REPORT OF THE DIRECTOR OF AUDIT

On the Public Accounts of the Government of St. Vincent and the Grenadines

2023

ACKNOWLEDGEMENT

Immense gratitude to Almighty God for the ability to present to all the citizens of St. Vincent and the Grenadines the Report on the Public Accounts of the Government of St. Vincent and the Grenadines – 2023. My pledge to you is to continue to strive for improved transparency and accountability in all Government undertakings.

I am also once again delighted with the efforts, support, and dedication of the hardworking staff of the Financial Audit and IT Audit Unit for their collaboration in producing this report. Many thanks also to the Accountant General, and the management and staff of the Government Printery for your continued co-operation and kind assistance extended to my office.

My deepest appreciation and profound gratitude must also be extended to my beloved family, dear friends, and mentors. Your words of wisdom and encouragement continue to serve as guiding lights and my most assuring source of strength.

Together, your collective contributions have significantly aided this accomplishment, for which I am deeply grateful.

AUDIT OFFICE

OF

ST. VINCENT AND THE GRENADINES

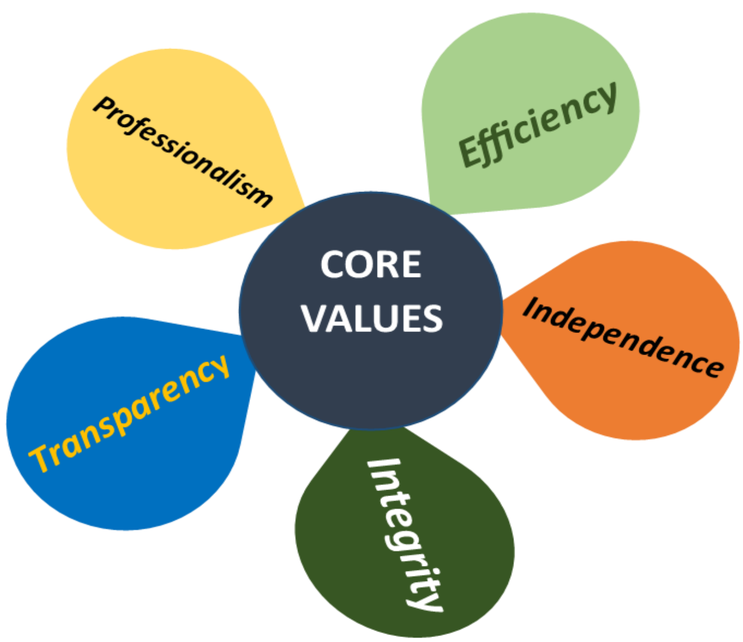
"STRIVING TO ENSURE GOOD GOVERNANCE AND ACCOUNTABILITY WITHIN THE PUBLIC SECTOR"

MISSION

"To serve the people of St. Vincent and the Grenadines by conducting independent audits and reporting on how government is managing its responsibilities and resources."

Vision

"An independent, professional, and respected Supreme Audit Institution conducting innovative and efficient audits to advance transparency and accountability in government's operation."



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SVG AUDIT OFFICE

HALIFAX STREET
KINGSTOWN
ST. VINCENT AND THE GRENADINES

5th May,2026

Honourable Dr. Godwin Friday
Prime Minister
Minister of Finance, etc.
2nd Floor Administrative Building
KINGSTOWN.

Honourable Dr. Friday,

Pursuant to section 75 (4) of St. Vincent and the Grenadines Constitution Order (1979) Chapter 10, and section 12 (2) of the Audit Act, Chapter 245 of the Laws of St. Vincent and the Grenadines, 2009 Revised Edition, I am pleased to submit to you for tabling in the House of Assembly, hereinafter referred to as the House, my report upon the examination of the Public Accounts of St. Vincent and the Grenadines for the financial year ended December 31, 2023.

Also, please be advised that after the report is laid before the House, a copy will be posted on the Audit Office's website at https://audit.gov.vc.

Yours sincerely,

Martina J. Primus (Mrs.)
DIRECTOR OF AUDIT

MISSION: *To serve the people of St. Vincent and the Grenadines by conducting independent audits and reporting on how government is managing its responsibilities and resources.*

AUDIT OPINION

Report on the Audit of the Financial Statements of the Government of St. Vincent and the Grenadines

Opinion

I have audited the Public Accounts of St. Vincent and the Grenadines which comprise the Statement of Annual Abstract, Statements of Detailed Recurrent and Capital Revenue, Statements of Detailed Recurrent and Capital Expenditure, Statement of Assets and Liabilities, Statement of Sinking Fund, Statement of Contingencies Fund, Statement of General Deposits, Statement of Investments, Statement of Special Funds, Statement of Public Debt, Statement of Advances and Statement of Contingent Liabilities for the financial year ended December 31, 2023.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Government of St. Vincent and the Grenadines as at December 31, 2023, and its financial performance for the year then ended in accordance with the Government's hybrid accounting framework between Cash and Accrual Basis.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and section 11 of the Audit Act, Chapter 245 of the Laws of St. Vincent and the Grenadines, Revised Edition, 2009. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. I am independent of the Accountant General's Office in accordance with the ethical requirements that are relevant to the audit of the financial statements in St. Vincent and the Grenadines, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Accountant General for the Financial Statements

The Accountant General is responsible for the preparation and fair presentation of the financial statements in accordance with the hybrid accounting framework between Cash and Accrual Basis, and for such internal control as the Accountant General determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

In accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion; and
- evaluate the overall presentation, structure and content of the financial statements, and determine whether the financial statements represent the underlying transactions and events.

