	48,169,899	3,014,000.00	(45,155,899.00)
Sale of Lands	1,000,000	842,777.36	(157,222.64)
Contributions	500,000	-	(500,000.00)
Local loans	65,071,020	-	(65,071,020)
Development	3,700,010	-	(3,700,010.00)
Bonds			
Grants	50,593,060	45,903,780.72	(4,689,279.28)
External Loans	76,079,080	7,159,595.87	(68,919,484,.13)
<b>TOTAL</b>	<b>245,113,069</b>	<b>56,920,153.95</b>	<b>(188,192,915.05)</b>

**RECURRENT REVENUE 2005**

Recurrent Revenue for 2005 was estimated at **\$341,982,230**. Actual collections totalled **\$334,090,929.97**, which fell short of the budgeted Revenue by **\$7,891,300.03**. The shortfall of **\$7,891,300.03** is a net amount comprising of excesses totalling **\$9,205,788.74** in respect of three (3) accounts and shortfalls in respect of five (5) accounts totalling **\$17,097,088.77**. The non collection of Revenue under the items shown in Table 1.5 contributed a total of **\$5,880,000.00** to the shortfall.

2.280



<b>CATEGORY</b>	<b>ITEM</b>	<b>ESTIMATES</b>
<b>Fees, Fines and Permits</b>	Data Process Services	70,000.00
	School Buses	40,000.00
	Registration Fees	300,000.00
<b>Interest, Rent and Dividends</b>	East Caribbean Flour Mill	250,000.00
	Winera Dividends	125,000.00
	Currency Profits	500,000.00
	Royalties from Cable and Wireless	4,200,000.00
	Royalties from Quarries	375,000.00
<b>Other Revenue</b>	Sale of Stores and Equipment	20,000.00
	<b>TOTAL</b>	<b>\$5,880,000.00</b>

**2.281**

Table 1.5 shows items in which no Revenue was recorded for 2005.

**Table 1.5****CAPITAL REVENUE 2005**

Capital Revenue fell short of the 2005 budgetary Estimates of **\$245,113,069.00** by **\$188,192,915.05** or 76.7% of the Estimates. Financing from Grants was the main contributor to Capital Revenue. Over **\$45.9 million** was collected in Grants, **\$4,689,279.28** less than the Estimates. Contributions, Local Loan and Development Bonds did not realise any Revenue for the financial year under review, according to the statement produced by the Accounting Division.

**2.282**

The trend of variances between Estimates and Actual Capital Revenue over the past six (6) years is depicted in Table 1.6 and Figure 1 below for comparison.

**2.283**



Table 1.6

Year	Estimates	Actual	Actual %	Variance
2000	134,563,126.00	12,047,343.69	9	122,515,782.31
2001	144,876,873.00	40,435,876.76	28	104,440,996.24
2002	109,470,090.00	17,743,869.22	17	91,726,220.78
2003	136,242,130.00	23,404,860.34	17.1	112,837,269.66
2004	139,648,873.00	27,190,181.20	19.4	112,458,691.80
2005	245,113,069.00	56,920,153.95	23	188,192,915.05

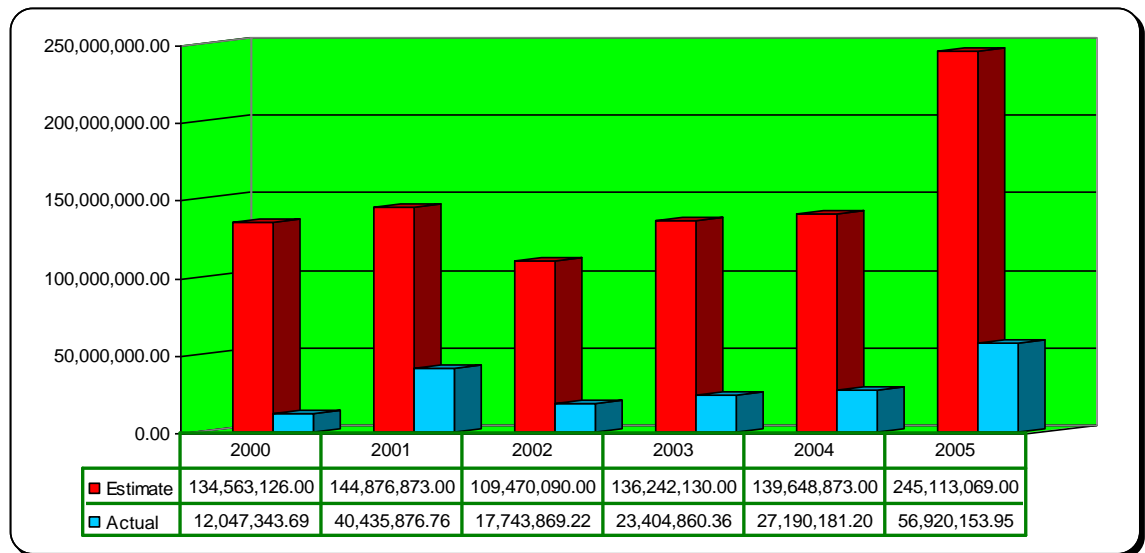


Figure 1

2.284

For each of the financial year, Capital Revenue fell short by more than 72%, The trend in Capital Revenue has shown continuous reduction in the actual collections when compared with the Estimates.



## STATEMENT OF ADVANCES

### GOVERNMENT OFFICERS

**2.285**

Net Debit Balances

2004	\$733,226.11
2005	\$671,997.77

**2.286**

Of the above outstanding amount **\$194,998.12** (2004) and **\$179,998.13** (2005) was stated as advance to persons who are either retired or deceased.

**2.287**

Three hundred (300) Advances were approved in 2005 for a total of **\$3,002,594.95**.

**2.288**

The warrants stipulate the terms of repayments and accounting for these advances.

**2.289**

In spite of the foregoing Personal Advances to the value of **\$32,397,264.07** and **\$671,997.77** remained on the books as at 31<sup>st</sup> December, 2004 and 2005 respectively.

### OTHER ADVANCES

**2.290**

The account stated above showed a net debit balance at 31<sup>st</sup> December, 2004 and **\$32,361,028.36** at the end of 2005.

**2.291**

The following accounts established during 1999, 2000 and 2001, remained on the books as at 31<sup>st</sup> December, 2005. (see Table 1.0)

**Table 1.0**

1999	CCYY	679,225.00
1999	Mustique Co.	345,981.07
2000	DEVCO Call Centre	400,000.00
2002	Low Income Housing Prog.	787,319.91

2.292

At the end of 2005 there were six (6) accounts with balances in excess of **\$1 million** as seen in table 1.1.

**Table 1.1**

	<b>2004 (CR)</b>	<b>2005 (CR)</b>
DEVCO	8,099,317.59	8,099,317.59
CAMPDEN PARK CONTAINER PORT	2,000,000.00	2,000,000.00
ECCB	5,106,325.90	5,106,325.90
RABACCA FARMS	1,223,264.86	1,223,264.86
OPERATING FACILITY TO THE OECS GOV'T	1,008,866.21	1,008,866.21
GOVERNMENT REPRESENTATIVE OF SVG TO THE UN	1,437,393.59	1,553,043.23

2.293

**DEVCO:**

The account balance of **\$8,099,317.59** constitutes the repayment of several DEVCO Loans by Central Government.

**2.294****CAMPDEN PARK CONTAINER PORT:**

This account was outstanding prior to 2002. The account balance remained at **\$2 million**.

**2.295****ECCB:**

The account balance of **\$5,106,325.90** represents reimbursement to the East Caribbean Central Bank.

**2.296****RABACCA FARMS:**

There were no charges in this account from 2003. The balance remained at **\$1,223,264.86**.

**2.297****RETIRING BENEFIT – JUDGES:**

Two (2) accounts against which retiring benefits for judges were charged showed a combined balance of **\$1,286,972.32** in 2004 and **\$1,308,906.12** in 2005. A total of **\$61,627.76** was charged to the account in 2004 and **\$21,933.80** in 2005.

**2.298**

Advances were also granted to finance the operations of the Overseas Offices. The amount advanced during the year 2004 was **\$4,706,948.09** and in 2005 **\$4,470,415.43**.



**STATEMENT OF LOANS REPAYABLE TO THE STATE****2.299**

The Accountant General has submitted a Statement of Loans Repayable to the State for 2004 and 2005.

**2.300**

These are loans which were granted between 1956 and 1971 all of which should have been repaid to the State years ago.

**2.301**

The total outstanding on which no interest is being collected amounted to **\$262,793.39**.

**2.302**

The possibility of recovering most of these loans at this time appears to be quite remote. Consideration should be given to making a provision for the write off of the outstanding balance.



## **STATEMENT OF GENERAL DEPOSITS**

**2.303**

No analysis or reconciliation of any of the balances on the accounts have been seen. Over the years requests have been made to have these accounts analyzed or reconciled.

**2.304**

There remain a number of overdrawn (debit balances) deposit accounts, which are in fact unauthorized advances. No authority was seen to maintain the debit balances and many of them appear to be uncollectible. The indications are that all of these amounts will have to be cleared against the Consolidated Fund. Several of these accounts with credit balances should have already been transferred to the Consolidated Fund.

**2.305**

An attempt to examine the deposit accounts proved to be almost futile as a large percentage of transactions were seen in the accounts without any narrative to determine the nature of the transactions. These included transactions with large sums of money. It was therefore not possible to comment on several of these deposit accounts. Neither can an opinion be expressed as to the correctness of these balances.

**2.306**

The balances on the deposit accounts for the years 2004 and 2005 were summarised as follows in Table 1.0.



<b>ACCOUNTS</b>	<b>2004</b>	<b>2005</b>
Other Governments	559,065.39 CR	559,065.39 CR
Statutory Bodies	10,980,241.24 CR	10,571,362.87 CR
Departmental Account	164,659,622.29 CR	240,758,197.27 CR
Individuals	3,166,342.07 CR	3,357,781.12 CR
Local Government	645,242.02 DR	806,097.71 DR
ECCB	1,373,447.00 CR	1,373,447.00 CR
<b>TOTAL</b>	<b>180,093,475.97 CR</b>	<b>255,813,755.94 CR</b>

**Table 1.0****2004****OTHER GOVERNMENTS**

Balances are held on the accounts of eleven (11) other Governments which make payments on behalf of the Government of St Vincent and The Grenadines. The individual accounts should be reconciled with the respective Governments. The Balance on these accounts is expressed as follows:

Credit (6)	\$918,160.44
Debit (5)	<u>\$359,095.05</u>
	<u>\$559,065.39 (CR)</u>

2.307

**STATUTORY BODIES****2.308**

The total of **\$10,980,241.24** represented the balances of the eleven (11) accounts held on behalf of the Statutory Bodies. There are two (2) separate accounts maintained for the Port Authority and Port Authority CruiseShip Berth. The accounts showed that repayments on the Kingstown Port Development Project Loan # 469 were made from both accounts.

*Port Authority***2.309**

The balance brought forward on the account from 2003 was **\$540,284.74**. Payments from this account included an amount of **\$875,694.24** which was withdrawn for the repayment due on Kingstown Port Development Project Loan # 469. The balance on the account at the 31<sup>st</sup> December 2004 was **\$238,659.30**.

*Port Authority CruiseShip Berth***2.310**

This account was established for the collection of Revenue from the Cruise Ship Berth. The balance brought forward at the beginning of the year was **\$95,852.31 CR**. Disbursements of **\$513,335.96** were made during 2004 as repayment due on the Kingstown Port Development Project Loan # 469. Amounts credited to the deposit account during the year totalled **\$493,522.39**. The account showed a balance of **\$76,038.74 CR** at the end of the year.

**INDIVIDUALS****2.311**

Of the twenty-six (26) accounts which are categorised as individual deposits, there were accounts which could have been otherwise classified as Departmental Accounts.

**2.312**

At the close of the financial year 2004, three (3) accounts showed debit balances totalling **\$5,738.03** and twenty-three (23) accounts showed credit balance totalling **\$3,172,080.04**, giving a closing net credit balance of **\$3,166,342.07**.

**DEPARTMENTAL ACCOUNTS****2.313**

There are several deposit accounts which remained on the accounts, for which purposes stated have been non existent for a number of years and attempts should be made to clear these accounts in an effort to reduce the number of accounts to a more manageable proportion.

**2.314**

These accounts are maintained on behalf of the various Ministries and Departments and the Accounting Officers should ensure that they are properly reconciled. No reconciliation or analysis of the balances appears to have been undertaken by the Accounting Officers.

**2.315**

These accounts include those with overdrawn balances and as stated above efforts should be made to have them cleared against the Consolidated Fund.

**LOCAL GOVERNMENT****2.316**

There are twelve (12) accounts maintained on behalf of the Local Authorities and these should be reconciled with Annual Statements prepared to account for their operations over the year. No Annual Statements have been submitted for many years.

**2.317**

A summary of the balances shows the net position as one of an overdrawn account as shown hereunder

Debits (11)	\$694,762.96
Credits (1)	<u>\$49,520.94</u>
	<u>\$645,242.02</u>

**2005****2.318****OTHER GOVERNMENTS**

The balance on the deposit accounts held on behalf of other Governments remained unchanged from 2004 at **\$559,065.39 CR.**

**2.319****STATUTORY BODIES**

The balance on the deposit accounts showed a net credit balance of **\$10,571,362.87** as at 31<sup>st</sup> December, 2005.

***Port Authority*****2.320**

A repayment of **\$550,000.00** was made as principal and interest payments on Kingstown Port Development Project on Loan #469 during 2005. The balance of **\$248,906.74 CR** was recorded in the accounts as at 31<sup>st</sup> December, 2005.

***Port Authority Cruise Ship Berth*****2.321**

The balance brought forward on this account from 2004 was **\$76,038.74**. During the year loan payment of **\$950,000.00** was made. At the end of the year there was a net debit balance of **\$418,481.26**.

**2.322****DEPARTMENTAL ACCOUNTS**

Table 1.1 shows examples of Departmental Accounts for which no transactions have been recorded for the last four (4) years therefore maintaining unchanged year end balances.

**Table 1.1**

<b>ACCOUNT</b>	<b>AMOUNT</b>
UN Mission	489,654.44
Republic China School Fund	246,714.61
Centre for Performing Arts	235,400.16
Hurricane Relief	279,506.90
Soufriere Evacuation	2,534,601.66
MCW Audio Text Services	473,850.68
SVG Sugar Industry Residential Assets	2,550,087.00

**2.323**

Listed below in table 1.2 are two (2) accounts for which the Customs and Excise Department is responsible. The balances on these accounts have increased significantly between 2004 and 2005.

**Table 1.2**

<b>ACCOUNT</b>	<b>2004</b>	<b>2005</b>
Sight Entries	\$2,606,033.45CR	\$4,424,265.72CR
Trade Bottle Deposit Levy	\$1,281,391.07CR	\$1,700,374.69CR

**2.324**

It was not possible to ascertain (i) if all monies which were to be transferred to the above the line revenue accounts to which they relate were transferred.  
(ii) If all refunds payable were in fact refunded to depositors.



**2.325****PRINCIPAL DEVELOPMENT BONDS 2012/2013**

Development Bonds are loans raised by Government to provide money to be applied for the purpose of funding the Public Sector Investment Programme. A deposit account is set up and proceeds from the sale of the Bonds would be credited to this account. Monies are occasionally transferred from this account to a Revenue account to meet Capital Expenditure.

**2.326**

In 2002 a deposit account was set up for the proceeds from the sale of the 7% Development Bonds 2012/2013 totalling **\$30,000,000.00**. The **\$30 million** was raised in this year. In 2003 the sum of **\$8,841,054.97** was transferred to a Revenue account leaving a balance of **\$21,158,945.03** in the deposit account. Although the Estimates show that designated projects were to be funded from Local Development Bonds, no entries were seen in the accounts after 2003, transferring monies to Capital Revenue to meet Capital Expenditure.

**INDIVIDUAL****2.327**

The balance at the end of 2005 was **\$33,357,781.12 CR** an increase of **\$191,439.05** over the 2004 year end balance.

**LOCAL GOVERNMENT****2.328**

The twelve (12) accounts operated by the Treasury for the Local Government all recorded debit balances totalling **\$806,097.71**. The debit balances represent overdrawn balances. No authority has been seen for the operation of the debit balances.

**2.329**

Again the Audit is requesting that the Local Authorities submit Annual Statements as required by Local Government Act Cap 257 Section 45 (4) of the Revised Laws of St. Vincent and the Grenadines 1990.

**ECCB****2.330**

No transactions were seen recorded in the accounts during the period under review. The balance remained unchanged at **\$1,373,447.00** for the last two (2) years.

**STATEMENT OF INVESTMENTS****2.331**

The Statement of Investment is comprised of three (3) categories of Investments namely Trust Funds, Special Deposits and Sinking Fund.

**TRUST FUNDS****2.332**

Interest accrued on the Trust Funds for 2004 was brought to account in the Treasury Accounts and reinvested at the National Commercial Bank where the Trust funds are held. Table 1.0 shows the balances on the funds at the end of 2004.

**Table 1.0**

	<b>Balance as at 31/12/03</b>	<b>Balance as at 31/12/04</b>	<b>Interest Earned</b>
Bain Gray	1,038.31	1,066.84	28.53
Graham Bequest	64,935.50	66,907.98	1,972.48
Lady Musgrave	294.91	300.82	5.91
Simmons Bequest	6,309.25	6,624.71	315.46
Haywood X. Ray Fund	12,495.79	13,120.58	624.79

**2.333**

The following Trust Funds in Table 1.1 were omitted from the Certificate of Balances for 2005.

**Table 1.1**

Lady Musgrave	300.82
Bain Gray	1,066.84
Haywood X. Ray	13,120.58

**2.334**

It could not be ascertained if these bank accounts have been closed. An explanation was sought but not received from the Accountant General as to the reason for the omission from the Certificate of balances.

**2.335**

There was no change in the Treasury Accounts to the balances on the Simmons Bequest and the Graham Bequest for 2005. As a result thereof there were differences between the balances in the Treasury Accounts and the balances held at the National Commercial Bank (NCB) as shown in Table 1.2.

**2.336**

These differences are as a result of interest earned not being brought to account.

**Table 1.2**

	<b>Certificate of Balances (NCB)</b>	<b>Treasury A/cs</b>
Simmons Bequest	6,889.70	6,624.71
Graham Bequest	68,420.55	66,907.98

**2.337****SPECIAL DEPOSITS**

The Special Deposits consists of four (4) accounts namely; Reserve Fund Electricity, Canouan Development Fund, Accountant General – Balcombe, and Fiscal Reserve Account. All of the Special Deposits with the exception of the Fiscal Reserve account are invested at the National Commercial Bank. The Fiscal Reserve account is invested at the East Caribbean Central Bank (ECCB). The balances in the Treasury Accounts with respect to the Electricity Reserve Fund, The Canouan Development Fund and the Accountant General Balcombe remained unchanged from 2003 – 2005.

**2.338**

However, there were differences between the balances in the Treasury accounts and the Certificate of Balances as shown below in table 1.3.