I communicate with the Accountant General regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identified during my audit.

Martina J. Primus (Mrs.)
DIRECTOR OF AUDIT

Table of Contents

ANNUAL ABSTRACT ACCOUNT STATEMENT

DETAILED STATEMENTS OF REVENUE

DETAILED STATEMENT OF RECURRENT REVENUE

DETAILED STATEMENT OF CAPITAL REVENUE

DETAILED STATEMENTS OF EXPENDITURE

DETAILED STATEMENT OF RECURRENT EXPENDITURE

DETAILED STATEMENT OF CAPITAL EXPENDITURE

STATEMENT OF EXPLICIT CONTINGENT LIABILITIES

STATEMENT OF INVESTMENTS

STATEMENT OF PUBLIC DEBT

STATEMENT OF SINKING FUND

STATEMENT OF CONTINGENCIES FUND

STATEMENT OF SPECIAL FUNDS

STATEMENT OF ASSETS AND LIABILITIES

STATEMENT OF GENERAL DEPOSITS

STATEMENT OF ADVANCES

PART III

AUDIT OBSERVATIONS - MINISTRIES AND DEPARTMENTS

AUTONOMOUS DEPARTMENT

MINISTRY OF FOREIGN AFFAIRS, FOREIGN TRADE AND CONSUMER AFFAIRS

PART IV

CONTROL AND MANAGEMENT OF PUBLIC FINANCE

PART V

AUDIT OF STATUTORY BODIES

PART VI

APPENDICES

LIST OF ABBREVIATIONS

ALBA	Bolivarian Alliance for the Peoples of Our America
BOSVG	Bank Of St. Vincent And The Grenadines
CAROSAI	Caribbean Organisation Of Supreme Audit Institutions
CDB	Caribbean Development Bank
CDF	CARICOM Development Fund
CIF	Climate Investment Fund
CIT	Corporate Income Tax
COVID - 19	Corona Virus Disease 2019
CRL	Climate Resilience Levy
ECCB	East Caribbean Central Bank
FSA	Financial Services Authority
IADC	International Airport Development Company
IDA	International Development Agency
IDI	INTOSAI Development Initiative
INTOSAI	International Organisation of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
NIS	National Insurance Services
OFID	Opec Fund for International Development
PAC	Public Accounts Committee
PIT	Personal Income Tax
SAI	Supreme Audit Institution
SVG	St. Vincent and the Grenadines
USD	United States Dollar
VAT	Value Added Tax
VEEP	Volcanic Eruption Emergency Project
VINLEC	St. Vincent Electricity Services Ltd.
WHT	Withholding Tax

SCOPE OF THE REPORT

1.1 The primary focus of the report is the audit findings from the audit of the financial statements submitted by the Accountant General, as listed below. A cursory look at the general findings is presented as a summarised preview to the detailed analyses on page 16.

- Annual Abstract Account Statement
- Detailed Statement of Recurrent Revenue
- Detailed Statement of Capital Revenue
- Detailed Statement of Recurrent Expenditure
- Detailed Statement of Capital Expenditure
- Statement of Explicit Contingent Liabilities
- Statement of Investments
- Statement of Public Debt
- Statement of Sinking Fund
- Statement of Contingencies Fund
- Statement of Special Funds
- Statement of Assets and Liabilities
- Statement of General Deposits
- Statement of Advances

1.2 Other Areas of Report

- Highlights of the Audit Office's significant challenges and accomplishments in 2023.
- A synopsis of notable audit observations arising from audits of statutory bodies, various departments, and ministries.

SUBDIVISION OF THE REPORT

1.3 The 2023 Report on the Public Accounts of the Government of St. Vincent and the Grenadines is divided into five (5) parts, as outlined in Table 1.

Table 1

Part	DESCRIPTION
I	Accountability, Governance and Independence
II	Analysis of the Government's Financial Statements
III	Audit Observations - Ministries and Departments
IV	Control and Management of Public Finance and General Observations
V	Audit of Statutory Bodies.

PART I

ACCOUNTABILITY, GOVERNANCE AND INDEPENDENCE

Key Highlights

- Audit Activities for 2023
- Major Accomplishments
- Other Accomplishments
- Major Challenges

ACCOUNTABILITY, GOVERNANCE AND INDEPENDENCE

THE AUDIT OFFICE

Audit Activities 2023

1.4 Major Accomplishments

(i) Report on the Public Accounts of St. Vincent and the Grenadines

The Audit Office finalised Annual Audit Report for the Public Accounts of St. Vincent and the Grenadines for the financial year ending December 31, 2019. The report was presented to the Minister of Finance on September 29, 2023 and was subsequently laid before the House on October 3, 2023.

(ii) Statutory Body Audits

Audits of statutory bodies were completed, and the reports were issued for the financial years indicated for the following entities.

- St. Vincent and the Grenadines Bureau of Standards – 2018/Report issued 12-Jul-23
- Zero Hunger Trust Fund – 2020/ Report issued 19-Mar-23
- St. Vincent and the Grenadines Community College – 2017/Report issued 21-Jun-23

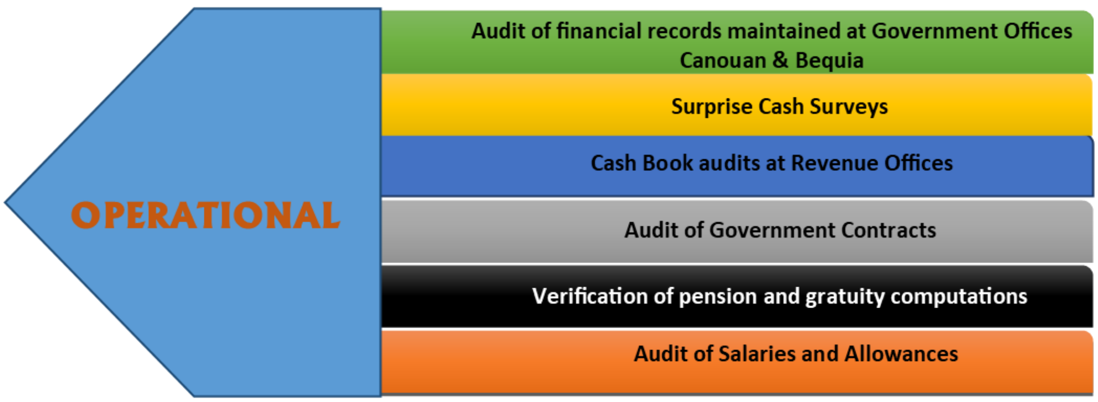
(iii) Overseas Consulates, Embassies and High Commissions

Two (2) audits reports were issued in respect of audits conducted over the 2023 fiscal period:

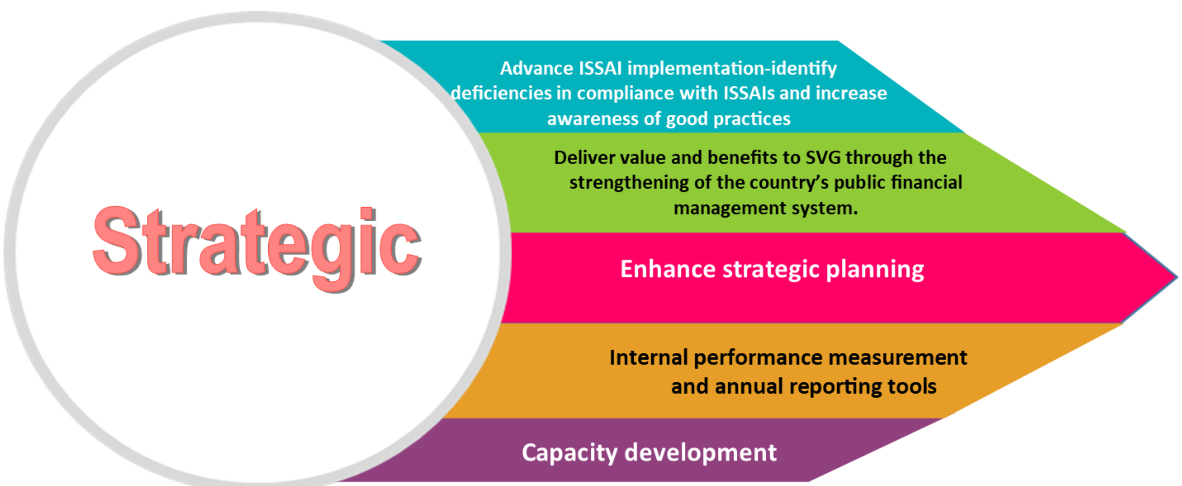
- St. Vincent and the Grenadines Consulate, Toronto: 2019-2022
- Embassy of St. Vincent and the Grenadines to the Bolivarian Republic of Venezuela: 2016 – 2021

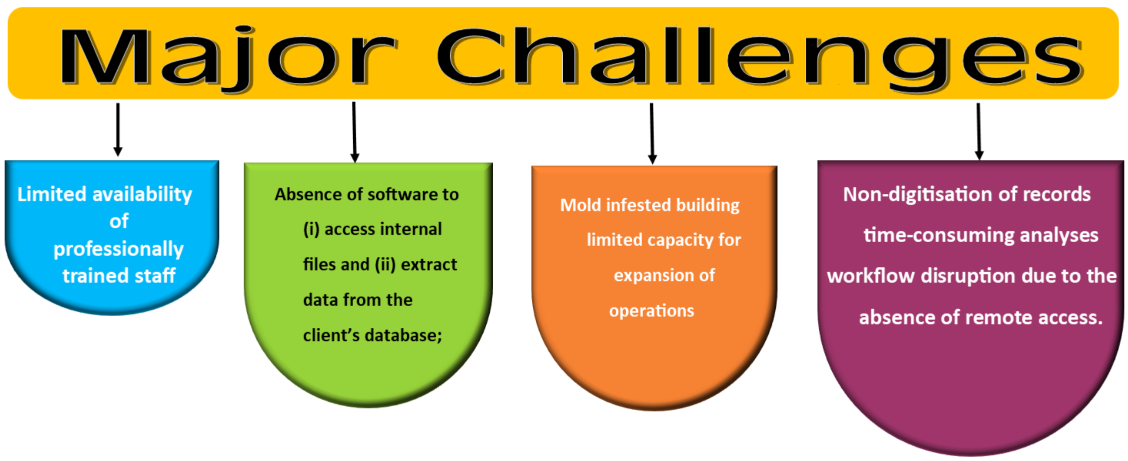
1.5 The summarised results of the audits conducted during the fiscal year are included in Parts III and V of the report.