**Table 1.3**

YEAR	SPECIAL DEPOSIT	CERTIFICATE OF BALANCE (NCB)	TREASURY ACCOUNTS	DIFFERENCE
2004	Reserve Fund Electricity	\$378,160.26	\$367,190.71	\$10,970.26
	Canouan Development Fund	\$713,837.22	\$601,085.69	\$112,751.53
	Accountant General – Balcombe	\$1,518,476.06	\$1,573,912.01	(\$55,435.95)
2005	Reserve Fund Electricity	\$393,286.66	\$367,190.71	\$26,095.95
	Canouan Development Fund	\$817,528.61	\$601,085.69	\$216,442.92
	Accountant General – Balcombe	\$1,564,545.38	\$1,573,912.01	(\$9,366.63)

**FISCAL RESERVE ACCOUNT****2.339**

The balance in 2004 was increased from **\$125,597.98** to **\$1,283,508.93**. A total of **\$1,157,910.95** was credited to the account representing currency profit of **\$1,146,851.10** and interest of **\$11,059.95**.

**2.340**

In 2005 the increase of **\$35,849.55** was as a result of interest earned. The closing balance as at 31<sup>st</sup> December 2005 was **\$1,319,358.48**.

**2.341****SINKING FUND**

Sinking Funds are set up to receive periodic contributions to ensure the availability of cash for the retirement of Development Bonds at maturity. Periodically, contributions would be paid into the Sinking Fund from the Recurrent Expenditure item- Sinking Fund contributions.

**2.342**

The Sinking Fund for the seven percent (7%) 2006/2007 Development Bonds which was set up in 1996 is invested at the East Caribbean Central Bank. The Sinking Fund for the seven percent (7%) 2012/2013 Development Bond was set up in 2003 and is invested at the National Commercial Bank.

**2.343**

Table 1.4 shows amounts which were paid from Recurrent Expenditure to the East Caribbean Central Bank and National Commercial Bank as Sinking Fund contributions; however, the necessary transactions were not processed in the Treasury Accounts to reflect the increases in the Sinking Fund.

**Table 1.4**

	<b>2004</b>	<b>2005</b>
7 % 2006/2007 Sinking Fund - ECCB	\$4,000,000.00	\$6,350,657.25
7 % 2012/2013 Sinking Fund - NCB	\$2,000,000.00	\$5,479,342.75
<b>TOTAL</b>	<b>\$6,000,000.00</b>	<b>\$11,830,000.00</b>

**2.344****7 % 2012/2013 Sinking Fund**

The differences in the under mentioned balances were attributable to

- (i) the necessary journals not being effected to account for the increases in the Sinking Funds.
- (ii) interest earned on the Sinking Fund was incorrectly charged in the Treasury Accounts for 2004, thereby, reducing the fund account instead of increasing it.

**2.345**

There were no transactions recorded in the accounts for 2005 as shown in table 1.5

**Table 1.5**

YEAR	SINKING FUND	CERTIFICATE OF BALANCE (NCB)	TREASURY ACCOUNTS	DIFFERENCE
2003	7 % 2012/2013 Development Bonds	\$0.00	\$2,000,000.00	\$2,000,000.00
2004	7 % 2012/2013 Development Bonds	\$4,083,464.24	\$1,927,477.40	\$2,155,986.84
2005	7 % 2012/2013 Development Bonds	\$9,086,322.16	1,927,477.40	\$7,158,844.76

**2.346****7 % 2006/2007 Sinking Fund**

The 2003 closing balance on the Sinking Fund was **\$5,236,534.54**; this was reduced to **\$4,930,335.82** in 2004 as a result of incorrect adjustments in the Treasury Accounts. The figure remained unchanged at **\$4,930,335.82** in 2005. No transactions were recorded in the accounts for the year.

**STATEMENT OF PUBLIC DEBT****2004****THE STATEMENT**

2.347

The statement presented by the Accountant General indicated that Public Debt was **\$92,694,615.53**, as shown in table 1.0.

**Table 1.0**

<b>ITEM</b>	<b>ORIGINAL AMOUNT</b>	<b>OUTSTANDING AMOUNT</b>
Public Sector Investment Loan	\$20,000,000	\$2,694,615.53
Development Bond 2006/07-7%	\$30,000,000	\$30,000,000.00
Domestic Bonds 2012/13-7%	\$30,000,000	\$30,000,000.00
Domestic Bonds 2014	\$30,000,000	\$30,000,000.00
<b>TOTAL</b>	<b>\$110,000,000</b>	<b>\$92,694,615.53</b>

2.348

A foot-note to the statement indicated that the Public Sector Investment Loan was paid off, however, the transaction was not posted to the Account and hence the payment was not recorded. Attached to the Statement also, was a list of Loans according to Creditors (External) and the outstanding Debt as at December 31<sup>st</sup> 2004 as listed in table 1.1.

**Table 1.1**

<b>CREDITOR</b>	<b>NUMBER OF LOANS</b>	<b>OUTSTANDING DEBT</b>
ROC Loans	1	9,359,985.00
Caisse Centrale D'Cooperation Economique	2	3,956,057.00
Caribbean Development Bank	25	123,574,822.00
CITIBANK	2	40,972,000.00





<b>CREDITOR</b>	<b>NUMBER OF LOANS</b>	<b>OUTSTANDING DEBT</b>
European Investment Bank	7	23,039,142.00
Government of Trinidad & Tobago	2	4,845,670.00
International Bank for Reconstruction (IBRD)	4	2,441,414.00
International Development Association (IDA)	8	34,038,024.00
International Fund for Agricultural Dev. (IFAD)	1	2,770,607.00
Kuwait Fund for Arab Economic Dev.	2	14,341,573.00
OPEC Fund for International Dev.	2	175,505.00
PEEK TRAAB. V	1	2,000,282.00
Royal Merchant Bank and Finance Company	2	31,687,501.00
US Agency for International Dev. (USAID)	2	18,837,751.00
Westdeutsche LandesBank (EUROPA)	2	140,653,316.00
Export-Import Bank of China	2	9,854,984.00
	<b>TOTAL</b>	<b>462,548,633.00</b>

**THE ESTIMATES****2.349**

The Estimates of Revenue and Expenditure for the year 2005 listed a number of projects funded from both Internal and External sources, with outstanding debt as at 30/9/2004.



2.350

Listed also were a number of other Loans (Bonds, over-draft facilities, Treasury Bills). These are summarised in table 1.2 and 1.3.

*Internal Debt*

**Table 1.2**

<b>CATEGORY</b>	<b>OUTSTANDING DEBT</b>
Development Bonds	92,000.00
Over-drafts-NCB	42,451,870.00
Loans	102,862,805.00
Treasury Bills	48,000,000.00
Others	11,729,940.00
<b>TOTAL</b>	<b>297,044,615.00</b>

*External Debt*

**Table 1.3**

<b>CREDITOR</b>	<b>OUTSTANDING DEBT</b>
1. Caribbean Development Bank	126,130,684.00
2. Central Govt. Non Budget Financed	9,853,954.00
3. Republic of China CITIBANK	20,159,971.00
4. European Investment Bank	24,473,323.00
5. US Agency for International Dev. (USAID)	18,179,248.00
6. Agence Francaise De Development	23,205,322.00
7. Kuwait Fund for Arab Economic Dev	18,749,555.00
8. Royal Merchant Bank and Finance Company	32,609,375.00
9. International Development Association	33,802,959.00
10. CITIBANK	40,972,000.00
11. Westdeutsche LandesBank /Ottley Hall Ship yard Project	155,868,930.00
Others:-	
Traffic Lights II	2,009,237.00
Sugar Factory( Gov't T& T)	1,392,422.00



<b>CREDITOR</b>	<b>OUTSTANDING DEBT</b>
IFAD Small Holder Project	2,770,607
Leeward Highway Project (OPEC)	175,505
LIAT Loan (Gov't T& T)	<u>4,050,000</u>
	10,397,771
<b>TOTAL</b>	<b>514,403,002</b>

**THE ACCOUNTS**

2.351

The Accounts represented on SMARTSTREAM does not reflect all Internal Debt; also, it does not reflect any External Debt. The following is reflected in the Accounts (see table 1.4)

**Table 1.4**

<b>A/C#</b>	<b>ITEM</b>	<b>AMOUNT</b>	<b>TOTAL</b>
<b>Long-Term Liabilities Domestic Debt:</b>			
20-81002	Domestic Bonds 2006/07	30,000,000.00	
20-81004	Domestic Bonds 2012/13	30,000,000.00	
20-81005	Domestic Bonds 2014	30,000,000.00	
20-81006	Sinking Fund 2006/07	4,930,335.82	
20-81007	Sinking Fund 2012/13	1,927,477.40	<b>96,857,813.22</b>
<b>Long-Term Liabilities Domestic:</b>			
20-82006	Public Sector Investment Loan	2,694,615.53	<b>2,694,615.53</b>

2.352

As has been stated in previous Audit Reports, the Audit Office is not in possession of the Projects Documents concerning the Projects/Loans reflected on the Appendix to the Public Debt Statement. Hence, the Audit cannot vouch for the correctness of the figures presented thereon.

**2.353**

The Accounts reflect the under-mentioned in relation to the servicing of Loans. Table 1.5 and 1.6 refers.

**Internal****Table 1.5**

<b>Item</b>	<b>Amount</b>
Amortization	5,786,922.46
Interest	4,516,441.92
<b>TOTAL</b>	<b>10,303,364.38</b>

**External****Table 1.6**

<b>Item</b>	<b>Amount</b>
Amortization	21,259,295.03
Interest	14,266,608.48
<b>TOTAL</b>	<b>35,525,903.51</b>

**2005****THE STATEMENT****2.354**

The contents of the 2005 Public Debt Statement did not change from that of 2004. The under mentioned was reflected thereon. (see table 1.7)

**Table 1.7**

<b>ITEM</b>	<b>ORIGINAL AMT.</b>	<b>AMT. OUTSTANDING</b>
Public Sector Investment Loan	20,000,000.00	2,694,615.53.00
Development Bond 2006/07-7%	30,000,000.00	30,000,000.00
Domestic Bonds 2012/13-7%	30,000,000.00	30,000,000.00
Domestic Bonds 2014	30,000,000.00	30,000,000.00
<b>TOTAL</b>	<b>110,000,000.00</b>	<b>92,694,615.53</b>



2.355

The Appendix to the Statement indicated the outstanding loans according to creditors as shown in Table 1.8.

**Table 1.8**

<b>CREDITOR</b>	<b>NUMBER OF LOANS</b>	<b>OUTSTANDING DEBT</b>
Bank of Communication-ROC Loans	1	7,919,983.00
Bank of Nova Scotia	1	40,500,002.00
Caisse Centrale D'Cooperation Economique	2	3,058,108.00
Caribbean Development Bank	25	128,715,314.00
CITIBANK	2	75,879,556.00
European Investment Bank	7	20,174,846.00
Government of Trinidad & Tobago	2	10,349,233.00
International Bank for Reconstruction (IBRD)	4	2,531,737.00
International Development Association (IDA)	8	41,485,872.00
International Fund for Agricultural Dev. (IFAD)	1	2,365,920.00
Kuwait Fund for Arab Economic Dev.	2	13,410,122.00
OPEC Fund for International Dev.	2	0.00
PEEK TRAAB. V	1	1,969,457.00
Royal Merchant Bank and Finance Company	2	27,578,126.00
US Agency for International Dev. (USAID)	2	17,900,609.00
1. Westdeutsche LandesBank (EUROPA)	2	130,234,552.00
2. Export-Import Bank of China	2	8,864,981.00
<b>TOTAL</b>		<b>532,938,418.00</b>

**2.356****THE ESTIMATES**

The under-mentioned appeared in the list of Appendices to the Estimates of Revenue and Expenditure for the year 2006 in relation to Internal and External Debt as at 30/9/2005. (see table 1.9 – 1.10)

**Internal Debt****Table 1.9**

<b>TYPE</b>	<b>AMOUNT OUSTANDING</b>
Bonds and Debentures	92,000,000
Over-drafts	63,9416,751
Loans	103,086,830
Treasury Bills	48,000,000
Others	21,380,710
<b>TOTAL</b>	<b>328,384,291</b>

**External Debt****Table 1.10**

<b>CREDITOR</b>	<b>OUTSTANDING DEBT</b>
Caribbean Development Bank	126,958,978
Central Govt. Non Budget Financed/Guaranteed	10,011,043
Republic of China	17,729,966
European Investment Bank	22,166,753
USAID	17,949,611
Agence Francaise De Development	24,054,336
Kuwait Fund	17,224,592
International Dev. Association Bank	40,887,146
Other Loans	15,815,791
Ottley Hall Project/ Westdeutsche LandesBank	163,829,,071
Bonds	177,199,656
<b>TOTAL</b>	<b>633,826,943</b>

**2.357****THE ACCOUNTS**

The Accounts indicate the following in relation to the servicing of loans.  
(Table 1.11 refers).

**Table 1.11**

<b>ITEM</b>	<b>CATEGORY</b>	<b>AMOUNT</b>
Internal Debt	Amortization	3,094,191.47
	Interest	<u>4,377,664.18</u>
		7,471,855.65
External Debt	Amortization	25,162,362.01
	Interest	<u>19,541,688.89</u>
		44,704,050.90

**CONCLUSION**

2.358

- All Debt is not reflected in the Government Accounting System-SMARTSTREAM.
- The correctness of the balances or outstanding Debt cannot be vouched by the Audit as the of Office was not provided with the necessary documentation.
- Transactions are not being accounted for in a timely manner. The 2004 Statement indicated that the Public Sector Investment Loan was fully repaid however the Journal was not effected. The 2005 Statement reflected the same information, as well as the Accounts.

**STATEMENT OF ASSETS AND LIABILITIES****2004****CURRENT ACCOUNT****2.359****Overdraft at Bank (100,386,681.31)**

The Certificate from the National Commercial Bank dated January 6, 2005; holder of the Accountant General's Current Account indicated a balance of **\$44,325,626.43**. This would indicate that there may have been several cheques issued by the Accountant General but not yet presented to the Bank, or Credits to the Bank Account not brought to Account by The Accountant General. The Audit is not in possession of any Reconciliation Statements and is also not aware whether The Accountant General has prepared any for the year under review. A proper Reconciliation should account for differences in balances as is the case here- where the SMARTSTREAM™ Account is showing an Over-drawn balance of **\$100,386,681.31**, while the Bank balance is **\$44,325,626.43**. The Accountant General should undertake proper monthly Reconciliation of the two Accounts.

**2.360****Kingstown Treasury (110,057.31)**

The balance on the Kingstown Cash Account as 31/12/2003 was **\$4,483,467.96 (DR)**. Transactions in this Account, in essence, represent the Cash Account. Transactions when initially processed are debited to the Cash Account and Contra Entries are later effected to transfer the amounts to the Accountant General's Account. The normal balance on this type of account should be a Debit balance. The balance on this Account at the close





of the financial period was **\$110,057.31 (CR)**. Several adjustments were made in period 12- (December) crediting the Account. These transactions were effected to reverse some Revenue batches which were incorrectly processed.

**In-transit (1,579,094.58)**

2.361

The Accounts indicate the following with respect to the Remittances Accounts or In-transit Accounts. (see table 1.0)

**Table 1.0**

<b>A/C #</b>	<b>NARRATIVE</b>	<b>BALANCE(DR/CR)</b>
20-52001	Georgetown	1,002,167.80 (CR)
20-52002	Bequia	1,613,978.96 (CR)
10-52003	Union Island	468.50 (DR)
20-52003	Union Island	918,466.07 (DR)
20-52004	Barrouallie	838,117.61 (DR)
	<b>NET BALANCE</b>	<b>1,579,094.58 (CR)</b>

2.362

Remittance Accounts should nil out at the close of Accounting periods. High balances on these types of accounts are an indication that the Accounting Procedures are not being followed correctly. Also, the occurrence of high Credit Balances is an indication that there may be errors in classification, and or omission in recording the transactions.

**Canouan In-transit (498,618.10)**

2.363

This Account Balance was listed separately on the Statement. The Account records transaction in relation to Remittance sent to the Canouan Sub – Treasury. The Procedures used to record transactions in relation to Remittances sent to this Sub-Treasury are different than the others; since this Sub-Treasury is not yet on SMARTSTREAM. Again the presence of



high Credit balances is an indication that there may be errors or omission in the Accounts.

**Crown Agents (2,206,646.32)****2.364**

The balance on this account has not changed since Accounting year 2000. It was suggested in the 2002-2003 Audit Report and before, that the Accountant General have the Account properly analyzed with a view to having it cleared from the Accounts.

**Development Aid Cash (679,870.15)****2.365**

This balance was reported on as far back as Audit Report 1990. Since then repeated requests were made through subsequent Audit Reports for the Accountant General to have the balance analyzed to ascertain its origin. To date the balance remained unchanged and not yet analyzed.

**LOANS****National Commercial Bank (9,000.02)****2.366**

This balance comprise two amounts- **\$9,000.00** and **\$. 02**; being Consolidated Over-draft and the Special Loan Account respectively. These balances have not changed as far back as Accounting year 1993.

**DEPOSITS****National Provident Fund (180,000)****2.367**

The status of this account was reported as far back as Audit Report 1990. The balance which was reported then was not reflected in the Accounts of the then National Provident Fund (now the National Insurance Services). It was suggested the Account be analyzed and cleared. The balance is still not analyzed and hence remains on the Books.

**2.368****Development Aid Grant (349,959.40)**

This balance was reported on as far back as Audit Report 1990. The balance has not changed since then.

**2.369****Sundry (179,990,652.28)**

The amount represents the aggregates of four (4) Accounts-Deposits Statutory Bodies, Deposits Departmental Accounts, Deposits Individuals and Deposits ECCB.

**ADVANCES****2.370****Other Governments Clearing Accounts (559,065.39)**

This balance is classified as Advances. However, they should really be reflected as Deposits other Governments. Other Governments make payments on behalf of the Government of St. Vincent and the Grenadines. Eleven Accounts are on the Books to record such transactions. The balance represents the Net Credit of these Accounts.

**2.371****SPECIAL FUNDS\_(3,830,736.51)**

The Statement listed the Special Funds in table 1.1

<b>NARRATIVE</b>	<b>AMOUNT</b>
1. Accountant General –Balcombe	1,573,912.01
2. Electricity Dev. Reserve Fund	367,190.71
3. Canouan Development Fund	601,085.69
4. Fiscal Reserve Fund	1,283,508.93
5. Other Trust Fund	5,039.17
<b>TOTAL</b>	<b>3,830,736.51</b>

**Table 1.1**

**2.372**

Items one (1) to three (3) were included on the Certificate of Balances issued by the National Commercial Bank, while Items four to five are held by the ECCB and the Treasury respectively. Details of the Individual Accounts can be found at paragraphs 2.337 – 2.338 Statement of Investment.

**2.373****TRUST FUNDS (89,206.72)**

Details of these Accounts can be found at paragraph 2.332 Statement of Investment

**2.374****SALARY CLEARING (29,065.76)**

No transactions were posted to this account for the year. The amount represents amounts brought over from the old Accounting System TREAAC before the introduction of SMARTSTREAM.

**ASSETS****CASH****2.375****Sub-Treasuries (4,118,870.04)**

The balance is comprised as follows in table 1.2.