Other Accomplishments



1.6 SAI PMF Assessment of the Audit Office resulting in key reform:





ACCOUNTABILITY AND GOVERNANCE

Responsibility of the Director of Audit

1.7 The Director of Audit is the independent auditor of the Government, acting on behalf of the taxpayer through Parliament, and it is on *her* investigation that Parliament relies for assurance about the fairness and regularity of the Public Accounts.

1.8 The Director of Audit is responsible for, at least once annually, auditing and reporting to the House on the Public Accounts of St. Vincent and the Grenadines as outlined in section 75 (2) of St. Vincent and the Grenadines Constitution Order, CAP 10 of the Laws of St. Vincent and the Grenadines Revised Edition, 2009, hereinafter referred to as the Constitution, and Part III of the Audit Act, CAP 245 of the Laws of Saint Vincent and the Grenadines, Revised Edition, 2009, hereinafter referred to as the Audit Act. In accordance with section 11 (b) of the Audit Act, the Director of Audit is required to express an opinion on the financial and other statements included in the Public Accounts presented by the Accountant General.

1.9 Accordingly, this report is submitted to the Minister of Finance, Legal Affairs, Economic Planning, and Private Sector Development for presentation to the House of Assembly, hereinafter referred to as the House, per sections 12 (1) of the Audit Act and 75(4) of the Constitution.

Purpose of the Audit

1.10 The principal purpose of the audit of the Public Accounts of the Government of St. Vincent and the Grenadines for the financial year 2023 was to obtain the necessary information for issuing an opinion on the Government's public accounts, and to provide assurance that the funds appropriated by Parliament have been utilised for their intended purposes.

THE ACCOUNTANT GENERAL

Responsibilities of the Accountant General

1.11 Under the direction of the Director General, the Accountant General is responsible for

(i) maintaining the central accounts of the Government so as to show the current state of the Consolidated Fund and the financial condition of the Government;

(ii) receiving and banking, or overseeing the receipt and banking, of public money and overseeing its disbursement;

(iii) preparing the Public Accounts and any other financial statements or reports required by the Minister or the Director General;

(iv) maintaining a system for the examination of payments to reasonably ensure that they are made in accordance with the Finance Administration Act or Regulations,

(v) ensuring that a proper system of accounts is established in every ministry, department and service, and that all money received and paid by the Government is brought promptly and properly to account,

(vi) reporting to the Director General, in writing, any apparent defect in the control of revenue, expenditure or cash, or any breach or nonobservance of the Finance Administration Act, the Regulations or financial instructions by a ministry, department or service that may come or be brought to his notice,

(vii) evaluating accounting and financial management systems throughout Government, and

(viii) exercising supervision over the receipt of revenue and securing its punctual collection.

1.12 The Accountant General also has such responsibilities in relation to procurement and stores, other government property, and stamps and securities as are assigned to him under the Regulations.

1.13 In exercising the duties, the Accountant General: -

a. shall at all times have access to all ministries, departments or places where accounting for services takes place or accounting records are kept;

b. may require access to records and require any information, records or explanations from a public officer or former public officer necessary for the performance of the responsibilities of the Accountant General;

c. may examine and report to the Director General on the financial and accounting operations of a ministry, department or service;

d. may provide accounting and other services in connection with the financial management of a ministry, department or service;

e. may station a person employed in the Treasury in any ministry, department or place where accounting for a service takes place when the Accountant General considers it necessary to discharge his responsibilities;

f. has such powers in relation to procurement and stores and other government property as are assigned to him under the Regulations;

g. has such powers in relation to stamps and securities as are assigned to him under the Finance Administration Regulations; and

h. within his area of responsibility and his powers, may issue financial instructions in writing to accounting officers and to persons to whom accounting officers have delegated their responsibilities under the Finance Administration Act and the Regulations.

PUBLIC ACCOUNTS COMMITTEE

Role of the Public Accounts Committee

1.14 The Public Accounts Committee (PAC) is the duly constituted body established under section 76 of the Constitution, designed to review and deliberate on the annual report on the public accounts.

1.15 The PAC is responsible for considering the following accounts:

i. The public accounts of St. Vincent and the Grenadines;
ii. The accounts of all officers and authorities of the Government;
iii. The accounts of all courts of law in St. Vincent and the Grenadines (including any accounts of the Supreme Court maintained in St. Vincent);
iv. The accounts of every Commission established by the Constitution; and
v. The accounts of the Clerk of the House.

1.16 Upon completion of the above, the PAC is further required to report to the House on:

i. the reasons for any excess or unauthorised expenditure of public funds;
ii. any measures it deems necessary to ensure that public funds are spent appropriately; and
iii. such other duties related to public accounts as the House may, from time to time, direct.

ACCOUNTING OFFICERS

Responsibility of Accounting Officers

1.17 Accounting Officers are designated under section 8 (2) (a) - (c) of the Finance Administration Act to:

(i) promptly collect and receive revenue under an item of revenue or part of an item of revenue for which he has been appointed accounting officer;

(ii) ensure control and accurate accounting for expenditures under
- the expenditure vote or any part of a vote
- each item or part of an item of expenditure charged to the Consolidated Fund by law and identified in the annual or supplementary estimates; and
- each revenue item or part of an item revenue in the annual estimates for which he is appointed accounting officer.

(iii) ensure accurate accounting and control over public funds and the disbursements of public funds, excluding those intended for public purposes, received by the ministry, department, or service for which he serves as the accounting officer;

(iv) carry out responsibilities with respect to procurement, stores, and other government property as assigned to him by the Finance Regulations; and

(v) carry out responsibilities in relation to stamps and securities as assigned to him by the Finance Regulations.