**Table 1.2**

<b>SUB-TREASURY</b>	<b>AMOUNT</b>
Barrouallie	1,134,108.74
Bequia	2,030,640.88
Canouan	690,861.60
Georgetown	401,846.69
Union Island	(138,587.87)
<b>TOTAL</b>	<b>4,118,870.04</b>

**2.376**

Differences were observed between the Manual Cash Book and the Accounts as indicated here-under in table 1.3

**Table 1.3**

<b>SUB-TREASURY</b>	<b>BALANCE-MANUAL CASH BOOK</b>	<b>BALANCE-ACCOUNTS</b>
Barrouallie	95,273.93	1,134,108.74
Bequia	109,517.70	2,030,640.88
Canouan	35,835.82	690,861.60
Georgetown	87,852.82	401,846.69
Union Island	21,912.18	(138,587.87)

**2.377**

At the close of the financial period 2003 the Accounts indicated that Union Island had a credit balance of **\$949,306.54**. Cash is an Asset and therefore such Accounts should never have Credit Balances. Cash Accounts showing Credit Balances should be thoroughly analyzed and procedures reviewed to determine source and nature of the errors.

**Crown Agents & JCF****2.378**

The balance is comprised as follows in table 1.4.

**Table 1.4**

<b>A/C#</b>	<b>NARRATIVE</b>	<b>BALANCE</b>
20-52005	Crown Agents	3,037,914.67
20-52006	Joint Consolidated Fund	172,576.85
<b>TOTAL</b>		<b>3,210,491.20</b>

**2.379**

The balance remained unchanged at the close of the financial period. However, there were several transactions that were posted to A/C# 20-52005 in error (classification errors), which were later adjusted.

**2.380****ADVANCES****Other Governments (936,364.80)**

St. Vincent and the Grenadines makes payment on behalf of other Governments for more than one reason. Twelve (12) Accounts are reflected in the Accounts to record such Transactions. Of the twelve (12), one (1) indicated a credit balance to give a net debit of **\$936,364.80**.

**2.381****Local Government (645,242.02)**

Thirteen (13) Accounts are listed to record transaction for the twelve (12) Rural Town Boards and District Councils. These Rural Town Boards and District Council fall under the ambit of the Social Development Ministry. Twelve (12) of the Accounts reflected debit balances and one recorded a credit balance. The debit balances are an indication that these entities would have spent monies in excess of their allocations and deposits.

**2.382****Public Officers (733,226.11)**

This is a net balance and reflects Outstanding Advances issued to Public Officers. The balance also includes Advances-Retired-Deceased, as well as Advance to be written off as indicated in table 1.5.

**Table 1.5**

<b>PARTICULARS</b>	<b>BALANCE-DR/CR</b>
Advances-Retired-Deceased	42,488.99 (DR)
Advances-Retired-Deceased	152,509.13 (DR)
Advance to be Written Off	4,985.65 (CR)

**2.383**

The Treasury should take steps to have these Accounts cleared from the Books/Accounts.

**2.384****Others (32,397,264.07)**

These Advances are issued to Individuals and Statutory. The balance includes the following accounts which should be written off from the books. (see table 1.6)

**Table 1.6**

<b>NARRATIVE</b>	<b>BALANCE</b>
Advances-Others-In-Active	619,908.70
Advance Others-Written off	3,343,323.36

**2.385****Imprests (1,548,104.25)**

These Accounts are set up by the Accountant General and made available to Accounting Officers. The funds so made available are to be used for very small purchases and or small payments to Individuals. The funds are made available at the start of the Financial Year and the Accounts should be closed out at the end of the Accounting period (balance nil). Eight (8) of the Accounts reflected Credit Balances indicating that these Accounts may have had Classification errors. The other twenty-four (24) accounts reflected debit balances. Included in the balance were seven (7) accounts denoted as Imprests-Inactive as indicated in table 1.7.

**Table 1.7**

<b>A/C#</b>	<b>BALANCE-DR/CR</b>
1-56098	1,990.67 (CR)
10-56098	24,956.59 (DR)
20-56098	39,617.28 (DR)
35-56098	3,180.81 (DR)
45-56098	12,831.99 (DR)
65-56098	96,073.91 (DR)
80-56098	3,116.48 (DR)

**2.386**

If these Accounts are in fact in-active the Accountant General should have them cleared from the Books.

**Departmental (7,612.65)****2.387**

The balance on this Account has nor changed for the period under review and is comprised as follows in table 1.8.

**Table 1.8**

MINISTRY #	AMOUNT
20	7,492.65
55	120.00

**Returned Cheques (289,665.34)****2.388**

The balance is comprised of two (2) Accounts. (see table 1.9)

**Table 1.9**

A/C#	BALANACE –DR/CR
1. 20-54501	31.17 (CR)
2. 20-54501-1003	289,696.51 (DR)
<b>NET BALANCE</b>	<b>289,665.34</b>

**2.389**

Item one (1) had a balance brought forward of **\$85.00 (DR)**, and was credited with amounts totalling **\$115.00**. Item 2 (Account# 20-54501-1003) is the main Account used to record transaction in relation to dishonoured cheques. The process is such that, the cheques when received and dishonoured, the Account is debited and when cleared the Account is credited. In December the Account was incorrectly debited with an amount of **\$10,000,000.00**, however, the error was subsequently corrected.



**2.390****INVESTMENTS**

The Statement listed the following as Investments.(see table 1.10)

<b>Table 1.10</b>	
<b>PARTICULARS</b>	<b>AMOUNT</b>
1. Electricity Development Reserve Fund (EDRF)	367,190.71
2. Crown Agents Investment	365,798.18

**2.391**

Item 1 is invested at the National Commercial Bank and details of this Investment can be found at paragraphs 2.337 – 2.338. Item 2 is listed on the Statement as Crown Agents as Investment, however it is used to record transaction conducted by Crown Agents

**SPECIAL FUNDS****ECCB Fiscal Reserve Fund (1,283,508.93)****2.392**

This Investment is held by the ECCB, and the details of the Account can be found at paragraphs-Statement of Investment.

**Accountant General-Balcombe (1,573,912.01)****2.393**

This Fund is invested at the National Commercial bank and was included in the Certificate of Balances issued by the bank on Accounts on record as at December 31, 2004. Details can be found at the section of the Report-Statement of Investment.

**Canouan Development (601,085.69)****2.394**

This Fund is also invested at the National Commercial Bank and was included on the Certificate of Balance issued by the Bank. Details can be found at the section of the Report-Statement of Investment.

**2.395****TRUST FUNDS (3,458,506.63)**

The under-mentioned is a summary of these Funds details of which can be found at the section of the Report relating to the Statement of Investment.

**Table 1.11**

<b>NARRATIVE</b>	<b>AMOUNT</b>
Lady Musgrave	300.82
Haywood X-ray Fund	13,120.58
Simmons Bequest	6624.71
W.B Gray Prize Fund	1,066.84
Graham Bequest	60,907.98

**2.396****SUSPENSE ACCOUNTS****Ledger (340.00)**

This Account is used as a Clearing Account for System generated errors. The Account was debited and credited with several transactions of similar value in almost all periods (months) with the exception of August, September, October and December. In those months where transactions were effected, the Account balanced out (nil balance) with the exception of April and November.

**2.397****CONSOLIDATED FUND**

Balance B/Fwd (Deficit)	179,610,618.94
Add Deficit for 2004	<u>62,721,338.15</u>
Consolidated Fund Balance C/Fwd	<u>242,331,957.09</u>

The Consolidated Fund has maintained a Deficit within the last couple of years.

**2005****CURRENT ACCOUNTS****Over-draft at Bank (92,258,476.87)****2.398**

This balance represents the Accountant General Current Account. Again, there are significant differences between the Account maintained by the Accountant General and that held by the National Commercial Bank. The amount listed on the Certificate of Balances issued by the Bank as at December 31, 2005; and dated January 27, 2006 was **\$48,700,974.75 (OD)**. Several reasons could account for the differences. They may include but not be limited to the following:-

- ❑ Cheques issued by the Accountant General and not yet presented to the Bank.
- ❑ Direct Deposits not brought to the attention of the Accountant General.
- ❑ Possible errors in the Accounts.

**2.399**

However, without proper reconciliation it is impossible to give definitive reasons. The Accountant General should therefore undertake Monthly Reconciliations.

**2.400****In-Transit (4,362,866.59)**

The balance is comprised as follows in table 1.12.

**Table 1.12**

<b>OFFICE</b>	<b>A/C#</b>	<b>BALANCE</b>
Barrouallie	20-52004	774,251.31(DR)
Bequia	10-52002	129,198.96(CR)
Bequia	20-52002	2,473,701.96(CR)
Georgetown	20-52001	1,933,467.09 (CR)
Union Island (1)	20-52003	601,218.49 (CR)
Union Island (2)	10-52003	468.50 (DR)
<b>NET BALANCE</b>		<b>4,362,866.59 (CR)</b>

**2.401**

The occurrence of such high Credit Balances on these Accounts is an indication, that there may be errors in the Accounts due to incorrect classification or the wrong application of Accounting Procedures. This is so since these Accounts operate in essence like Clearing Accounts.

**2.402****Canouan Sub-Treasury (780,004.65)**

The amount represents the balance on the Account used to record cash sent to the Revenue Office- Canouan from the Accountant General and vice-versa.

**2.403****Crown Agents (2,206,646.32)**

No transactions were posted to this Account for the year under review. The balance has remained unchanged since Accounting year 2000.

**2.404****Development Aid Cash (679,870.15)**

The Accountant General needs to ascertain the origin of this Account. Repeated requests were made for this to be done. It is pointless having



Accounts on the Books without knowing their origin and hence their usefulness.

**Loans (9,000.02)****2.405**

These balances have not changed as far back as Accounting year 1993. They comprise two (2) amounts-**\$9,000.00** and **\$.02**; being Consolidated Over-draft and the Special Loan Account respectively. They are listed as being loans from the National Commercial Bank They however have not appeared on the Certificate of Balances issued by the Bank, for the year under review and have not appeared for the last couple of years. The Accountant General should therefore have the balances analysed and cleared from the Books.

**DEPOSITS****National Provident Fund (NPF)(180,000)****2.406**

The status of this account was reported as far back as Audit Report 1990. The balance which was reported then was not reflected in the Accounts of the then National Provident Fund (now the National Insurance Services). It was suggested the Account be analysed and cleared. The balance is still not analysed and hence remains on the Books.

**Development Aid (349,959.40)****2.407**

This balance was reported on as far back as Audit Report 1990. The balance has not changed since then. Repeated request have been made from year to year for the Accountant General to ascertain the origin of the Account with a view to having it cleared from the Books.

**2.408****Sundry Deposits (255,871,788.24)**

This balance is comprised as follows:-

- Statutory Bodies-**\$10,571,362.87** (CR)
- Deposit Departmental Account-**\$240,758,197.27** (CR)
- Deposits-Individual-**\$3,357,781.12** (CR)
- Deposit ECCB-**\$1,373,447.00** (CR)

**2.409**

The total on these Accounts **\$256,060,788.26** (CR) is adjusted by deducting amounts of **\$9,000.02** (NCB Loan) and **\$180,000** (NPF Deposit) reflected separately on the Statement. Details on the above listed Accounts are reported on separately.

**ADVANCES****Other Governments Clearing A/CS (559,065.39)****2.410**

The balance is comprised of eleven (11) accounts listed below in table 1.13.

**Table 1.13**

<b>NARRATIVE</b>	<b>BALANCE (DR/CR)</b>
Government of Antigua	10,646.73 DR
Government of Guyana	104,484.20 CR
Government of Jamaica	315,476.82 DR
Government of Trinidad & Tobago	18,919.60 DR
Government of Barbados	181,919.24 CR
Government of Monsterrat	2,757.41 CR
Government of British Virgin Island	1,164.31 DR
Government of Dominica	7,602.36 CR
Government of Grenada	593,870.75 CR
Government of St. Lucia	12,887.59 DR
Government of St Kitts	27,533.48 CR
<b>Net Credit</b>	<b>559,065.39</b>

**2.411**

The amount represents monies owing to those Governments listed, by the Government of St. Vincent for services they perform on behalf of the Government of St. Vincent.

**Special Funds (3,866,586.06)****2.412**

Table 1.14 is a summary of these Accounts.

**Table 1.14**

<b>NARRATIVE</b>	<b>AMOUNT</b>
Accountant General-Balcombe	1,573,912.01
Electricity Dev. Reserve Fund (EDRF)	367,190.71
Canouan Development Fund	601,085.69
Fiscal Reserve Fund	1,319,358.48
Other Trust Fund	5,039.17

**Trust Funds (89,206.72)****2.413**

The Statement listed Trust Funds as seen in table 1.15

**Table 1.15**

<b>NARRATIVE</b>	<b>AMOUNT</b>
Lady Musgrave	300.82
Haywood X-Ray	13,120.58
Simmons Bequest	6,624.741
W.B Gray Prize Fund	2,51.63
Graham Bequest	66,908.98

**Salary Clearing (21,534.56)****2.414**

In 2004 this account maintained a nil balance at the close of the financial year. The account is used as a clearing account for the processing of monthly salaries. When salaries are processed, the Clearing Account is debited, while the Current Account is credited; the respective Expenditure Heads or Personal Emoluments Accounts are then debited, while the Clearing Account is credited. The Account should therefore show a nil balance at the end of the process. From May to December 2005, the

**2.415**

Account was debited and credited with thousands of transactions in error. The majority of the transactions represented incorrect debits to the Account representing matching NIS Contributions, as well as incorrect credits representing PAYEE Deductions. Some adjustments were done. However, a proper analysis of the Account should be under-taken to identify whether there are other errors, since the balance on the Account should be zero.

**Unreconciled Differences (29,065.76)****2.416**

Details of these differences can be found at the Appendix to the Statement. The amount represents difference in the Accounts-Assets and Liabilities; as well as Salaries, from the old Accounting System TREAAC.

**ASSETS****CASH****Sub-Treasuries (4,260,569.59)****2.417**

The balances were reflected as follows in table 1.16.

**Table 1.16**

<b>OFFICE</b>	<b>BALANCE</b>
Barrouallie	1,313,716.41
Bequia	1,986,393.74
Georgetown	728,198.03
Union Island	232,261.41
<b>TOTAL</b>	<b>4,260,569.59</b>

**2.418**

The balances should represent actual cash on hand at the close of the financial year.

**2.419**

Only one Board of Survey Report (these surveys report on the actual cash and stamps at hand at the close of the financial year) was filed at the Audit



**2.420**

and this was in respect to the Georgetown Revenue Office. The cash seen by the Board of Survey was **\$59,454.29**.

A check of the cash balances recorded from the Cash Book by the Audit revealed the following table 1.17.

**Table 1.17**

<b>OFFICE</b>	<b>BALANCE</b>
Barrouallie	79,141.05
Bequia	20,346.62
Georgetown	59,454.29
Union Island	29,215.53

**2.421****Canouan Sub-Treasury (849,077.97)**

The amount represents cash held by the Sub-Treasury at the close of the financial year. The Cash Book balance filed by the Audit revealed a balance of **\$9,745.06**-a significant difference between the Cash Book Balance and the Account Balance. No Board of Survey Report was filed at the Audit reporting on the Cash Balance at the close of the Financial Year.

**2.422****Crown Agents & JCF (3,211,972.92)**

The balance is comprised as follows in table 1.18

**Table 1.18**

<b>Item</b>	<b>Bal B/Fwd Jan 2005</b>	<b>Bal Dec. 2005</b>
1. Crown Agents	3,037,914.67	3,039,396.39
2. JCF	172,576.53	172,576.50

**2.423**

Item 1 was debited with an amount of **\$1,481.72** by error in August. The error was reported to the Accountant General and the relevant adjustment was made.

**ADVANCES****Other Governments (994,017.98)****2.424**

The amount comprises twelve (12) balances-(ten (10) debits and two (2) credits). They represent amounts owing to the Government of St. Vincent & the Grenadines for services performed on behalf of other Islands as follows:-

- Antigua
- Barbados
- British Virgin Island
- Dominica
- Grenada
- Guyana
- Jamaica
- Montserrat
- St. Kitts
- St. Lucia
- Trinidad & Tobago

One (1) account was denoted as "Miscellaneous".

**Local Government (806,097.71)****2.425**

A summary of these accounts is listed as an appendix to the Statement. All the accounts maintained debit balances. The Town Boards and District Councils receive subvention from their parent Ministry, for the running of the offices. The occurrence of debit balances is an indication that the offices spent monies in excess of their allocation/subvention.

**Public Officers (671,997.77)****2.426**

Advances are issued to Civil Servants and Parliamentarians who travel overseas on Government Business or for Training. The Regulations stipulate that the Advances should be cleared twenty-eight (28) days after



issue. The presence of debit balances means that Officers have either not cleared their accounts or only partially cleared them. Credit balances on the other hand mean that there may be errors in clearing or that officers may have repaid monies in excess of what was repayable.

**Others (32,361,028.36)****2.427**

The accounts which comprise this balance include Advances issued to Tourist Offices and Embassies. They also include Advances issued to Accounting Officers and Individuals who are designated to perform specific functions on behalf of the Government. The balance is a net debit balance. Again, the presence of debit balances is an indication that these Advances have not been cleared or were only partially cleared. Of the fifty-one (51) accounts listed with balances only two (2) denoted credit balances.

**Imprests (580,134.22)****2.428**

Thirty-two (32) Imprests were listed as outstanding for the year under review. It is the duty of the Accounting Officers to ensure that the Imprests are cleared before the close of the financial year. Included in the balance are three (3) accounts with debit balances denoted as Imprest- Inactive as follows:-

<b>A/C#</b>	<b>BALANCE</b>
45-56098	12,381.99
65-56098	96,073.91
80-56098	3,116.48

**2.429**

If the Imprests are in fact in-active they should be cleared from the books.

**Returned Cheques (398,814.10)****2.430**

The balance is comprised a follows:-

<b>A/C#</b>	<b>BALANCE</b>
20-54501	5,450.68 (CR)
2-54501-1003	404,354.78 (DR)

**2.431**

The accounts are used to record transactions in relation to dishonoured cheques received by the Accountant General.

**Departmental (7,612.65)****2.432**

This balance has remained unchanged for the accounting period.

**INVESTMENTS****2.433****Special Deposits-EDRF (367,190.71)**

This Investment is lodged at the National Commercial Bank; and appeared on the Certificate of Balances issued by the Bank as at December 31, 2005.

**Crown Agents Investment (132,854.18)****2.434**

This account is used to record transactions in relation to Crown Agents receipts and payment, and should not be reflected as an Investment. A Register is maintained; however, there were at least two (2) transactions recorded in the accounts but which were not recorded in the Register. Table 1.19 is a summary of the transactions according to the Register.



<b>Month</b>	<b>Receipts/Debits</b>	<b>Payments/Credits</b>
January	NIL	160.00
February	80.00	18,851.48
March	NIL	NIL
April	NIL	NIL
May	NIL	7,027.36
June	NIL	NIL
July	NIL	NIL
August	NIL	NIL
September	NIL	NIL
October	NIL	NIL
November	NIL	NIL
December	NIL	NIL

**Table 1.19**

2.435

The accounts indicated the following transactions as reflected in table 1.20.

**Table 1.20**

<b>Balance B/Fwd 1/1/2005</b>		<b>365,798.18 (DR)</b>
<b>Month</b>	<b>Receipts/Debits</b>	<b>Payments/Credits</b>
January	NIL	160.00
February	NIL	NIL
March	80.00	18,851.48
April	NIL	NIL
May	NIL	NIL
June	NIL	NIL
July	NIL	7,027.36
August	NIL	NIL
September	NIL	NIL
October	NIL	NIL
November	NIL	NIL
December		206,985.16
<b>BALANCE-31/12/2005</b>		<b>132,854.18</b>

**2.436****Special Funds (3,494,356.18)**

The Statement listed the Special Funds as recorded in table 1.21.

**Table 1.21**

<b>NARRATIVE</b>	<b>AMOUNT (\$)</b>
ECCB Fiscal Reserve	1,319,358.48
Accountant General Balcombe	1,573,912.01
Canouan Development	601,085.69

**2.437**

Details of these Funds can be found at paragraphs 2.338 – 2.340.

**2.438****Trust Funds (88,020.93)**

Five (5) Trust Funds were listed on the Statement as indicated here-under in table 1.22.

**Table 1.22**

<b>NARRATIVE</b>	<b>AMOUNT</b>
1. Lady Musgrave	300.82
2. Haywood X-Ray	13,120.58
3. Simmons Bequest	6,624.71
4. W.B Gray Prize Fund	1,066.84
5. Graham Bequest	66,907.98

**2.439**

Items three (3) and five (5), were included on the Certificate of Balances issued by the National Commercial Bank. These Funds are therefore invested at the National Commercial Bank. Details of these Funds can be found at paragraphs 2.333 – 2.336.

**2.440****Ledger Suspense Account (340.00)**

Transactions were posted to this account for every period/month of the year. The account operates as a clearing account for system generated errors. The net result of these transactions left the balance unchanged from 2004.

**CONSOLIDATED FUND**

<b>Balance B/Fwd (Deficit)</b>	242,331,957.09
Add Deficit for 2005	<u>70,991,109.64</u>
<b>Consolidated Fund Balance C/Fwd</b>	<b><u>313,323,066.73</u></b>





## GOVERNMENT HOUSE

**3.1**

Audit examinations carried out on the Motor Vehicle Log Books revealed that there was improvement in the maintenance of this record.

**3.2**

The Daily Paid Workers Records were not produced for the period under review.

**3.3**

The Vote Books were not reconciled with the Treasury Records as required by the Financial Rules 33-34.

## HOUSE OF ASSEMBLY

### **2004**

**3.4**

During the year a total of fifty two (52) Acts were passed.

**3.5**

A total of **\$2,480,729.00** was provided to the department for its operation in 2004. The actual expenditure was **\$2,364,966.20** for the year ended 31<sup>st</sup> December, 2004.

### **2005**

**3.6**

A total of **\$2,514,242.00** was budgeted for the running of the House of Assembly for the year 2005. An amount of **\$2,404,454.67** was expended.

**3.7**

Twenty- nine (29) Acts were passed.



### MAGISTRACY

**3.8**

During 2004 an amount of **\$192,328.11** remained outstanding for non-payment of fines from criminal, civil, traffic and serious offences suit.

**3.9**

There appears to be a laxity in the execution and collection of fines and as a consequence the judgement of the Magistrate as stipulated in the Order Books are not carried out.

**3.10**

In instances where part payment of fines were being collected, there was no indication that Warrants were issued for the collection of outstanding amounts.

**3.11**

It is necessary for Warrants to be executed for the collection of outstanding fines in order to improve the Revenue collection within the budgetary year.

**3.12**

In contravention of Section 18 (a) Cap 24 of the Laws of St. Vincent and the Grenadines 1990 the Magistrate's Signature was at times not seen in the Order Books to confirm the orders recorded therein.

**3.13**

An amount of **\$62,276.71** appears to be outstanding in respect of suitors money and two hundred and fifteen (215) suits on which judgements were made were not produced for audit inspection.

**FAMILY COURT****2004****3.14**

Audit examinations carried out at the Family Court for the period under review revealed that although the Order Books were satisfactorily maintained there were still some shortcomings.

**3.15**

A number of Suits and Warrants were not produced for audit inspection to substantiate entries in the Registers.

**3.16**

Particulars of payments recorded on maintenance cards were not traced in the Cash Book, and contrary to Financial Rule 33 (4) Vote Accounts were not reconciled with the Treasury Print-Out.

**2005****3.17**

An amount of **\$559,517.00** was approved for the running of the Family Court. **\$412,947.11** of this amount was expended.

**REGISTRY****2004**

**3.18** An amount of **\$1,650,549.00** was approved for the running of the Registry and High Court for the year 2004. **\$1,423,808.45** was expended.

**3.19** A total of **\$18,000,000.00** and **\$50,000.00** for Stamp Duty and Court Fines respectively were estimated to be collected for the year. Amounts of **\$16,770,606.01** were collected for stamp duty, a shortage of **\$1,229,393.99** and **\$57,285.34** for court fines, giving an excess of **\$7,285.34**.

**2005**

**3.20** Approval was given for an amount of **\$1,779,712.00** to be expended for the running of the Registry and High Court.

**3.21** The amounts estimated for the collection of Stamp Duty and Court Fines were **\$20,000,000.00** and **\$50,000.00** respectively. A total of **\$16,274,616.13** was collected for Stamp Duty, **\$3,725,383.87** short of the estimated amount and **\$22,470.00** was collected for Court Fines, **\$27,530.00** short of the estimated amount.



---

**SERVICE COMMISSIONS DEPARTMENT**

---

**2004****3.22**

The Service Commissions Department serves as the Secretariat for the Police Service Commission and the Public Service Commission, the constitutionally established bodies that deal with employment and discipline of officers in the Service. The Service Commissions Department is also entrusted with the task of developing the Human Resource Development in the Public Service and the nation.

**CONTRACTS****3.23***Late signing of contracts*

A number of persons are employed to fill key posts in the Public Service including Foreign Service on a contractual basis. Many of these contracts are not signed prior to the effective date, in fact some are only signed when the tenure is about to expire.

**3.24***Vacation leave entitlements*

The leave entitlement agreed to for persons engaged in the foreign service appears to be beyond what they can reasonably utilise. As a result there are instances when vacation leave eligibility is carried forward to a succeeding contract for appointment to a higher post. This results in leave carried at the lower salary being enjoyed by the employee at a higher salary.

*Sick leave***3.25**

The quantity of paid sick leave allowable under a contract should be clearly stated and bear relation to the length of the engagement coverage by the Civil Service Orders (CSO). Sick leave should be relative to the length of tenure. In 2004 one contracted officer on a two (2) year contract had paid sick leave of over forty-five (45) days.

**2005****3.26**

Audit examinations carried out revealed that the Vote Accounts were properly maintained for 2005. Reconciliation Statements for the period were also done.

**3.27**

Information recorded in File Registers for the Personnel Files maintained for Civil Servants lacked pertinent information about their present employment status i.e. if officers had resigned, retired or were deceased.

**3.28**

Several Personal Files were not available at the time of the audit and as a result the requisite vacation leave checks could not be carried out.

**3.29**

The sample of files selected for examination revealed that there were significant increases in errors made in the calculation of leave eligibility, in particular in cases of Student Teachers and Nursing Assistants.

**3.30**

In many instances the compulsory leave not taken for which no request was made for the deferral was not deducted as required by CSO 6:10.

**3.31**

Due to lack of significant information in the Bond Register it was difficult to ascertain if officers fulfilled the conditions outlined in the agreements. It is recommended that the following information be recorded in the Register:-

- Officers' Personal File number.
- Officers' salary at the time when bond is signed.

### **OFFICE OF THE PRIME MINISTER**

---

**3.32**

The Vote Accounts were not reconciled with the Treasury Print Out.

**3.33**

Audit Examination carried out on application and registration for citizenship revealed that as at 31<sup>st</sup> December, 2005 an amount of **\$61,500.00** remained outstanding.

#### **NORTHERN GRENADINES:**

**3.34**

As was the case in previous reports there was significant arrears of Revenue in the Northern Grenadines. Listed hereunder in table 1.0 are the major contributors.

**Table 1.0**

Motor Vehicle Licence	\$30,840.00
Drivers Licence	\$16,800.00
Telecom Licence	\$7,760.00
Airport- Rental Space	\$76,852.72
Liquor Licence	\$1,465.00
Shop Rentals	\$6,150.00

**SOUTHERN GRENADINES:****3.35**

The Revenue collection in the Southern Grenadines is similar to what exist in the Northern Grenadines. There were significant amounts of Revenue outstanding as listed in table 1.1.

**Table 1.1**

Crown Land Sale-2004	\$691,690.33
Airport – Rental Space	\$77,690.00
Land & House Tax Roll	\$48,363.60
Motor Vehicle	\$19,800.00
Drivers Licence	\$19,740.00
Crown Land Rent 2004	\$4,500.00
Liquor Licence	\$4,370.00



**3.36****CHARTER TAX REGISTER:**

It could not be ascertained whether the required individual fees of **\$5.00** was collected for Charter Tax by non nationals travelling to and from St. Vincent as required by the Yacht Licence Act. This deficiency occurred as a result of the inadequate system used by the Custom Department for recording the collection of Charter Tax.

**3.37**

Every effort should be made to ensure that the system used for recording the collection of tax is efficient and the Register is properly maintained.

**GOVERNMENT PRINTERY****3.38**

The record keeping at the Government Printery continues to be cause for great concern. Some of the records while maintained were last updated in 2003.

**3.39**

A proper audit examination could not be conducted as the related record – the Stores Ledger was not updated after 9<sup>th</sup> December 2003. The maintenance of the Stores Ledger contravenes Section 63-76 and 77-79 of the Financial and Store Rules.

**3.40**

The last entry seen recorded in the Jobs on Repayment Register was dated 1<sup>st</sup> January 2003. There is no system in place to determine neither the cost of jobs or the selling price of printed material. This therefore leaves the system open to abuse and the inability to recover cost incurred for the jobs.

**3.41**

It is imperative that every effort be made by the Accounting Officer to ensure compliance with the relevant Store Rules.

### **MINISTRY OF FINANCE AND PLANNING**

**3.42**

There has been no improvement in the record keeping at the Ministry of Finance. Although these shortcomings were highlighted in previous Director of Audit Reports for the years 2001, 2002 and 2003 see paragraphs 3.28 - 3.30 (2001) and 3.31 -3.32 (2002/2003) this trend has continued throughout both financial years.

**3.43**

The Ministry of Finance is reminded that a substantial portion of its budget is utilised to finance items for various Ministries therefore accountability is imperative.

**3.44**

There are five (5) programmes under the Ministry with responsibility for the collection of Recurrent Revenue. The Ministry recorded a total of **\$284,857,213.35** and **\$296,483,913.70** of its projections of **\$299,009,700.00** and **\$297,211,720.00** for the years 2004 and 2005, respectively.

**INLAND REVENUE DEPARTMENT****3.45****RECURRENT REVENUE 2004 AND 2005**

The totals of **\$111,520,000.00** and **\$116,837,000.00** were estimated for collection for the years 2004 and 2005, respectively. These amounts represent 37.29% and 39.3% of the Ministry of Finance Estimates of Revenue.

**3.46**

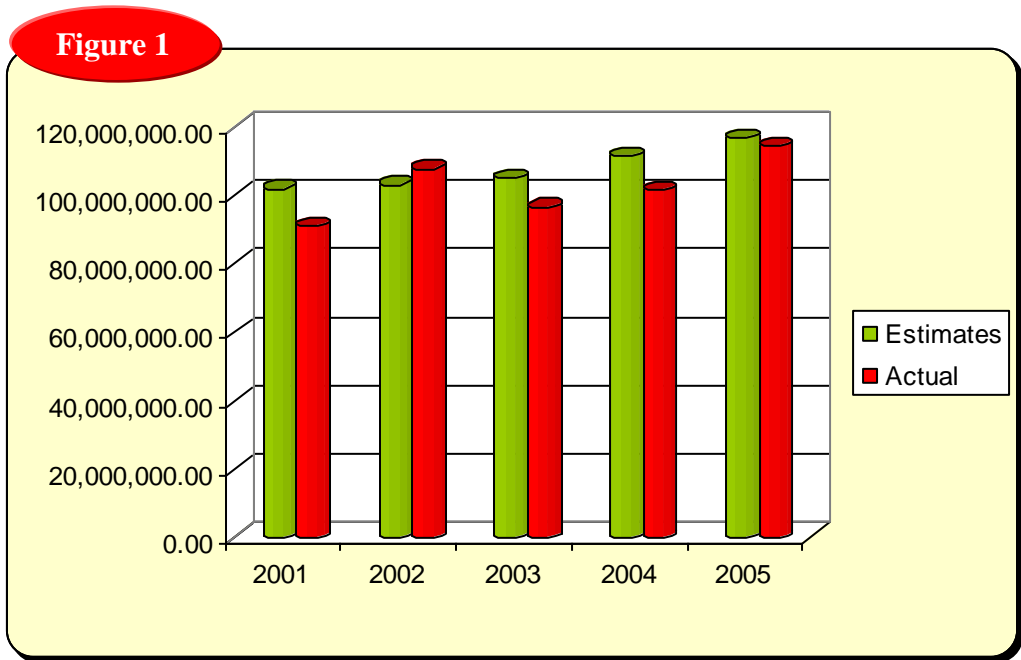
The actual collection for 2004 was **\$101,752,243.90**, **\$9,767,756.10** less than the forecast. In 2005, the total Revenue realized was **\$114,249,578.21** an increase in **\$12,497,334.31** over the Actual Revenue of 2004 and a shortfall of **\$2,587,421.79** for 2005.

**3.47**

Table 1.2 and figure 1 indicate the trend of Recurrent Revenue collected and the variances over the last five (5) years.

**Table 1.2**

<b>YEAR</b>	<b>ESTIMATES</b>	<b>ACTUAL</b>	<b>OVER</b>	<b>UNDER</b>
2001	101,876,000.00	91,126,326.00	-----	10,749,674.00
2002	103,070,000.00	107,701,701.69	4,631,701.69	-----
2003	105,048,000.00	96,542,234.81	-----	8,505,765.19
2004	111,520,000.00	101,752,243.90	-----	9,767,756.10
2005	116,837,000.00	114,249,578.21	-----	2,587,421.79



3.48

An examination of the records at the Department has shown a trend, that is, a large percentage of persons do not pay their taxes and licenses. For instance, a number of professionals did not pay their professional license although they continued to conduct their businesses for both years under review.

3.49

In addition, a number of assessments for personal income tax were incorrectly assessed. This may have been as a result of the taxpayers' files and the SIGTAS System not being used to ascertain the history of the taxpayer when the assessments are verified. As a result incorrect amounts were refunded to taxpayers.

3.50

The Inland Revenue Department again did not submit Statements of Arrears of Revenue Returns for the years 2004 and 2005 in accordance with Financial Rule # 67. Hence it could not have been determined which item of arrears may



have contributed to the shortfall in collections for the years 2004 and 2005.

**3.51**

The Inland Revenue Department should fully utilise its Computerized System implemented to provide these reports to monitor and analyse the arrears and for submission to the Accountant General for transmission to the Director of Audit.

### CUSTOMS AND EXCISE

#### **Recurrent Revenue 2004 and 2005**

**3.52**

Customs and Excise Department is one of the major Revenue collectors. The estimated target for the year 2004 was **\$153,540,000.00**. This amount represents 44.65% of the Recurrent Revenue. Actual collection for the Department was **\$153,130,471.45**.

**3.53**

A total of **\$156,003,475.78** was collected for the fiscal year 2005. The total Revenue surpassed the forecast of **\$150,140,000.00** by **\$5,863,475.78**. This reflected an increase of 3.9 % over the projected Revenue.

**3.54**

The Revised Estimates for 2004 when compared with the year 2003 increased by **\$12,435,000.00** and the 2005 Revised Estimates decreased by **\$3,400,000.00** when compared with the 2004 projections.

**3.55**

Table 1.3 shows the changes in the Revised Estimates for the years 2003, 2004 and 2005.

**Table 1.3**

2003 Revised Estimates	2004 Revised Estimates	2005 Revised Estimates
<b>\$141,105,000.00</b>	<b>\$153,540,000.00</b>	<b>\$150,140,000.00</b>

**3.56**

Although the 2005 Estimate was reduced by **\$3.4 million** the department collected an excess of **\$2,873,004.33** over the Actual Revenue of **\$153,130,471.45** for 2004. This increase was realised mainly from Taxes on International Trade and Transactions which includes Import Duty, Consumption Duties (Imports), Customs Service Charge and Vehicle Surcharge.

**3.57**

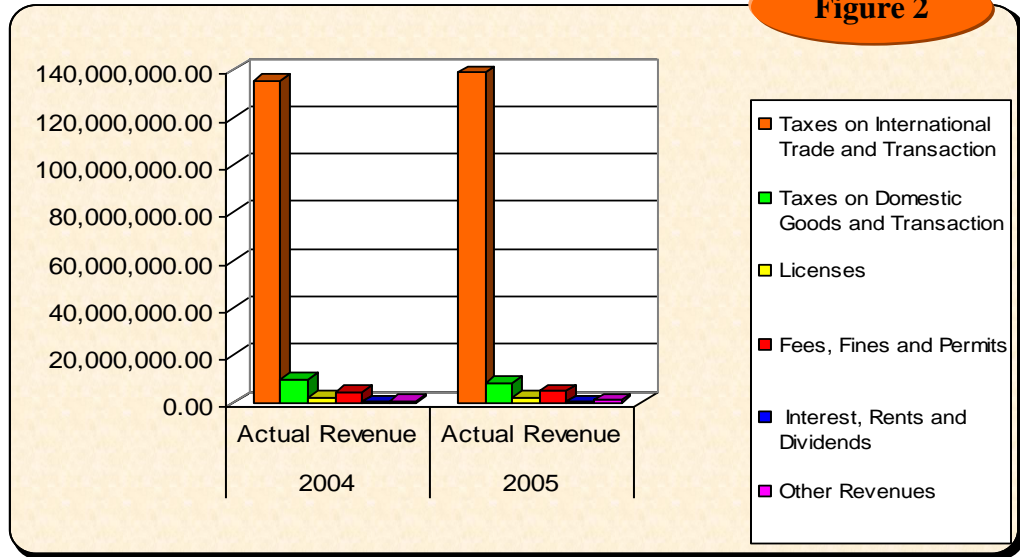
Table 1.4 and figure 2 shows a comparison of the Actual Revenue collected for both years.

**Table 1.4**

<b>Accounts</b>	<b>2004 Actual Revenue</b>	<b>2005 Actual Revenue</b>	<b>Increase/ (Decrease)</b>
Taxes on International Trade and Transaction	135,541,033.40	138,989,831.51	3,448,798.11
Taxes on Domestic Goods and Transaction	9,791,220.20	8,474,804.45	(1,316,415.75)
Licenses	2,082,941.90	2,176,845.58	93,903.68
Fees, Fines and Permits	4,660,219.26	5,000,223.91	340,004.65
Interest, Rents and Dividends	299,038.35	403,337.49	104,299.14
Other Revenues	756,018.34	958,432.84	202,414.50
<b>TOTAL</b>	<b>153,130,471.45</b>	<b>156,003,475.78</b>	<b>2,873,004.33</b>



Figure 2



3.58

Table 1.5 is a tabular summary indicating the trend of Revenue collected over the last four (4) years.