INDEPENDENCE

1.18 The Constitution of St. Vincent and the Grenadines establishes the legal framework for the appointment and independence of the Director of Audit.

Section 75 (1): "There shall be a Director of Audit whose office shall be a public office."

Section 75 (7): "In the exercise of the functions under subsections (2), (3), (4), and (5) of this section, the Director of Audit shall not be subject to the direction or control of any other person or authority."

Section 82 (1): "The Director of Audit shall be appointed by the Governor-General, acting in accordance with the advice of the Public Service Commission.

DECLARATION OF INDEPENDENCE

1.19 I declare that I have examined the financial statements of the Accountant General and the records of selected ministries and departments of the Government of Saint Vincent and the Grenadines for the year ended December 31, 2023, in accordance with section 75 (2) of St. Vincent and the Grenadines Constitution Order, Chapter 10; section 10 (1) of the Audit Act, Chapter 245; and the Finance Administration Act and Finance Administration Act – Subsidiary Legislation, Chapter 252 of the Laws of St. Vincent and the Grenadines, Revised Edition, 2009.

1.20 In fulfilling my responsibilities, I also declare that I have complied with section 75 (7) of the Constitution, which states: "in the exercise of [her] functions under subsections 2, 3, 4 and 5, the Director of Audit shall not be subject to the direction or control of any other person or authority."

1.21 I further declare that, in the audit of the 2023 financial statements, I have had access to all books, records, returns, reports and other documents which, in my opinion, relate to the public accounts as referred to in section 75 (2 & 3) of St. Vincent and the Grenadines Constitution Order, and section 10 (1) and (2) of the Audit Act, except in relation to the statement mentioned at paragraphs 4.3 –4.6 pages 147 and 148.

1.22 This report was prepared to be laid before the House pursuant to section 75 (4) of St. Vincent and the Grenadines Constitution Order, Chapter 10 and section 12 of the Audit Act, Chapter 245 of the Laws of St. Vincent and the Grenadines, Revised Edition, 2009.

An Analysis of the Government's Financial Statements

Overview

This section provides an overview of the financial statements' findings for the fiscal year ending December 31, 2023.

Detailed Analysis of the 2023 Financial Stataements

The detailed analysis of the financial statements for the year ending December 31, 2023, presented by the Accountant General and examined by my Office, are as follows:

- **Annual Abstract Account Statement**
- **Detailed Statement of Recurrent Revenue**
- **Detailed Statement of Capital Revenue**
- **Detailed Statement of Capital Expenditure**
- **Detailed Statement of Recurrent Expenditure**
- **Statement of Contingent Liabilities**
- **Statement of Investments**
- **Statement of Public Debt**
- **Statement of Sinking Fund**
- **Statement of Contingencies Fund**
- **Statement of Special Funds**
- **Statement of Assets and Liabilities**
- **Statement of General Deposits**
- **Statement of Advances**

PART II

Overview

2.1 Part II of the report evaluates the Government's financial statements provided by the Accountant General, for the fiscal year ending December 31, 2023 which were submitted on June 10, 2024. It also examines the appropriation and supplementary appropriation Acts passed in Parliament throughout the financial year. The Statement of Authorities for the 2023 expenditures is listed at Appendix I.

2.2 The Finance Administration Act and Regulations CAP 252 of the Laws of St. Vincent and the Grenadines, Revised Edition, 2009, hereinafter referred to as the Finance Administration Act and the Regulations are the basis for the preparation of the financial statements. The Finance Administration Act and Regulations do not consider the international reporting requirements.

Notes to the Financial Statements

2.3 International Public Sector Accounting Standards set out the manner in which financial statements shall be prepared, including guidance for their structure and the minimum requirements for content. The standard requires a complete set of financial statements to include explanatory notes. The financial statements submitted lacked explanatory notes. The notes to the financial statements form an integral part of their presentation as they provide users with the necessary explanations and descriptions of items disclosed in the statements, information about items that do not qualify for recognition in the statements, and other additional information required to gain an adequate understanding of the statements, to make informed decisions. These disclosures also provide users with a better understanding of the Government's financial risks and commitments. In 2015, technical assistance was provided to the Accountant General's Department in the preparation of the financial statements in accordance with the International Public Sector Accounting Standards (IPSAS). However, the Ministry of Finance and the Office of the Accountant General did not implement this measure in 2023.

2.4 It is essential to recognise that the financial statements of the Government, prepared by the Accountant General's Office, do not encompass all entities owned and controlled by the Government. These statements include the accounts of all ministries and departments; consequently, they exclude statutory bodies and government-owned enterprises, which report their operational results independently. The financial statements submitted and audited are included in Appendix II of this Report.

Scope of the Audit

2.5 The financial statements for the year ending December 31, 2023, presented by the Accountant General and examined by my Office, are as follows:

- Annual Abstract Account Statement
- Detailed Statement of Recurrent Revenue
- Detailed Statement of Capital Revenue
- Detailed Statement of Capital Expenditure
- Detailed Statement of Recurrent Expenditure
- Statement of Contingent Liabilities
- Statement of Investments
- Statement of Public Debt
- Statement of Sinking Fund
- Statement of Contingencies Fund
- Statement of Special Funds
- Statement of Assets and Liabilities
- Statement of General Deposits
- Statement of Advances

Analysis of the Appropriation and Supplementary Appropriation Acts and Financial Statements

2.6 Below are the detailed analyses and observations concerning the review of the Appropriation Act, Supplementary Appropriation Acts, and the Financial Statements.