Table 1.5

Year	Estimates	Actual	Over	Under
2002	134,855,010	138,626,215.43	6,771,205.43	
2003	141,105,000	147,001,761.44	5,896,761.44	
2004	153,540,000	153,130,471.45		409,528.55
2005	150,140,000	156,003,475.78	5,863,475.78	

3.59

The importance of Annual Returns of Arrears of Revenue is reiterated. Since this would allow for proper analysis to be made on the collections at the Department. The absence of this information prevents the stakeholders from making accurate analysis and projections.

3.60

For instance, the Audit Office in its analysis could not determine whether the increases in Revenue for Consumption Taxes and Import Duty for the fiscal year 2005 were as a result of arrears of taxes collected or an increase in goods imported or increase efficiency at the Customs and Excise.

**3.61**

### **ACCOUNTING DIVISION**

An audit of the Accounting Division records and accounts revealed numerous shortcomings which occurred during the fiscal years under review. The following are some of the findings.

- A number of accounts for receipts and expenditure were incorrectly classified.
- Difficulty was at times encountered in performing audit examinations through the Accounting Division's accounting system, as a result of insufficient or no narrative being recorded in the comment box for transactions posted.
- Due care was not exercised in ensuring the accuracy of the computations of contract quantities and prices, as a result there were a number of overpayments.
- Payments were made from Capital Accounts for costs which were unusual and could not be regarded as being developmental in nature e.g. Medical Assistance and Funeral Grants.
- There were cases when refunds were made without the original invoices being attached to the vouchers to substantiate the amounts.





- Mileage claimed by a number of travelling officers was exorbitant, yet accepted by the Accounting Officers and the Accounting Division. Transport Allowance was also paid to some officers although the required return of mileage forms were not attached to the vouchers. This contravenes Civil Service Orders 5.22.

**3.62**

It appears that no proper guidelines were given to the Accounting Officers with respect to the accounting for National Insurance Scheme (NIS) deductions in relation to Capital Projects and Local Authorities and as a result there were inconsistencies in the processing of NIS deductions.

**3.63**

The Remittance Accounts are not satisfactorily maintained by the Accounting Division. Although payments are charged in the Accounting System, it was noted that at the Sub- Treasuries on Union Island and Bequia that receipts of the SMARTSTREAM cheques and vouchers were entered in the accounts a second time as credits to the Remittance Accounts and debits to the Cash Accounts. In addition, payments made to the vendors are also entered into the accounting system as debits to the Remittance Accounts and credits to the Account Payables.

**3.64**

This manner of accounting has contributed to the large overstated balances in the Remittances, Cash and Payables Accounts as is shown in the Statement of Assets and Liabilities.

**3.65**

This matter was drawn to the attention of the Accountant General in June 2007 and the following was recommended.

- Review the procedure for each of the Sub- Treasuries.
- Conduct a detailed analysis of the Accounts.
- Adjust the accounts.
- Document the procedure for the Sub- Treasuries with respect to:
  - i. Cheques received for payments;
  - ii. Cash/ cheques remitted for the further running of the Offices;
  - iii. Cash and cheques remitted via the Bank to the Accountant General's Account;
  - iv. The Accounts to be debited and credited for each transaction.

**3.66**

At the time of writing this report there has been no response from the Accountant General with respect to the above issues raised.

**3.67**

There is urgent need for the entire automated accounting system to be reviewed with proper documentation of the accounting processes to reduce the irregularities.

**3.68**

All of the users of the accounting system should be provided with these guidelines thus ensuring its efficient use.

**3.69**

Finally, it is recommended that the Internal Audit be adequately strengthened in order to improve and enhance accountability at the Accounting Division Department.

### **MINISTRY OF SOCIAL DEVELOPMENT**

**3.70**

During 2004 a Value for Money (VFM) Audit was conducted into the operations of the Family Services Division under the Ministry of Social Development.

**3.71**

Several recommendations were made to have a more effective and efficient system for ensuring accountability and transparency of Government Funds. However, examination of the records in 2005 revealed that the irregularities persisted and that there was no evidence of any attempts being made to improve the modus operandi.

**3.72**

A summary of the report of the audit can be found on pages 172 to 196 of this report.

**MINISTRY OF EDUCATION**

---

- 3.73** An audit examination revealed that several Vote Accounts for the various programmes administered by the Ministry were not reconciled with the Treasury Print out. The Vehicle Log Books were not properly maintained.
- 3.74** No steps have been taken to address the deficiencies identified at the Teachers College which were highlighted in previous Inspection Reports.
- 3.75** The Teachers College failed to produce records for Audit Inspection for the period under review.
- 3.76** The deficiencies highlighted at the Technical College were addressed and the records for the period under review were satisfactorily maintained.
- 3.77** There were shortcomings revealed during an examination of the system and records in place to account for the administering of the Book Loan Scheme.
- 3.78** It was evident that persons charged with the responsibility for the operation of the Book Loan Scheme in the Secondary Schools do not possess a full understanding of the record keeping process. This has implication for accountability and needs to be addressed urgently.
- 3.79** Several text books purchased for the operation of the Book Loan Scheme were not accounted for in the Text Book Register.

**3.80**

The operation of the Book Loan Scheme in Primary Schools has been discontinued, yet the books remained on hand at the schools. Measures should be put in place to have the books remaining in stock at the Primary School returned to the Ministry of Education.

### **MINISTRY OF NATIONAL SECURITY**

---

#### **PRISONS:**

**3.81**

The record keeping at the Prison continued to be below the required standard. There is no proper internal control in place hence the system is open to the misuse of public funds. There is little regard in respect of accountability for Government resources.

**3.82**

Items purchased during the period 2004 -2005 for use in the Tailor and Furniture shop were not accounted for.

**3.83**

As indicated in the Annual Audit Report for the period, 2002-2003 the deficiencies with regards to the costing of manufactured products persist. There was no system in place to ascertain whether or not the cost of production was recovered in the selling price of the goods.

**3.84**

The system used to account for the purchase, custody and issue of Dietary supplies has broken down. The controls inherent in the separation of the duties of authorisation, recording and custody are absent as one officer performs more than one of these roles.

**3.85****POLICE:***Firearm Licence:*

As at 31<sup>st</sup> May 2005 an amount of **\$25,300.00** was outstanding for Firearm Licences.

**3.86***Machine Readable Passport:*

A new system “Machine Readable Passport,” was implemented to replace the previous system on 1<sup>st</sup> June 2005. During the period 22<sup>nd</sup> June, 2005 to 1<sup>st</sup> July, 2005 the department received twelve thousands (12,000) passports which were accounted for in the Passport Register.

**3.87***Jumbo Passports:*

Jumbo Passports are no longer issued. However, a stock check carried out on 29<sup>th</sup> December, 2005 revealed a balance of two thousand three hundred and eighty three (2,383) passports on hand. Steps should be taken to dispose of these items.

**3.88**

Contrary to Act # 17/2000 the Airport Authorities collected Navigation and Communication charges of **thirty dollars (\$30.00)** and **fifty dollars (\$50.00)** instead of **forty dollars (\$40.00)** and **sixty dollars (\$60.00)** thereby resulting in a short collection of Revenue in excess of **\$160,800.00** for the year 2004.

**3.89****AIRPORT:**

As at 31<sup>st</sup> December, 2004 a substantial amount of **\$4,580,121.85** remained outstanding by Aircraft operators for Landing and Parking fees and Navigation Communication Charges. **\$4,202,554.03** or 91.75% of this amount was outstanding by LIAT (1974) Ltd.

**3.90***Rent Register:*

As at 31<sup>st</sup> December 2004 an amount of **\$114,492.89** remained outstanding for rental of airport spaces although it is required that rent be paid in advance. The St. Vincent and the Grenadines Hotel Association owed **\$61,880.00** or 54% of the outstanding amount.

**MINISTRY OF AGRICULTURE & FISHERIES****3.91**

The issues raised in the 2002 – 2003 Audit Report have not been addressed. The short-comings highlighted remained the same. These include failure to maintain Vote Books, Log Books, Equipment Ledger and Inventories in accordance with the Financial and Store Rules.

**3.92**

The Stores record keeping at the Veterinary Division has shown no improvement from the previous year as evidenced by audit examinations carried out.

**3.93**

The Vet Revolving Fund was not reconciled with the Treasury Account. Items purchased were not seen recorded in the Stores Ledger. No record was maintained for drugs and supplies issued to the hatcheries at Dumbarton. As a result the actual stock and the balances recorded in the Stores Ledgers differed.

**MINISTRY OF TRANSPORT & WORKS****3.94**

There are serious deficiencies in this Ministry's accounting and record keeping system. Vote Books were not reconciled, and Log Books not presented for auditing.

**3.95**

The manner in which the unallocated stores were accounted for was in breach of the Store Rules. The Prime Cost Register was not maintained and as a result thereof it could not be ascertained whether the issue price of the items incorporated all expenses related to the item. There were numerous errors and omissions on the bin cards and in the Stores Ledgers. Transactions were not posted promptly and long periods would elapse before these records were updated. These accounting irregularities made it extremely difficult to conduct a thorough audit of this activity.

**3.96**

A Value for Money (VFM) Audit on Contracting Services was conducted during 2004. A summary of this report is reproduced at page 154-171 of this report.



**MINISTRY OF HEALTH****3.97**

This Ministry has again failed to comply with the requirements of the Financial and Stores Rules by its failure to maintain the Vote Books, Equipment Ledger and Inventories and Log Books in accordance with those rules.

**KINGSTOWN GENERAL HOSPITAL****3.98**

The shortcomings highlighted in the 2002-2003 Audit Report continue to exist, a large percentage of Hospital fees remain outstanding. There were numerous calculation errors related thereto and patient information was at times not recorded.

**MEDICAL STORES****3.99**

The closing balance of one year should be the opening balance of the next year, yet there were differences in the closing balance for 2003 and the opening balances for 2004. There was no documentation to explain this irregular situation.

**3.100**

There were instances where purchases could not be traced to any Stores Ledger.

**3.101**

A significant amount of the Ministry of Health's budget is used for the procuring of stores to be used in the various Hospitals and Clinics. Therefore it is imperative that measures be put in place to ensure proper accountability



of items purchased and issued. Owing to the quantity of items procured and the frequency with which they are issued it is recommended that the store accounting process be computerised.

**3.102**

The computerisation of the records at the Central Medical Stores will assist in providing essential data for the improved operation of this Division. This data will include the amount of drugs and medical supplies on hand, the stock issued to the Clinics, Hospitals and Health Centres.

### **MINISTRY OF LEGAL AFFAIRS**

**3.103**

Accounting and Record keeping in this Ministry continued to be satisfactory maintained in accordance with the regulation. Vote Books were reconciled, Equipment Ledger and Inventories updated. All books bought for the Law Library were accounted for and fees collected for Marriage Licence were collected in accordance with the Regulations.

### **MINISTRY OF TELECOMMUNICATIONS, SCIENCE & TECHNOLOGY**

**3.104**

This Ministry continues to disregard the requirements of the Financial and Stores Rule, in respect to the Vote Accounts, Equipment Ledger and Inventories.



## **MINISTRY OF TOURISM & CULTURE**

**3.105** The maintenance of Vote Books, Equipment Ledger and Inventories, Log Books and the records for Daily Paid Workers remain unsatisfactory.

**3.106** Comments on the operation of the Overseas Tourist Offices are made under the heading Overseas Offices.

### **OVERSEAS OFFICES**

**3.107** Audit teams visited the Overseas Offices to carry out audits on the accounts for the period under review.

**3.108** The Offices' expenditure are met from the allotments remitted from Head Office, however salaries and allowances are remitted separately on a monthly basis.

**3.109** The scope of the work included a review of the financial records and the accounting procedures. A 100% check was done of transactions for the periods. Inventory checks were conducted at the Offices as well as at the residence of the Ambassadors.

**3.110** The record keeping at the Overseas Offices showed some improvement during the period under review. However, several shortcomings were



observed during the audit and are raised hereunder.

***Toronto Consulate***

**3.111**

No authority was produced for the establishment of an overdraft facility which averaged **\$11,372.73** in 2005.

**3.112**

Members of staff verified the declarations made on the passport application forms by their immediate family contrary to the Passport Regulations SRO 22/94 Section 8.

**3.113**

No authority was seen for the Toronto Consulate to utilise **CDN\$64,720.00. (EC\$129,440.00)** from the passport account to finance the operations of the Consulate. At the time of the Audit only **CDN\$13,500.00 (EC\$27,000.00)** was reimbursed leaving a balance of **CDN\$51,220.00 (EC\$102,440.00)** not properly accounted for by the Consulate Office.

***Toronto Tourist Office***

**3.114**

Expenditure of **EC\$76,301.12** was not charged to the appropriate expenditure vote in the Treasury Accounts.

**3.115**

No authority was seen to substantiate payment of **CDN\$100.00** which is claimed as out of pocket expenses or subsistence allowance. Several cheques were seen made out for cash instead of to the payee and some of these transactions were not supported by any invoice. Payment by cheques provides control of disbursements as it allows for the tracking of transactions and confirmation that a named payee did in fact receive payment.

**3.116**

These transactions were in some instances for amounts over **CDN\$1000.00** and could not be regarded as petty cash. It could not be ascertained if these sums were received by the payee.

**3.117**

A Cheque of **CDN\$1,176.70** which was cashed in December 2004 at the bank and for which there was some discrepancy regarding the payee was not produced.

**3.118**

No authority was seen for the acquisition of a Credit Card and its use to transact business on behalf of the Government of Saint Vincent and The Grenadines. Neither could it be ascertained if the transactions were indeed for the Tourist Office due to the lack of supporting information. The credit card attracted an interest rate of 18.5% with a maximum limit of CDN\$19,000.00. Payments made by credit card in 2005 included a payment of CDN\$9,100.08 for the transportation of a backdrop from the New York Tourist Office for use in a trade show. It is worthwhile mentioning that a backdrop was available at the Canada Tourist Office.

**3.119**

**EC\$49,424.78** which was used to supplement Salaries and Allowances as a result of the differences between the fixed rates at the bank was not charged to expenditure and therefore remained outstanding on the Advance Account.

***London Tourist Office***

**3.120**

An audit was conducted during July 2006 and covered the period July 2001 to April 2006. There were differences between Salaries and Allowances paid to the staff of the Tourism Office and that remitted by the Accounting Division.

**3.121**

A total of **£7,832.64 (EC\$31,330.56)** was paid in excess of what was remitted. The differences were as a result of the accepted exchange rate of **\$1 to EC\$4** being used to convert the amounts payable.

**3.122**

There was a high expenditure level incurred on telephone charges, in particular mobile charges.

**3.123**

There were instances where Personal Advances to Officers remained unaccounted for or unspent amounts were not refunded by the officers.

**3.124**

The Office operated an overdraft in excess of the **£5000** limit. No authority was seen for the operation of an overdraft.

**3.125**

It was not possible to verify the number of receipts accounted for in the Tourist Office Bank Statements since no deposit slips were provided to substantiate these deposits.

**3.126**

No petty cash register was maintained to account for expenses met from petty cash. The petty cash limit as stated was exceeded on some occasions.

**3.127**

There appears to be a lack of proper checks and balances on the accounts of the Tourist Office. The vouchers, cheques and statements were all prepared and signed by the Sales Representative.

**3.128**

***London High Commission***

Salaries and Allowances **£133,547.75** exceeded the amount of **£112,447.24** remitted by the Accountant General. The difference of **£21,100.51** was also attributable to the fluctuating exchange rate.

**3.129**

The High Commissioner's official residence at 4 Rawlins Close was sold in 2005. The net proceeds of **£709,477.62** was deposited in a high interest bearing account. A total of **£712,166.70** was remitted to St. Vincent between January to July 2006. The difference being interest earned on the deposit.

**3.130**

The sum of **£24,795.59 (EC\$99,182.36)** was remitted in September 2005 to facilitate the purchase of a new diplomatic car to replace the 1998 Mercedes Benz which was sold in June 2005. The new car – a BMW was purchased at a cost of **£21,971.00**. Funds totalling **£4,625.87 (EC\$18,503.48)** was remitted to St. Vincent and the Grenadines on 3<sup>rd</sup> November 2005, being the net proceeds of **£1,809.28** from sale of Mercedes Benz and excess funds remaining from the funds received for the purchase of the new vehicle.

*Washington Mission*

**3.131**

In 2005, a capital project to the value of **\$120,000.00** was approved for the renovation of the Ambassador's residence. In September 2005, **US\$44,127.74 (EC\$119,890.66)** was deposited to the Mission's bank account. Expenditure totalling **US\$23,839.00** was charged to the Capital account. No documentation was provided to indicate the scope of work which was to be carried out on the Ambassador's residence, hence it was not clear if all renovations were completed, neither could it be determined if the difference of **US\$20,288.74 (US\$44,127.74 - \$23,839.00)** reflects the true balance of what is remaining from the capital funds remitted.

**3.132**

The Washington Mission was charged with the responsibility for the sale of the Government property in Dallas. The property was sold in May 2004 and realized the sum of **US\$305,000.00**. A balance of **US\$240,131.29** remained in the Washington Mission's Bank account after all expenses related to the property was settled in June 2004. At the time of the audit in September 2005, no monies were remitted to the Accountant General for the sale of the property. In the audit report to the Accounting Officer the Audit advised that the money should be remitted to the Accountant General. The Accountant General likewise made a request for all monies remaining in the hands of the Mission for the sale of the Dallas property to be remitted. At the time of writing this report an amount of **US\$120,000.00** was received by the Accountant General.

*New York Consulate*

**3.133**

According to the Consul General the State Department imposed restrictions on the lease of vehicles to Foreign Consulates. Therefore a vehicle acquired for the Consulate's office was purchased in the name of the Consul General. Documentary evidence relating to this was produced. While this arrangement may be better than leasing, no evidence of the Ministry of Finance's approval was seen.

*General Comments on Offices*

**3.134**

Telephone charges (cellular included) which could be described as exorbitant were incurred by the New York and Washington Mission and the London and Toronto Tourist Office. Foreign Officers need to exercise some measure of prudence in the use of telephones.



**3.135**

Some of the offices operate in overdraft which is due in part to the late remittal of the quarterly allotment. Likewise some expenditure incurred by the Overseas Offices were not charged to the Advance Accounts resulting in large debit balances on these accounts.

**3.136**

There appears to be a multiplicity of reasons for expenditure not being charged including, Funds Exception, non approval of expenditure by the Accounting Division and late receipt of monthly statements by the Accounting Division.

**3.137**

Efforts should be made to have the quarterly allotments remitted early to avoid the interest charges that the overdraft facility attracts in addition to the late fines that are charged by suppliers of goods and services to the offices. Also, steps should be taken to have expenditures charged to the relevant above-the- line accounts thereby reducing the debit balances on the advance accounts.

**3.138**

It was noted that contracts are being signed long after their effective dates. Greater effort should be made to have contracts finalized and signed by all parties on or before the effective date.

**3.139**

The above issues were discussed with the Heads of the various Overseas Offices and reports issued to the relevant Accounting Officers.