Appropriation and Supplementary Appropriation Acts

2.7 The Appropriation Act No. 1 of 2023 was approved by the House on January 12, 2023, authorising total expenditure of $1,445,698,256.00, which reflects an increase of $116,545,763.00, or 8.8% over the 2022 budget. The approved expenditure comprised recurrent expenditure of $974,135,143.00 and capital expenditure of $471,563,113.00.

2.8 Supplementary Appropriation Act No. 24 of 2023, was also approved in the House on November 23, 2023, to finance additional expenditure of $78,200,000.00 for the financial year 2023. Of the amount authorised, $4,200,000.00 (5.4 percent) was allocated to the Ministry of Finance, etc., for the purchase of the First St. Vincent Bank building and $74,000,000.00 (94.6 percent) to the Ministry of Urban Development etc. to fund the Port Redevelopment project.

2.9 Additionally, four (4) Supplementary Estimates amounting to $125,298,688.40 were passed in the House on November 23, 2023. The Supplementary Acts sanctioned amounts spent from special warrants totalling $178,151,716.12, which were approved by the Minister during financial years 2021 and 2022 but were not submitted to the House for approval.

2.10 It was noted that, in many instances, the amounts expended were less than the expenditure approved by the special warrants. Additionally, expenditure of $60,417.14 incurred under special warrant Nos. 31/2022 and 95/2022, was not included in the Supplementary Estimates submitted to the House and therefore remained unappropriated. As a result, the special warrants amounts reflected in the Public Accounts for financial years 2021 and 2022, exceeded the amounts subsequently approved via the Supplementary Acts as highlighted at Table 1.1.

Table 1.1

FINANCIAL YEAR SPECIAL WARRANTS WERE APPROVED	TOTAL SPECIAL WARRANTS APPROVED & RECORDED IN THE PUBLIC ACCOUNTS (a)	AMOUNT SUBMITTED AND APPROVED BY SUPPLEMENTARY APPROPRIATION ACTS (b)	DIFFERENCE BETWEEN (a & b)
		Act 25/2023 $34,986,911.22	
		Act 26/2023 $34,253,565.92	
2021	**$98,012,204.64**	**$69,240,477.14**	**$28,771,727.50**
		Act 27/2023 $32,073,891.62	
		Act 28/2023 $23,984,319.64	
2022	**$80,139,511.48**	**$56,058,211.26**	**$24,081,300.22**
TOTAL	**$178,151,716.12**	**$125,298,688.40**	**$52,853,027.72**

2.11 While the special warrants from prior financial years were submitted for approval, the special warrants issued in 2023 authorising total expenditures of $119,742,683.55, as detailed at page 149 were not brought to the House at the end of the financial year.

OVERVIEW OF PUBLIC ACCOUNTS FINDINGS 2023

The key findings identified during the audit of the Government's Public Accounts for the financial year ended December 31, 2023, are outlined hereunder:-

1. The recognition of expenses and revenue in the absence of actual cash flows, contrary to the Government's stated accounting framework and accounting errors, resulted in the:

- overstatement of Capital Revenue by $4,770,481.15
- overstatement of Capitalization of Contingencies Fund Expenditure and total Capital Expenditure by $13,688,490.57
- overstatement of Sinking Fund Expenditure and total Recurrent Expenditure by $7,333,332.99
- overstatement of the Deficit by $16,251,342.41

2. The incorrect classification of amounts owed by the Government resulted in the:

- overstatement of $18,318,948.90 in Contingent Liabilities disclosed
- understatement of $18,318,948.90 in the Liabilities recognised in the financial statements

3. The omission and misstatements of Government loans and bonds balances resulted in the:

- understatement of $41,714,522.10 in the Government's Public Debt

4. The classification of overdrawn balances as Deposits held resulted in the:

- understatement of total Deposits, liabilities, and receivables by $682,532.80

5. Non-submission of supplementary estimate(s) to the House of Assembly for the sum spent from the $119,742,683.55 approved by special warrants during the year.

ANNUAL ABSTRACT ACCOUNT STATEMENT

2.12 The Statement of Annual Abstract is a summary of the revenue and expenditure of the Consolidated Fund presented by the specific category of revenue or expenditure item. It is comprised of recurrent and capital revenue and recurrent and capital expenditures. The categorisation is based on the Government's Chart of Accounts.

OVERALL RECURRENT AND CAPITAL BUDGET 2023

2.13 Appropriation Act No.1 of 2023 approved an initial projected expenditure of $1,445,698,256.00 for the fiscal year 2023. This consisted of $974,135,143.00 in recurrent expenditures and $471,563,113.00 in capital expenditures.

2.14 The initially projected recurrent expenditure of $974,323,511.00, as reflected in the Summary of Total Expenditure of the approved Estimates of Revenue and Expenditure for the 2023 financial year, was $188,368.00 greater than the $974,135,143.00 approved by Appropriation Act No.1 of 2023. This additional sum of $188,368.00 represented the Governor General's emoluments and allowances, as per the Governor General's Emoluments and Pension Act, CAP 269 of the Laws of St. Vincent and the Grenadines, Revised Edition 2009.

2.15 However, the Annual Abstract Statement of Recurrent Expenditure indicated an original projected recurrent expenditure of $974,325,001, in contrast to the $974,323,511.00 approved in the Summary of Total Expenditure in the Estimates of Revenue and Expenditure, resulting in an immaterial variance of $1,490.00. The recurrent and capital expenditure estimates were revised by $65,306,787.71 and $132,635,895.84, respectively. The revisions in the estimates are attributable to amounts approved by Special Warrants and Supplementary Appropriation Act No. 24 of 2023.