**THE CERTIFICATE OF THE DIRECTOR OF AUDIT**

I have examined the Public Accounts of St. Vincent and the Grenadines for the periods 1<sup>st</sup> January, 2004 to 31<sup>st</sup> December, 2004 and 1<sup>st</sup> January, 2005 to 31<sup>st</sup> December, 2005 in accordance with the provision Section 75 (2) of the Constitution of St. Vincent and the Grenadines and Finance and Audit Act Cap182 (10).

The Accountant General is responsible for the preparation of the Financial Statements and for ensuring the regularity of financial transactions. My responsibility is to form an opinion on the accounts based on the audits carried out by my Office.

I conducted my audit in accordance with INTOSAI and Generally Accepted Auditing Standards (GAAS) to provide reasonable assurance as to whether the Statements are free from material misstatements.

Except for my comments in this report, it is my opinion that the Statements of Accounts for the Financial years 2004 and 2005 properly present Government's Financial Transaction.

---

Mr. Leon Snagg

**DIRECTOR OF AUDIT**

**AUDIT OFFICE**

**SAINT VINCENT AND THE GRENADINES**

**30<sup>TH</sup> MAY 2008**

*Appendix I***VALUE FOR MONEY (VFM) AUDIT****INTRODUCTION****4.1**

The Office of the Director of Audit is committed to promote public accountability and transparency in all the entities of the state in order to ensure the provision of better public service, good performance and the achievement of results from these entities on behalf of the population of St Vincent and the Grenadines.

**4.2**

In this regard, the Office is strengthening its audit function through the practice of Value for Money (VFM) Audits to demonstrate whether management is paying due regard to matters of economy, efficiency and/or effectiveness in the management of resources entrusted to them.

**4.3**

A VFM audit is a systematic, purposeful, organised and objective examination of government activities. It provides Government and Parliament with an assessment on the performance of these activities; with information, observations and recommendations designed to promote accountability in the government, an ethical and effective public service, good governance and sustainable development.

**4.4**

Ideally, what is needed is a focus on issues of accountability by those in authority: parliamentarians, members of governing bodies, senior management, all those who are well placed and, given the ties to their respective constituencies, have a good understanding of public expectations.

**4.5**

Value for money audits have been seen as a valuable means to achieve better accountability and improved administration and governance.

This type of audit involves a communication approach with the entity's management, in that, all observations and recommendations that arise from audits are discussed with senior management and/ or Department Heads to ensure that all concerned have prior knowledge of, and opportunities to challenge and respond. By formulating recommendations for improvement, and bringing these recommendations to the attention of those who can address the issues, the audit seeks to promote improvements in the Ministry's policies and systems.

**4.6**

Two (2) VFM Audits were conducted in 2004 as follows:

- Contracting in the Government
- Family Services



## **CONTRACTING IN THE GOVERNMENT**

### **PURPOSE OF THE AUDIT**

- 4.7** The contracting process was selected for Audit from amongst other possible activities, because it has a high technical approach and impact that allow the auditors to address the issues of economy, efficiency and effectiveness.
- 4.8** Despite the number of contracts undertaken over the years at a significant cost to the State, it still appears that the needs of many may not have been fully met. This audit therefore, sought to assess the effectiveness of the works provided to the society and to determine whether the contracting process is being managed in accordance with the legal framework and with due regard to economy, efficiency and effectiveness.
- 4.9** The purpose of the audit of the contracting process was to:
- (a) Review and report on the extent to which procedures comply with the policies and procedural rules for contracting.
  - (b) Review the adequacy of systems in place for controlling the acquisition process, from the initial planning stages (needs identification and requirement definitions) to the delivery and utilization of the goods and services acquired.
  - (c) Review and report on the extent to which management information is prompt, adequate, accurate and designed to foster the accountability of the contracting process.



- (d) To assess the extent to which the contracting process was being managed with due regard to economy, efficiency and effectiveness.

#### **SCOPE OF THE AUDIT**

**4.10**

The scope of the audit encompassed a preliminary assessment of the adequacy and effectiveness of the system of internal controls and the reporting upon such controls and other procedures pertaining to the expenditure for the contractual supply of goods, works and services within the public service and to ascertain whether the system is functioning as intended.

**4.11**

The preliminary assessment involved the following key players:

- (1) Central Supply Tenders Board
- (2) Central Planning Division
- (3) Ministries

**4.12**

The Ministries of Transport Works and Housing, Health and Education were identified as the ones that had the greatest contracting expenditure in the Public Service of St. Vincent and the Grenadines.

**4.13**

During the survey stage the following areas were identified as relevant and significant to an assessment of the extent to which the contracting process was being managed with due regard to economy, efficiency, effectiveness and compliance.



1. Contractor's Database
2. Needs Identification
3. Feasibility Studies
4. Tendering for contracts
5. Tender Application Fees
6. Receipt & Opening of Tenders
7. Evaluation of Tender Documents
8. Contract Variations
9. Monitoring and Reporting

**METHODOLOGY****4.14**

Five (5) of the nine (9) areas identified as relevant and significant to the assessment of the extent to which the contracting process was being managed with due regard to economy, efficiency, effectiveness and compliance were selected for detailed examination at the Ministry of Transport, Works and Housing As follows:

1. Needs Identification
2. Feasibility Studies.
3. Receipt & Opening of Tenders
4. Evaluation of Tender Documents
- 5 Contract Variations

**4.15**

A number of contracts over **\$20,000.00** financed by capital expenditure were selected from different categories of works, such as, roads, water catchments/tank, river defence and buildings for detailed examination.

**4.16**

The contracts were examined against a number of established criteria -or good management practices. The criteria were presented and agreed to by the Ministry's management.

**4.17**

The detailed examination included reviewing contracting procedures, project files, supporting documentation, payments disbursed, testimonial evidence gathered and analyses were made from an examination of the records at the Ministry and from interviews held with senior officers of the Ministry of Transport, Works and Housing. In addition, site visits were made to projects and interviews held with Project Managers.

## **FINDINGS**

### **NEEDS IDENTIFICATION**

**4.18**

It was established that needs identified are not formally documented and substantiated for the majority of projects over **\$20,000.00** within the Ministry of Transport, Works and Housing (MTWH). The predominant manner in which the MTWH identifies needs is through an informal procedure, which exists between the MTWH, the Parliamentary Representatives, the public and other ministries.

**4.19**

For projects identified by other Ministries and supervised by the Ministry Transport Works and Housing, which were selected for examination, there was evidence of the needs being documented.





- 4.20** The Representatives submit requests based on the perceived needs of their Constituencies, for inclusion in the Ministry's annual budget proposals.
- 4.21** In the final analysis the Parliamentary Representatives control the needs identification process.
- 4.22** Although the needs are not formally documented, it was observed that there is an informal procedure when identifying needs, for example, the Parliamentary Representatives submit a list of projects for their constituencies and the MTWH visits sites to prepare estimates for inclusion in the budget proposals.
- 4.23** No documentary evidence was produced to support that needs identified are verified, evaluated and documented by a person other than the person initiating the need. Sites are visited to prepare an estimate for the projects.
- 4.24** Generally, needs are not given a preliminary ranking in order of priority within the appropriate category.
- 4.25** All potential needs (short, medium and long-term) are not channelled into a single appraisal centre.
- 4.26** In some cases, funds allocated for specific needs in the Estimates were expended otherwise; for example, moneys allocated for River Defence projects were spent to construct wall/walkway at Moon/Casson Hill. Funds may be disbursed on a useless project.

**4.27**

There is no operational manual in the Ministry/Government to guide the process.

**4.28**

There is evidence that the needs identification process is controlled by the Parliamentary Representatives.

**4.29**

Parliamentary Representatives are not aware of the importance of the needs identification process that includes justification and documentation. As a consequence, the input of the technical staff is not always taken into consideration.

**4.30**

It is difficult to properly assess the results of the work done to determine whether the effect and the impact of the service provided are covering the needs of the people and also to assess the social and economic benefits to be derived from the investment made by Government.

**4.31****FEASIBILITY STUDY**

A feasibility study is an important tool for making the right decisions. A wrong decision at this point often leads to failure. Feasibility Studies are conducted to determine the project's objectives, the scope of the action to be analyzed, the cost and benefit associated with the action, the probable consequences of the actions and the value of the project from those whom the project would benefit or impact.

**4.32**

The Feasibility Study should be carried out with the objective of making the best use of limited funds. Through undertaking a feasibility study the chances of developing an unsuccessful project are minimized, and the potential for efficiency is increased. A good feasibility study is more than just a set of financial projections. It is the Ministry's best insurance against a poor investment. If the study is done properly, it becomes the market-driven strategic plan that is the road map for all subsequent decisions.

**4.33****OBSERVATIONS:**

Feasibility studies are not conducted to determine the cost/benefit of the need identified.

- Feasibility Studies are carried out only on major projects when the funding agencies require it. Other projects identified by the Ministry of Transport Works and Housing and other Ministries and supervised by the Ministry of Transport are not subject to an effective feasibility study.
- There was no evidence of feasibility studies, needs assessment or alternatives analysis to support the projects selected for examination.

**4.34*****For the Emergency Operations Centre (EOC):***

- For instance, there was no study conducted for the construction of the Emergency Operations Centre (EOC) and as a result to date, there have been significant increases in the costs. There were 3 variation orders (sanctioned by the Ministry of Planning) in the demolition stage.
- The original contract was for the extension and renovation of the existing building, however, the building had to be demolished due to structural damages and excessive seepage of water in the foundation during the early stage of construction.

**4.35**

A construction report was prepared on the structural strength of the building and different options were considered and reported to the Central Planning Division after the problems were discovered.

**4.36**

Although the project was considered feasible, the technical evaluation was inadequate.

**4.37**

The lack of sufficient technical personnel in the Ministry and appropriate equipment in the laboratory, to test the structural strength and soil contributed to the above findings. Although, these may have hindered the Ministry in conducting feasibility studies, it appears that these studies are not considered as priority.

**4.38**



Generally, the urgency of some projects identified by Parliamentary Representatives prohibits the Ministry from carrying out these studies.

**4.39**

The absence of a feasibility study and no structural investigation before producing engineering designs can result in difficulties in the early stage, which can be detrimental to the project's implementation and have an adverse effect on the social, environmental and financial outcome.

**4.40**

The absence of a feasibility study hinders the government's ability to access funding from donor agencies.

**4.41**

Lack of feasibility studies results in poor utilization of resources and impacts negatively on the long-term development of the country.

**4.42**

Lack of feasibility studies leads to cost overrun.

**4.43**

***Receipt and Opening of Tender Documents***

- The Purchases and Tenders Procedures (P&TP) Section 26 stipulates that tenders should be submitted to the Secretary of the Board for opening; however, there is non-adherence- by the Ministry of Transport Works and Housing. In most cases, for selective tendering Bid documents are directly submitted to the Chief Engineer. It appears that the Tenders Board accepts this practice. There is no documented evidence to indicate that this authority was delegated to the Ministry.
- The Ministry of Transport, Works and Housing is involved in selective tendering and the tender documents are submitted by the tenderer to the Ministry for opening and evaluation. There is no tender register at the Ministry to record information pertaining to the receipt and



opening of tenders, for instance, the date and time of receipt of the tender documents, the names of persons who open the bid documents.

**4.44**

Of the five (5) contracts selected for examination, one (1) involved open tendering and the other four (4) selective tendering. In the open tendering process there was documentary evidence that the tender documents were opened in the presence of and signed by more than one person. However, in the selective tendering process there was no evidence that these bids were opened and signed in the presence of more than one person.

**4.45**

Although, Central Supplies Tenders Board (CSTB) maintains a register to account for the number of tenders received which shows the tenderers name, the date and time, the audit could not ascertain whether all documents were submitted before the deadline.

**4.46**

There was no evidence that the tender documents are being kept in fireproof locked cupboard. Unauthorized and easy access to the documents could lead to the possibility of fraud.

**4.47**

There are no written guidelines and procedures to guide the receipt and opening of tenders and as a result this process can be manipulated by personnel involved in the receipt and opening of tender documents. There is the possibility that late tenders can be accepted after the closing date since no record is maintained for this purpose at the Ministry of Transport Works and Housing.

**4.48**

When tenders are opened by one person this action eliminates transparency and accountability.

**4.49**

***Evaluation of Tender Documents***

The evaluation of the tender documents is a very important step in the selection of the contractor to ensure that the quality of goods, works and services is of a high standard. Its purpose is to ensure that Government obtains goods, works and services with a maximum economy, efficiency and effectiveness from amongst the tenders received. The lowest evaluated tender may not necessarily be the best.

**4.50**

As a guideline, the Ministry sets a pre-tendered price based on specific construction condition. This price is used in the evaluation of bids to select the best tender.

**4.51**

An examination of the five (5) contracts selected revealed that the tenders were not evaluated based on technical competence.

**4.52**

Four (4) of the five (5) contracts selected for examination were done by selective tendering and the following occurred:

- In three (3) of these cases there was no evidence that more than one person evaluated the bid documents since the documents were not signed by the evaluator/evaluators.
- In some cases in the evaluation process the bid documents were not properly checked and corrections made on the Bills of Quantities





were not always initialled by the evaluator/s, which can lead to abuse and manipulation of the system.

- Some of the bid documents were not satisfactorily prepared by the tenderers, for example Bills of Quantities submitted by a successful tender were completed in pencil (Casson Hill/Moon Walkway).
- It appears that the bid document was not examined thoroughly since a number of errors were seen in the documents (contract and bid documents). The errors would have affected the value of the bid.
- The evaluation reports were not satisfactorily prepared by the evaluator/s when recommending the tender. In cases where the lowest bid was not accepted, there was no justification for selecting a higher bid. As a result, the tenders selected may not have been in the best interest of the Government.
- The pre-tender estimates, invitation to tender, receipt, opening and evaluation of the tenders were done by the same person. There is no clear segregation of duties.
- There were no written criteria to evaluate the tender document.

**4.53**

The absence of technical evaluation:

- cannot guarantee high quality of works by the tenderer.



- may result in Government not getting the best tender.
- could present risks to value for money for ministries, such as, exorbitant prices and poor quality work.
- public perception of conflict of interest in the award of contracts.

### *Contract Variations*

**4.54**

Contract variation is an amendment of a contract with the consent of all of the existing parties to the contract, which modifies some of the rights or obligations of the parties without amounting to a rescission of the original contract and formation of a new one.

**4.55**

Variations occur for a multiplicity of reasons, for example:

- (a) Unforeseen circumstances.
- (b) Change in policy or direction of the client ministry.

**4.56**

The Purchases and Tenders Procedure Section 44 stipulates that proposed variations of contracts involving either an increase or a decrease of the tendered sum must be submitted to the Board for approval except where such variation is already allowed for in the terms of the contract.

**4.57**

Generally, variations are not always submitted to the Tenders Board for approval before the variation work is performed. In practice, variations are accumulated and approval is sought at a stage when it is thought that there would be no more variations. However, variations for the Emergency Operation Center (EOC) were approved before the continuation of the project.

**4.58**

The Tenders Board does not readily approve all variations.

**4.59**

There was no evidence that differences in the original contract cost and the priced variations are investigated by the Project Manager to assess the cumulative effect of variations and the effect on the estimates.

**4.60**

No report on the effect of the budgeted amount in comparison to the original amount depicts poor accountability.

**4.61**

Failure of the Ministry to comply with the Purchases and Tenders Procedures may result in increased cost and time for completion of projects.

**4.62**

Investigations are not done properly in the design and engineering stage as in the case of the EOC.

**4.63**

It was indicated that the time taken for variations to be approved by the Central Supply Tenders Board could cause delay to some projects.

**4.64**

The works visited as at the 31/8/04 have shown that they were carried out according to the specifications of the contract; however, they took a lot more time than was originally scheduled impacting on their cost and effectiveness.



<b>Name of Contract</b>	<b>Commencement Date</b>	<b>Proposed Time For Completion from Engineer's Order</b>	<b>Actual Completion Time</b>
Congo Valley Road- Phase 1	December 3, 2003	6 Weeks	August 9, 2004 - 36 Weeks
Emergency Operation Center	May, 2003	32 Weeks	Work is still in progress
Masonry Wall and Walkway at Moon/Casson Hill	May 5, 2003	16 Weeks	March 16, 2004 – 40 Weeks
Rehabilitation of the Bequia Fisheries Center	April 28, 2003	25Weeks	Work is still in progress
Union Island Water Catchment	May 19, 2003	16 Weeks	January 21, 2004 – 32 Weeks

## **RECOMMENDATIONS**

**4.65**

The Contracting Process as it is now allows the Government to deliver its goods, work and services on a routine basis. However, there are still a number of opportunities for improvement in its efficiency in terms of the timeliness and cost of the works performed by the Ministry itself, and the works contracted out and the Ministry's effectiveness in ensuring the quality of the works and the satisfaction of the needs of the people.

**4.66**

It is imperative that the Parliamentarians and all personnel in the Needs Identification Process understand and document the process which will be filtered down the chain of command and ensure continuity within the Ministries.

**4.67**

There should be a strong emphasis on conducting feasibility studies. The study must be part of the planning process to reduce the element of uncertainty and risk. How extensive and critical the feasibility study should be, depends on the size and nature of the new project.

**4.68**

The need for a feasibility study is crucial to the strength of the proposed facility. The proposed development must be investigated, estimated, documented and supported, so that the Ministry is in a position to make and justify its recommendation.

**4.69**

All tenders should be received and opened by the Central Supply Tenders Board and should be sent by the Secretary to the Ministry concerned for examination and recommendation, and returned to the Board for final decision as required by the Purchases and Tenders Procedure Section 26, unless the authority is delegated in writing by the Central Supply Tenders Board.

**4.70**

In instances where authority is delegated, bid documents should be opened and signed by the Chief Engineer or his designate and at least two senior designated officers, neither of whom should have been involved in the tender invitation to facilitate openness and accountability.

**4.71**

There should be an electronic date and time stamp to account for the receipt of tender documents to prevent the acceptance of tenders after the closing date and time. This would eliminate one possibility of fraud.

**4.72**

The instructions in the invitations to tender should indicate the particulars, which should be inscribed on the envelopes in which the tenders are submitted

**4.73**

Due care and attention must be exercised with the tender documents, for example, procedures for receipt and storage of the documents. These documents should be secured in a safe place before and after they are opened and always under the responsibility of an authorized person.

**4.74**

The Purchases and Tenders Procedures that deals with late tenders must be followed.

**4.75**

No project should commence unless the process up to the tendering stage is carefully assessed, this will reduce variations.

**4.76**

Contract variations should not only be prepared for the approval of Tenders Board. They should be evaluated and discussed to determine the reasons for the variation and its impact on the overall cost of the project. The findings should be documented and used as a guide for future projects to minimize the recurrence of similar events.

**4.77**

The Purchases and Tenders Procedures should be amended or some form of authority given to the Chief Engineer to approve variations up to that which may arise due to unforeseen circumstances, to avoid delays.

**4.78**

The Tenders Board should set parameters for variations approved by the Chief Engineer.

**4.79**

Variations could be costly and risk involved should be critically analysed to avoid cost overrun and possible stoppage of the project.