2.16 Therefore, the estimates of expenditure and revised estimates of expenditure included in the analyses are:

i. Estimates of expenditure based on the estimates reflected in the Summary of Total Expenditure; and
ii. revised estimates of expenditure calculated as estimates of expenditure as outlined at (i) above, adjusted for special warrants and Supplementary Appropriation Act No. 24 of 2023.

OVERALL RECURRENT AND CAPITAL BUDGET OUT-TURN 2023

2.17 The review and analysis of actual revenue and expenditure indicated that actual capital revenue, capital expenditure, and recurrent expenditure were overstated by $4,770,481.15 $13,688,490.57, and $7,333,332.99, respectively. Consequently, the deficit of $101,019,350.16, as disclosed on the Statement of Assets and Liabilities, was overstated by $16,251,342.41. This discrepancy is attributable to the following improper accounting entries in the Government's accounting system, SmartStream:

1. Duplicate journal entries were recorded to account for CDF loan receipts, resulting in the overstatement of capital revenue and the understatement of the deficit by $3,381,080.40. (Page 68 Paragraph 2.138).

2. The amount of $7,333,332.99 recognised as Sinking Fund expenditure was not deposited into the sinking fund bank account in the financial year 2023. Consequently, recurrent expenditure and the deficit were overstated by $7,333,332.99. (Pages 82-83 Paragraph 2.170 – 2.173).

3. Of the $14,000,000.00 charged as Capitalisation of the Contingencies Fund, $13,187,718.21 was not deposited into the Contingencies Fund bank account in the financial year 2023. This represents an overstatement of the Capital Expenditure and the deficit reported in the financial statements. (Pages 88-89 Paragraphs 2.191 -2.193).

4. An excess of $500,772.36 of loan receipts over loans disbursed was processed in the accounts, resulting in the overstatement of capital revenue and capital expenditure. (Page 69. Paragraph 2.138).

5. An excess of $888,628.39 was journalized as OFID loan receipts, resulting in the overstatement of capital revenue and the understatement of the deficit. (Page 69. Paragraph 2.138).

2.18 The analysis of the financial statements is based on actual revenue and expenditure reported by the Accountant General.

Annual Abstract- Recurrent and Capital Revenue $1,266,803,555.23

2.19 The Statement indicated that actual revenue of $1,266,803,555.23 was collected to finance expenditures for the financial year ending on December 31, 2023. This revenue comprised recurrent revenue amounting to 703,514,462.84 and capital revenue of $563,289,092.39. The total revenue fell short of the projected revenue of $1,445,886,623.00 reported in the Financial Summary of the 2023 Estimates, by $179,083,067.77 or 12.4 percent. However, the 2023 reported revenue grew by $144,082,556.09 or 12.8 percent over the amount recorded in 2022, with increases in both recurrent and capital revenue.

2.20 Table 1.2 presents a comparative analysis of estimated and actual revenue for the 2022 and 2023 financial years.

Table 1.2

Revenue Type a	Estimates 2023 ($) b	Actual Revenue 2023 ($) c	Actual Revenue 2022 ($) d	Increase ($) c-d
Recurrent Revenue	761,431,200.00	703,514,462.84	669,462,672.74	34,051,790.10
Capital Revenue	684,455,423.00	563,289,092.39	453,258,326.40	110,030,765.99
Total	**1,445,886,623.00**	**1,266,803,555.23**	**1,122,720,999.14**	**144,082,556.09**

Annual Abstract - Recurrent and Capital Expenditure $1,367,822,905.39

2.21 The Statement of Annual Abstract for the financial year 2023 reported total expenditures of $1,367,822,905.39. This amount included recurrent expenditures of $975,940,409.20 and capital expenditures of $391,882,496.19. The amount expended was 83.2 percent of the revised estimates and $213,239,324.95, or 18.5 percent more than the actual expenditure of $1,154,583,580.44 for 2022. Capital and recurrent expenditure spending recorded increases of 30.3 percent and 14.3 percent, respectively.

2.22 Table 1.3 presents the revised estimates for expenditures in 2023, and the actual expenditures for the years 2023 and 2022. Additionally, it shows a comparison of the actual expenditures for the year 2023 with those recorded in 2022.

Table 1.3

Expenditure Type a	Revised Estimates 2023 ($) b	Actual Expenditure 2023 ($) c	Actual Expenditure 2022 ($) d	Increase ($) c-d
Recurrent Expenditure	1,039,630,298.71	975,940,409.20	853,715,427.85	122,224,981.35
Capital Expenditure	604,199,007.84	391,882,496.19	300,868,152.59	91,014,343.60
Total	**1,643,829,306.55**	**1,367,822,905.39**	**1,154,583,580.44**	**213,239,324.95**

RECURRENT BUDGET OUT-TURN 2023

2.23 The 2023 Estimates of Revenue and Expenditure forecasted a Recurrent Budget deficit of $212,892,311.00. Actual recurrent revenue of $703,514,462.84 was $57,916,737.16 less than its estimates, and actual recurrent expenditure of $975,940,409.20 exceeded its projection by $1,616,898.20, resulting in an actual deficit of $272,425,946.36. The deficit was

$59,533,635.36 greater than the projected figure and exceeded the deficit of $184,252,755.11 realised in financial year 2022 by 47.9 percent.