- 4.80 Timely completion of each phase and of the overall project should be given high priority throughout the project.
- 4.81 The importance of the Contractor's Database cannot be over-emphasized, as its non-existence can create an obstacle in the way of an effective and transparent contract selection process.
- 4.82 The works visited have shown that they were carried out according to the specifications of the contract; however, they took a lot more time than was originally scheduled impacting on their cost and effectiveness.
- 4.83 It is commendable that the Ministry of Transport Works and Housing is in the process of establishing a Standard Building Code, which would contribute tremendously to the standardisation of building requirements and to the regulation of prices.
- 4.84 It is also noteworthy that there will soon be a new Procurement Regulation, which would help to alleviate some of the problems highlighted in this report



## **FAMILY SERVICES DEPARTMENT**

### **SUMMARY**

- 4.85** The main purpose of the Family Services Department (FSD) Programmes is to assist with the quality of life for the less fortunate, provide a decent life style for the elderly, and the protection of the rights of the child.
- 4.86** In this regard, our audit focused on Public Assistance (Programme Delivery & Database), Foster Care and the Home Help Providers Programmes. The general audit objective is to evaluate if the Family Services Department has managed the programmes with due regard to economy, efficiency and effectiveness; and is in compliance with the Legislation.
- 4.87** These programmes have a high impact in the community, covering about six thousand (**6,000.00**) recipients in total, alleviating the critical conditions of most of them. However, the Audit found a number of areas in which the efficiency and effectiveness of such programs could be improved.
- 4.88** Although legislation exists for the Public Assistance Programme in the form of the Public Assistance Act, Cap 231, it is not complied with in every respect. The Regulations, procedures and guidelines that were developed to operationalise this Legislation are inadequate. The non-existence of a formal definition of poor and needy, and the subsequent lack of a written profile to determine the eligibility of the applicants is a manifestation of this.
- 4.89** Another concern is the non-existence of legislation to govern the Foster Care and the Home Help Providers Programmes. Consequently, there are no well



**4.90**

established and documented procedures to guide the process and conditions for the Foster Care and Home Help Providers Programmes.

This situation results in management delivering the program using their own judgement, which may not always be consistent. The system is therefore open to abuse and being operated contrary to the principle of equity with the inherent risk of the public assistance not being provided to the ones who need it most.

#### **AUDIT OBJECTIVES**

**4.91**

The objectives of the audit of the Family Services Department are:

- To examine the information systems, procedures and controls for payment of Public Assistance, to ensure that payments are made in accordance with the Public Assistance Act and that these amounts are paid with due regard to efficiency and effectiveness.
- To evaluate if the amounts allocated to the Programmes are spent for the purposes intended.
- To ascertain what effect the absence of legislation has on the delivery of the Foster Care and Home Help Providers programmes.
- To assess whether the current systems in place to guide the process, are in the interest of the persons it is designed to help.



- To evaluate if the database information is accurate and reliable.
- To evaluate the impact the absence of formal written definition for “Poor and Needy” has on the delivery of Public Assistance.
- To ascertain what are the effects the absence of formal/written guidelines have on the quality of service given by the Home Help Providers to the elderly.

**AUDIT SCOPE****4.92**

The audit focused on the operations established by the Family Services Department of the Ministry of Social Development, Cooperative, The Family, Gender and Ecclesiastical Affairs for the administration of Public Assistance, Foster Care and Home Help Providers Programmes.

**4.93**

Interviews were carried out with beneficiaries and recipients of the services offered under the various programs and examinations made of the following:

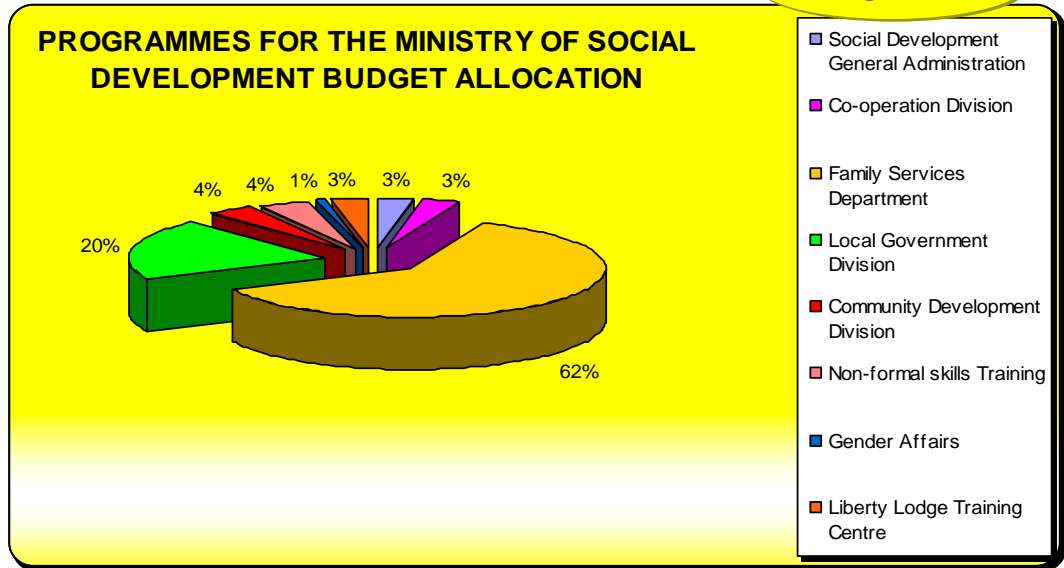
- The operational systems and controls at the Information Technology Services Division.
- The operational systems at the General Office of the Family Services Department; that is the examination of files, lists for public assistance, foster care and home help providers, vote accounts and Smart Stream.



- The quality of service delivered to recipients of public assistance at four (4) paying stations.
  - The quality of service delivered to Foster care recipients, and elderly on the Home Help Providers/Programmes.
1. The Ministry of Social Development, Cooperative, the Family, Gender and Ecclesiastical Affairs, is the Ministry that is engaged in the delivery of services within the social sector.
  2. The Family Services Department expenditure is approximately 62% (**\$9.1 million**) of the Ministry's total Estimated Expenditure of **\$14.7 million** for the year 2004. (See Figure No.1) The Department therefore is critical to the Ministry achieving its overall objectives since it has the largest Estimated Expenditure.
  3. The Department's Mission as outlined in its Operational Plan is "to provide persistently, effective programmes and efficient services, aimed at advocating equity in family relations, fostering the Rights of the Child, persons with disabilities, the elderly and enhancing the social-economic development of all family members."



Figure 1



Approximately 62% (\$9.1 million) of the Ministry's total expenditure is currently allocated to FSD

The Family Services Department administers the delivery of Public Assistance under the Public Assistance Act (Cap 231), Foster Care and Home Help Providers Programmes.

4. The Public Assistance aspect of the programme seeks to provide relief to the destitute and handicapped persons.

Public Assistance includes monthly assistance, immediate assistance in the form of medical, rent and food vouchers; education assistance in the form of school uniforms, books, school, examination fees and transportation. Other assistance offered is materials and supplies, home repairs, hot meals and aid to fire victims.

Approximately 5500 persons benefit from the Public Assistance Programme.



5. The Foster Care Programme which started about twenty-five (25) years ago, forms part of the delivery programs of the Family Services Department. It is geared towards providing foster care to orphan, and children who are neglected, abuse and abandoned. This programme gives assistance to approximately one hundred and seventy-one (171) children according to list printed from the Public Assistance Database mid June 2004.
  
6. The Home Help Providers Programme was introduced at the Family Services Department in the year, 2002. The program is designed to assist the elderly with their basic hygienic needs; perform home based activities and related ancillary and supportive services.

Presently, there are a total of approximately seventy-six (76) Home Help Providers and Home Help Assistants who serve three hundred and forty (340) elderly. Each Home Help Provider and Home Help Assistant is in charge of approximately four (4) to five (5) elderly, in the various areas.

7. To perform its responsibilities, the Department, which is under the control of the Permanent Secretary, who is the Accounting Officer, employs fifteen (15) members of staff namely a Director who is responsible for the day to day activities of the Department; the Deputy Director who assist the Director, nine (9) Probation Officers who work both in the field and the office who are responsible for matters pertaining to juveniles and the elderly; one (1) Welfare Officer, who records all information on Maintenance cases, two (2) Senior Clerk and a Clerk/Bookkeeper who maintain the department 's vote accounts and other records. There is also a Public Assistance Board.

**FINDINGS****4.94*****There is no formal written definition for “poor and needy”.***

1. Management is of the opinion that the development of documented criteria for determining “poor and needy” either by legislation or policy is unrealistic.
2. The Department has been unable to develop a profile of the persons who could qualify as “poor and needy”. The profile should be used to determine eligibility and be reflected on the Public Assistance Application Form.
3. The system is open to abuse and can be manipulated. There are instances where persons go directly to their Area Representative for assistance when they have been disqualified by the Family Services Department.
4. The ones who should select the potential recipients (Public Assistance Board Members as recommended by the Public Assistance Officer/Director of Family Services) do not have any written criteria or profile to guide them.

**4.95*****Lack of appropriate narration in Vote Book and Treasury Accounts – Immediate Assistance.***

1. The description in both the vote book and the treasury accounts for the month of April for immediate assistance was not explicit enough to



substantiate that the money was spent for purposes intended. Vague entries such as “for persons who are in need” are recorded instead of specific entries, e.g. funeral grants, school fees, food vouchers, school supplies; and no reconciliation was done against the treasury print out.

2. This could be attributed to the following:

- Lack of knowledge of government accounting system
- Lack of knowledge of vote accounting and reconciliation
- Due care and attention not paid in the preparation of vouchers by the Officers of the Family Services Department.

3. As a consequence, Accounting Officers find it difficult to monitor actual payments as against budgeted amounts. There is a possibility of unauthorised payments and incorrect classification occurring without being detected. The system is therefore open to fraud and distortion or misrepresentation of figures.

**4.96**

***No assessments and recommendations were made on forms.***

1. The objective of the assessment, recommendation and sample test is to determine if persons who are desirous of accessing the public assistance program are eligible. The design of the application forms does not capture enough relevant information for the acceptance or denial of the applicant.



2. A sample test was conducted to confirm if assessments and recommendations were made on applications for public assistance according to Legislation.

- No assessments and recommendations were made on about fifty percent (50%) of the applications. It appears that no investigations were carried out.
- Thirteen (13) out of one hundred (100) applications were recommended and approved by the Permanent Secretary.
- Comments were made on fifty-one (51) applications, however, there were no signatures seen to validate same.
- Eighty-seven (87) out of one hundred (100) applications were seen witnessed by Board Members, Government Ministers, the Permanent Secretary, Director and Deputy Director of Family Services and Probation Officers.
- All applications were approved by Permanent Secretary instead of Chairman of the Public Assistance Board according to Legislation.

3. Officers responsible for carrying out assessments and making recommendations are not doing so in accordance with the Public Assistance Legislation, which may result in persons who are not eligible, receiving public assistance. The system could be open to abuse and payments made to impostors.



**4.97**

*The most needy persons did not always receive public assistance because of external influence.*

- Persons who are in need may not necessarily become recipients of public assistance. This happens because of non-adherence to the Public Assistance Legislation by officers and the interference of external stakeholder in the delivery of public assistance.

**4.98**

*Public Assistance - Database*

- The Database for Public Assistance is an application that runs on the Mainframe computer system located in the Information Technology Services Division (ITSD). It was designed about twelve(12) years ago and was set up in the fourth Generation language.

**4.99**

*System Operation at the Information Technology Services Division*

- The Permanent Secretary authorizes the addition while the Director of Family Services authorised the deletion of names to and from the Public Assistance list respectively. Recommendations for deletion of names could come from Area Representatives, Permanent Secretary, and Probation Officers.

**4.100*****Lack of requisite technical personnel***

- There is lack of adequate technical personnel at the Information Technology Services Division to assist the Family Services Department in hardware and software difficulties.
- The Family Services Department is responsible for input and quality of software while the Information Technology Services Division controls the hardware.
- Persons who were familiar with that program are no longer with the Division and present officers are unable to guarantee smooth operation of the system.

**4.101*****No Senior Officer at the Family Services Department validates information that is put into the system.***

- No internal checks are carried out to validate information that is entered into the database.
- There is no terminal at the Family Services Department to access the database and a lack of written policies by management to monitor the operation.
- This represents weak internal control, creates the possibility of fraud and incorrect and unreliable information input into the system.

**4.102*****Limited knowledge of Database by Management***

- Only two officers at the Family Services Department had full knowledge of the system. The data entry clerk was the only person who was able to assist the Auditors with most of the information. In the event of the officer being unavailable, the department suffers setbacks because of time spent in training another officer.
- There is lack of appropriate staff with information technology skills, which could contribute to poor control by Management, and a slow delivery process.
- Management appears to be unaware of the risk of operating a system with officers who are not knowledgeable of the database and the department lacks autonomy in determining its modus operandi.

**4.103*****Informal deletion and easy acceptance of names on the system***

- Names are sometimes deleted from the system based on information received by word of mouth, and death announcements from a list received from the National Broadcasting Corporation. These sources of information are not always reliable.
- Management has little control over the system in that there are no mechanisms in place to detect and correct errors in the additions and deletion of names.

**4.104*****Incomplete information on Foster Care files***

- Death certificates are not on some files where it is claimed that parents of children are dead. Birth certificates were not always seen for children to confirm their age.
- Agreements between Family Services Department and Foster Parent are not always made. Blank and incomplete agreement forms appeared on files and some of the files did not have photographs of the foster children.
- All applications for foster children were not fully completed.
- Due care is not taken by officers in obtaining the relevant information and ensuring the completion of foster care applications and agreements. There are insufficient human resources to have all files updated and properly catalogued and stored.
- Management therefore is unable to promptly establish and monitor the actual situation of the total number of children under this program and to establish their well being.

**4.105*****Inconsistency in amounts paid***

- Amounts paid to some foster parents are not consistent. For example, at the time of examination there was a foster parent with two (2) children who was receiving **\$275.00** for each child. There was also a foster parent with three (3) children who received a monthly sum of **\$150.00** and another with four (4) children received **\$400.00** monthly.
- There appears to be no stipulated amount since amounts are negotiated as indicated on the form. Lack of legislation and established procedures has allowed the situation to go unabated. The system is open to abuse and exorbitant amounts could be paid without regard for need. No criteria are established to determine quantum of the contribution.

**4.106*****Foster Parents Interviews***

A total of fourteen (14) Foster Parents out of one hundred and forty-two (142) were selected for interviews using the Simple Random Sampling Technique.

- At the time of audit it was concluded that some of the data provided were not accurate because of incorrect and insufficient information on foster parents and lack of quality review and update of the information on file by the Family Services Department.

**4.107**

- Not having reliable information to facilitate access to some foster parents made contact with them difficult.

***Visitation and Assessment by Officers***

- There is no reporting mechanism in place to ensure visitation and assessments and regular follow up visits.
- Due to the shortage of staff the department is unable to keep abreast of the whereabouts of the children and foster parents. Full assessments of the conditions under which the children live and the safety and well being of children cannot therefore be vouched for.

**4.108*****Home Help Providers Programme***

- The Programme is designed to assist the elderly with their basic hygienic needs; such as oral hygiene, undressing, bathing and grooming. They also perform ancillary and supportive services, for example, reporting any unusual changes in the person's condition, attending meetings, workshops, seminars that provide information that will improve knowledge, skills and attitudes; and keeping a diary of all work undertaken.
- Presently, there are approximately seventy-six (76) Home Help Providers and Home Help Assistants and each of which has approximately four (4) to five (5) elderly assigned to them in various areas.

**4.109**

*Visits and Interviews with Home Help Providers and Home Help Assistants and the Elderly.*

- Most of the elderly do not know about the Family Services Department or where it is situated. All they know is that someone usually comes to their homes to assist them with their hygienic needs.
- They are generally satisfied with the services provided by the Home Help Providers and Home Help Assistants and are of the opinion that most of them are caring, helpful and work hard for their wages.

**4.110**

*No applications on file for some “Home Help Providers and Home Help Assistance”*

- There are some Home Help Providers and Home Help Assistants who did not apply for the job by a written application; hence, there are no applications on file for those persons at the Family Services Department.
- The Department may not be receiving the most appropriate personnel for the job because there are no policies governing the procedures for selection of the Home Help Providers and Home Help Assistants, therefore the quality of the service provided may be compromised.
- The Home Help Providers receive a monthly salary of **\$702.00** while the Home Help Assistants receive **\$648.00**.

**4.111**

*There is no Database pertaining to the Elderly and the Home Help Providers and Home Help Assistants*

- There are no written policies governing the Home Help Providers and Home Help Assistants, therefore, the quality of work provided cannot be measured, hence, there may be inequality in the service.

**4.112**

*No proper record of the Elderly and Home Help Providers and Home Help Assistants.*

- Information pertaining to the assignment of Home Help providers and Home Help Assistants to the elderly cannot be easily obtained because of lack of proper record keeping at the Family Services Department.
- There was no proper record of the recipients and providers assigned to them, hence, information pertaining to the Home Help Providers Program was not readily available to the Audit Office.
- There is lack of management control in guiding the process to ensure proper accountability and inability to provide reliable information on the programme.



**4.113**

*No assessment is carried out on the elderly before they receive the services under the Home Help Providers Program.*

- There is no system in place relating to the Home Help Providers Programme so it cannot be easily ascertained whether or not those persons receiving assistance are the ones who are in need of the service. Information pertaining to the health of the elderly and well-being cannot be provided by the department.

**4.114**

*No follow-up by Officers from the Family Services Department*

- Officers from the Family Services Department are not following up on the elderly or the Home Help Providers; therefore, assessment could not be done on the quality of work provided.
- There are no written procedures pertaining to the Home Help Providers and Home Help Assistants and no job description in place which the department could use to objectively assess their performances and the quality and effectiveness of the program.

**4.115**

*No schedule given to the Home Help Providers and Home Help Assistants.*

- There are no set time on how a Home Help Provider and Home Help Assistant should spend with the elderly, and how many days of the week they should provide care.

**4.116****RECOMMENDATIONS**

1. Formal definition for “poor and needy” should be in place.
2. The Family Services Department should develop an appropriate profile to determine eligibility.
3. Controls should be in place to ensure that only the needy cases receive public assistance.
4. The Family Services Department should train officers in the preparation of vouchers and maintenance of vote accounts with specific emphasis on reconciliation.
5. Management should monitor actual payments against budgeted amounts.
6. Complete information on recipients must be recorded on application forms – information that can be substantiated.
7. Forms should be properly filled out to provide statistics on applicants thereby allowing the department to carry out follow up and generate accurate information on recipients.
8. Proper procedures should be implemented to ensure that the Public Assistance Act is adhered to in relation to assessment of potential recipients.



9. The content of the application should allow management to make the appropriate decision related to acceptance or denial of applicants.
10. The application form should be reviewed, updated and a place be provided on the application form for the signature of the approving officer.
11. Mechanisms should be put in place to ensure that public assistance is paid out with due care and attention; and all remaining cash is equivalent to that due to unpaid recipients.
12. Officers making payments should be trained in the handling of cash and the management of imprest accounts.
13. Public assistance should only be approved after investigation/assessment by the Public Assistance Officer.
14. Controls must be put in place to ensure that only the most needy cases receive public assistance.
15. Management should ensure that follow-up is carried out according to Public Assistance Regulations.
16. An officer should be designated to ensure that the information on the lists is accurate and no unauthorised information is input into the system.
17. More officers should be trained on how the database operates.



18. Policies or guidelines should be put in place to control the operations of the database.
19. The system of producing the recipient's list should be established at the Family Services Department instead of the Information Technology Services Division.
20. An officer should be assigned to ensure that the information on the list is accurate and authorised.
21. There should be supporting documents and approval when deleting names from the Database.
22. There is need for the system to be updated. A monthly statement should be done showing previous balance + additions – deletion = balance.
23. There should be Legislation in place that governs the Foster Care Programme.
24. In the absence of Legislation the Management of Family Services Department should review and further develop guidelines to ensure the proper delivery of the Foster Care Program.
25. All relevant information pertaining to foster parents and children should be accurately recorded and stored.
26. All application and agreement forms should be completely filed out



before the child is placed in Foster Care.

27. The Family Services Department should clearly establish a stipulated amount to be given for the assistance of foster care services and not a negotiable amount as stated on the application form as to alleviate the inconsistencies in amounts paid to individuals. It is of great importance that a system of payment be put in place for persons having as many as three or four foster children.
28. Criteria should be developed to ensure the effectiveness of the program in that the lives of the children who are registered under this program be made better as a result of the service offered.
29. Officers should carry out the necessary assessment and follow-up reports should be documented for timely and accurate information on the foster parents and children.
30. A place should be provided on the application form for telephone number of the applicant and the signature of the Director Family Services.
31. Correct, updated and relevant information pertaining to all foster parents and children be kept on files and a database and that this information is validated periodically.
32. The Family Services Department should provide foster parents with guidelines, counselling and parental workshops should be arranged.



33. The Family Services Department needs to intensify the outreach programs, maintain follow up and make regular visits to foster parents and children.
34. The Family Services Department needs to ensure that each potential foster parent be made aware of the profile that is in place.
35. Measures should be put in place by management to monitor and review that program periodically.
36. There should be written policies and guidelines in place for the Home Help Providers Programme, generally, and in particular those relating to recruitment and selection of the Home Help Providers and Home Help Assistants.
37. The programme should be reviewed to determine the level of training and skills required to deliver the service.
38. There should be a database, which must include information o Home Help Providers and Home Help Assistants and the elderly. The information on the elderly should include their health status e.g diabetic, hypertensive and obese.



39. There should be a Register to record all information pertaining to the Home Help Providers and Home Help Assistants, and the Elderly.
40. There should be documented assessment on the elderly before they receive the services of the Home Help Providers and Home Help Assistants to establish his/her condition.
41. The Family Services Department should visit the recipients to assess the quality of the service. The finding should be documented in a report and regular follow up carried out.
42. There should be an officer from the Family Services Department supervising the Home Help Providers and Home Help Assistants on a regular basis.
43. There should be a record at the Family Services Department on the Home Help Providers, Home Help Assistants and the Elderly, with adequate contact information e.g telephone numbers, addresses and accurate directions thereto.
44. There should be a written job description and a schedule of tasks to guide the Home Help Providers and Home Help Assistants in the execution of their duties.
45. There should be follow up on the elderly to ascertain whether or not they are receiving adequate and good attention.



46. There should be a schedule of task, based on the status of the elderly, with daily length of time where applicable.
47. A check list should be developed to aid the Home Help Providers and Home Help Assistants in their record keeping. It should include the daily task and be returned to the Family Services Department weekly.
48. There should be mechanisms in place for the selection of recipients for the Home Help Providers
49. There should be a Recreational Facility for the elderly where they can meet, socialize and keep fit on a regular basis.
50. A review should be carried out of the result indicators in the Estimates and the Operational Plan so there will be consistency in both documents.
51. Management should follow the existing Regulations and take steps to have them amended to meet current requirements.
52. Management should develop specific guidelines to give effect to the Legislation.
53. Management should propose formal changes to ensure equity, transparency and accountability, if the current circumstances impede the programmes from achieving their objectives according to Regulations.





*Appendix I*

**OUTSTANDING QUERIES FOR THE YEAR 2004**

DEPARTMENT	NO. ISSUED	NO. SETTLED	OUTSTANDING
Accountant General	72	13	59
Comptroller, Inland Revenue	6	---	6
Customs & Excise	5	---	5
PS/Agriculture	9	---	9
Bequia Revenue Office	5	---	5
Clerk /House of Assembly	1	---	1
Superintendent of Prisons	9	---	9
Registrar	1	---	1
Union Island Revenue Office	9	---	9
PS/Foreign Affairs & Trade	9	---	9
PS/Telecom	2	---	2
PS/Prime Minister's	7	---	7
President Family Court	7	---	7
PS/Social Development	2	---	2
Chief Personnel Officer	1	---	1
PS/Tourism & Culture	2	---	2
Milton Cato Memorial Hospital	9	---	9
Chief Magistrate	10	1	9
Finance	6	---	6
Warden, Kingstown Town Board	24	---	24
Canouan Revenue Office	8	2	6
PS/Transport Works & Housing	8	---	8
Director of Planning	3	---	3
Director of Airport	5	1	4
Private Secretary, Prime Minister's	3	3	0
<b>TOTAL</b>	<b>223</b>	<b>20</b>	<b>203</b>

**OUTSTANDING QUERIES FOR THE YEAR 2005**

<b>DEPARTMENT</b>	<b>NO. ISSUED</b>	<b>NO. SETTLED</b>	<b>OUTSTANDING</b>
Accountant General	61	25	<b>36</b>
Comptroller, Inland Revenue	1	---	<b>1</b>
Customs & Excise	5	---	<b>5</b>
PS/Agriculture	8	---	<b>8</b>
Bequia Revenue Office	7	---	<b>7</b>
PS/Education	3	---	<b>3</b>
Supervisor of Prisons	4	---	<b>4</b>
Commissioner of Police	5	---	<b>5</b>
Union Island Revenue Office	5	1	<b>4</b>
Foreign Affairs	5	---	<b>5</b>
Milton Cato Memorial Hospital	1	---	<b>1</b>
PS/Prime Minister's	3	---	<b>3</b>
President, Family Court	4	---	<b>3</b>
PS/Social Development	3	---	<b>3</b>
PS/ Tourism	4	1	<b>3</b>
PS/ National Security	1	---	<b>1</b>
PS/Housing	3	---	<b>3</b>
Chief Magistrate	7	---	<b>7</b>
Urban Development	2	---	<b>2</b>
Warden, Kingstown Town Board	8	---	<b>8</b>
PS/ Transport & Works	8	---	<b>8</b>
Canouan Revenue Office	5	1	<b>4</b>
<b>TOTAL</b>	<b>153</b>	<b>28</b>	<b>124</b>



The following is a summary of the queries outstanding in respect of the last five (5) years.

DEPARTMENT	1999	2000	2001	2002	2003
Registrar, High Court	12	15	7	22	7
Senior Magistrate	---	---	4	---	2
Chief Personnel Officer	1	---	---	2	1
Prime Minister	---	---	13	5	3
Government Printer	---	---	5	---	2
Commissioner of Police	13	1	3	4	---
PS/Social Development	---	---	3	8	2
DG/Finance & Planning	5	---	5	---	---
Accountant General	142	47	123	61	24
Comptroller of Customs & Excise	4	5	3	16	13
Comptroller, Inland Revenue	1	1	12	1	3
Ministry of Housing	18	---	2	---	---
Warden, Kingstown Town Board	---	11	2	---	8
Ministry of Education	34	6	2	1	1
Director of Libraries	1	---	---	---	---
Ministry of Agriculture	55	1	8	1	1
Min. of Communications & Works	26	1	13	---	---
Director of Airports	---	10	3	2	---
Postmaster General	29	---	2	---	---
Min. of Health & the Environment	17	---	1	13	2
Superintendent of Prisons	7	---	---	2	3
Ministry of Foreign Affairs	4	3	1	6	9
Ministry of Trade	3	---	---	---	---
District Officer Southern Grenadines	5	3	---	4	4
Georgetown Revenue Office	---	2	---	---	---
Barrouallie Revenue Office	---	1	---	---	1
Government House	---	1	---	---	---
President, Family Court	---	2	1	---	1
Data Processing	---	---	3	---	---
PS/National Security	----	---	4	1	15
Bequia Revenue Office	---	---	---	9	10
Bequia District Council	---	---	---	1	1

**ARREARS OF REVENUE RETURNS – 2004**

<b>DEPT</b>	<b>ACCOUNT</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>	<b>REMARKS</b>
INLAND	11001	Individual Income Tax		None Submitted
REVENUE	11002	Corporate Tax		None Submitted
	11003	Withholding Tax		None Submitted
	12001	Property Tax		None Submitted
	12002	Estate & Succession Duty		None Submitted
	14005	Hotel Turnover Tax		None Submitted
	13006	Travel Tax		None Submitted
	14007	Entertainment Tax		None Submitted
	15007	Vehicles Licence		None Submitted
	15005	Liquor Licence		None Submitted
	15099	Other Licence - Tutors		None Submitted
	15008	Professional Licence		None Submitted
	15006	Drivers Licence		None Submitted
				None Submitted
CUSTOMS	13001	Import Duties		None Submitted
	13002	Export Duties		None Submitted
	13003	Consumption Duties- Local		None Submitted
	13004	Customs Service Charge		None Submitted
	16007	Personal Fees Rev. Officers		None Submitted
	17011	Warehouse Rent		None Submitted
	16012	Merchant Shipping		None Submitted
				None Submitted
MINISTRY OF FINANCE	14004	Insurance Premium Tax		None Submitted
				None Submitted
LAND AND SURVEYS	17014	Rent of Crown Lands		None Submitted
				None Submitted
JUDICIAL		Fees/Forfeitures		None Submitted
				None Submitted
POLICE	18003	Travel Permits		None Submitted
		Vehicle Inspection Fee		None Submitted
	18002	Passports		None Submitted
				None Submitted
PRISONS		Prisons Industries		None Submitted



<b>DEPT</b>	<b>ACCOUNT</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>	<b>REMARKS</b>
MEDICAL	16022	Hospital Rental Nurses Hostel		None Submitted None Submitted None Submitted None Submitted
AGRICUL- TURE	18007	Sale of Plants /Seeds		None Submitted
	18009	Campden Park Fishing Operations - Grenadines		None Submitted None Submitted None Submitted
	18010	Operations – Sawmill		None Submitted
	21001	Sale of Crown Lands		None Submitted
PUBLIC WORKS	16018	Electrical Inspection Soils Laboratory		None Submitted None Submitted
	17016	Royalties		None Submitted
	17017	Royalties		None Submitted
	18011	Sale of Stores & Equipment		None Submitted
AIRPORT	16019	Landing Dues		None Submitted
	16020	NAVCOM Charges		None Submitted
	17012	Rent		None Submitted
POST OFFICE	17018	Rent - Letter Boxes		None Submitted
	17019	Stamp Rights		None Submitted None Submitted
TELECOM	15010	Telecom & Broadcast Licence		None Submitted



**ARREARS OF REVENUE RETURNS – 2005**

<b>DEPT</b>	<b>ACCOUNT</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>	<b>REMARKS</b>
INLAND	11001	Individual Income Tax		None Submitted
REVENUE	11002	Corporate Tax		None Submitted
	11003	Withholding Tax		None Submitted
	12001	Property Tax		None Submitted
	12002	Estate & Succession Duty		None Submitted
	14005	Hotel Turnover Tax		None Submitted
	13006	Travel Tax		None Submitted
	14007	Entertainment Tax		None Submitted
	15007	Vehicles Licence		None Submitted
	15005	Liquor Licence		None Submitted
	15099	Other Licence - Tutors		None Submitted
	15008	Professional Licence		None Submitted
	15006	Drivers Licence		None Submitted
			None Submitted	
CUSTOMS	13001	Import Duties		None Submitted
	13002	Export Duties		None Submitted
	13003	Consumption Duties- Local		None Submitted
	13004	Customs Service Charge		None Submitted
	16007	Personal Fees Rev. Officers		None Submitted
	17011	Warehouse Rent		None Submitted
	16012	Merchant Shipping		None Submitted
MINISTRY OF FINANCE	14004	Insurance Premium Tax		None Submitted
LAND AND SURVEYS	17014	Rent of Crown Lands		None Submitted
JUDICIAL		Fees/Forfeitures		None Submitted
POLICE	18003	Travel Permits		None Submitted
		Vehicle Inspection Fee		None Submitted
	18002	Passports		None Submitted
PRISONS		Prisons Industries		None Submitted



<b>DEPT</b>	<b>ACCOUNT</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>	<b>REMARKS</b>
MEDICAL	16022	Hospital Rental Nurses Hostel		None Submitted None Submitted None Submitted None Submitted
AGRICUL- TURE	18007	Sale of Plants /Seeds		None Submitted
	18009	Campden Park Fishing Operations - Grenadines		None Submitted None Submitted None Submitted
	18010	Operations – Sawmill		None Submitted
	21001	Sale of Crown Lands		None Submitted
PUBLIC WORKS	16018	Electrical Inspection Soils Laboratory		None Submitted None Submitted
	17016	Royalties		None Submitted
	17017	Royalties		None Submitted
	18011	Sale of Stores & Equipment		None Submitted
AIRPORT	16019	Landing Dues		None Submitted
	16020	NAVCOM Charges		None Submitted
	17012	Rent		None Submitted
POST OFFICE	17018	Rent - Letter Boxes		None Submitted
	17019	Stamp Rights		None Submitted None Submitted
TELECOM	15010	Telecom & Broadcast Licence		None Submitted

*Appendix III*

**STATEMENT OF LOSSES DUE  
TO FRAUD, THEFT OR NEGLIGENCE  
SINCE THE DATE OF LAST REPORT 2004 – 2005**

**A. REQUIRED BY REGULATION TO BE REFERRED TO CABINET**

<b>DEPT. &amp; PARTICULARS OF LOSS</b>	<b>GROSS AMT. INVOLVED</b>	<b>AMOUNT RECOVERED</b>	<b>PRESENT STATUS</b>
<b><u>TREASURY</u></b>			
<i>Overpayment of Salary</i>	<i>1,849.70</i>	<i>Nil</i>	<i>Resigned</i>
	<i>1,085.51</i>	<i>Nil</i>	<i>Pending</i>
	<i>1,463.30</i>	<i>Nil</i>	<i>Pending</i>
	<i>2,126.48</i>	<i>Nil</i>	<i>Pending</i>
	<i>2,131.60</i>	<i>Nil</i>	<i>Pending</i>
	<i>815.07</i>	<i>Nil</i>	<i>Pending</i>
	<i>616.93</i>	<i>Nil</i>	<i>Pending</i>
	<i>988.60</i>	<i>Nil</i>	<i>Pending</i>
	<i>4,177.40</i>	<i>Nil</i>	<i>Pending</i>
	<i>2,914.32</i>	<i>Nil</i>	<i>Pending</i>
	<i>988.60</i>	<i>Nil</i>	<i>Pending</i>
	<i>1,621.71</i>	<i>Nil</i>	<i>Pending</i>
	<i>1,025.08</i>	<i>Nil</i>	<i>Pending</i>
	<i>1,479.00</i>	<i>Nil</i>	<i>Pending</i>
	<i>586.05</i>	<i>Nil</i>	<i>Pending</i>
	<i>2,067.46</i>	<i>Nil</i>	<i>Resigned</i>
	<i>2,031.18</i>	<i>Nil</i>	<i>Resigned</i>
	<i>3,684.33</i>	<i>Nil</i>	<i>Pending</i>
	<i>762.14</i>	<i>Nil</i>	<i>Pending</i>
	<i>657.04</i>	<i>Nil</i>	<i>Pending</i>
	<i>992.81</i>	<i>Nil</i>	<i>Pending</i>
	<i>3,551.03</i>	<i>Nil</i>	<i>Pending</i>
	<i>4,022.84</i>	<i>Nil</i>	<i>Pending</i>





<b>DEPT. &amp; PARTICULARS OF LOSS</b>	<b>GROSS AMT. INVOLVED</b>	<b>AMOUNT RECOVERED</b>	<b>PRESENT STATUS</b>
<b><u>TREASURY</u></b>			
<i>Overpayment of Salary</i>	1,764.16		
	1,362.15		
	1,524.84		
	733.17		
	1,818.00		
	1,451.36		
	1,385.48		
	1,021.02		
	2,516.87		
	1,018.82		
	892.00		
	48,002.38		
	13,124.10		
	1,544.00		
	2,574.00		
	1,791.31		
	1,593.29		
	1,791.31		
	1,593.29		
	1,044.86		
	1,599.25		
	10,360.83	3,098.00	
	1,752.24		
	1,109.00		
	873.57		
<i>Duplicate Payment</i>	12,930.00	<i>Nil</i>	<i>Pending</i>
<i>Duplicate Payment</i>	1,100.00	<i>Nil</i>	<i>Pending</i>



**STATEMENT OF LOSSES DUE  
TO FRAUD, THEFT OR NEGLIGENCE  
SINCE THE DATE OF LAST REPORT 2004 – 2005**

**B. NOT REQUIRED BY REGULATION TO BE REFERRED TO**

<b>DEPT. &amp; PARTICULARS OF LOSS</b>	<b>GROSS AMT. INVOLVED</b>	<b>AMOUNT RECOVERED</b>	<b>PRESENT STATUS</b>
<b><u>MIN. OF EDUCATION</u></b>			
<i>Misappropriation of Funds</i>	350.00	350.00	---
<b><u>TREASURY</u></b>			
<i>Overpayment of Salary</i>	150.00		
	341.52		
	55.69		
	471.92		
	272.80		

*Appendix IV***STATEMENT OF AUTHORTIES FOR EXPENDITURE 2004**

<b>ESTIMATES:</b>	Passed in the House of Assembly 5 <sup>th</sup> December 2003
<b>APPROPRIATION ACT:</b>	Enacted as Act 47/03
<b>GENERAL WARRANT:</b>	Signed by the Honorable Minister of Finance on 31 <sup>st</sup> December 2003
<b>SPECIAL WARRANTS:</b>	One hundred and thirty-six (136) Special Warrants were approved for a total of \$44,304,469.45.
<b>APPROPRIATION:</b>	Supplementary Appropriation to date was as follows: 19/07 – 7,348,483.00 20/07 – 7,440,156.00 21/07 – 4,617,414.94 22/07 – 4,617,414.94 23/07 – <u>2,787,996.00</u> 26,811,464.85



Amount expended from Loan Funds as follows:

Development Bonds	\$1,166,082,537.00
Local Loans	\$28,193,327.20
External Loans	\$33,279,171.65

**STATEMENT OF AUTHORTIES FOR EXPENDITURE 2005**

<b>ESTIMATES:</b>	Passed in the House of Assembly 10 <sup>th</sup> December 2004.
<b>APPROPRIATION ACT:</b>	Enacted as Act 41/03
<b>GENERAL WARRANT:</b>	Signed by the Honorable Minister of Finance on 20 <sup>th</sup> December 2004
<b>SPECIAL WARRANTS:</b>	One hundred and twenty-three (123) Special Warrants were approved for a total of \$50,831,424.42.
<b>APPROPRIATION:</b>	Supplementary Appropriation to date Act# 13/05 \$38,980,864.00

Amount expended from Loan Funds as follows:

Development Bonds	\$2,627,540.64
Local Loans	\$32,268,202.93
External Loans	\$38,850,452.71