2.24 Table 1.4 depicts the Projected and Actual Out-turn of the Recurrent Budget for 2023.

Table 1.4

ITEM A	ORIGINAL ESTIMATE ($) b	ACTUAL ($) c	VARIANCE b-c
Recurrent Revenue	761,431,200.00	703,514,462.84	57,916,737.16
Less: Recurrent Expenditure	(974,323,511.00)	(975,940,409.20)	1,616,898.20
(Deficit)	**(212,892,311.00)**	**(272,425,946.36)**	**59,533,635.36**

CAPITAL BUDGET OUT-TURN 2023

2.25 For the financial year 2023, actual capital revenue of $563,289,092.39 exceeded actual capital expenditure of $391,882,496.19, achieving a surplus of $171,406,596.20. The surplus was $41,485,714.80 less than the initially projected surplus, as illustrated in Table 1.5 and $19,016,422.39 or 12.4% more than the surplus in financial year 2022.

2.26 Table 1.5 depicts the Projected and Actual Out-Turn of Capital Budget for 2023.

Table 1.5

ITEM a	ORIGINAL PROJECTIONS ($) b	ACTUAL ($) c	VARIANCE ($) b-c
Capital Revenue	684,455,423.00	563,289,092.39	121,166,330.61
Less: Capital Expenditure	(471,563,112.00)	(391,882,496.19)	79,680,615.81
Surplus	**212,892,311.00**	**171,406,596.20**	**41,485,714.80**

OVERALL BUDGET OUT-TURN — ACTUAL NET DEFICIT ($101,019,350.16)

2.27 During fiscal year 2023, the Government's financial performance deteriorated further. Actual expenditure of $1,367,822,905.39 exceeded actual revenue of $1,266,803,555.23, resulting in a deficit of $101,019,350.16. The deficit realised was $69,156,768.86 or 2.17 times greater than the deficit in the financial year 2022. However, the deficit is overstated by $16,251,342.41 due to the errors outlined at *Page 18 paragraph 2.17.* The deficit adjusted for misstatements identified is $83,879,379,36.

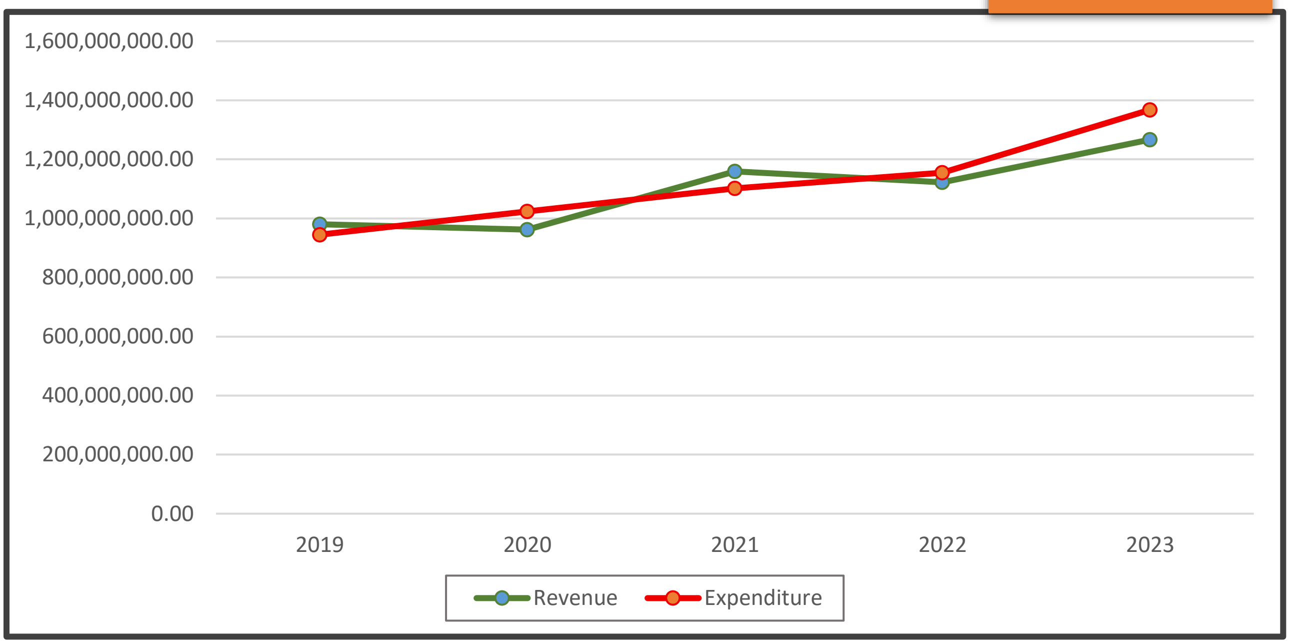
2.28 The deficit comprised a recurrent deficit of $272,425,946.36 and a capital surplus of $171,406,596.20, as illustrated in Tables 1.4 and 1.5, respectively.

2.29 Over the five-year period from 2019 to 2023, the Government has recorded three (3) deficits and two (2) surpluses. The largest surplus ($56,879,185.16) and deficit ($101,019,350.16) were realised in 2021 and 2023, respectively. This is depicted in Table 1.6 and Figure 1. The deficits and surpluses reflected in the table were not adjusted for misstatements identified in the respective financial years.

Table 1.6

Year	2019 ($)	2020 ($)	2021 ($)	2022 ($)	2023 ($)
Revenue	980,294,036.00	962,055,173.37	1,159,051,229.19	1,122,720,999.14	1,266,803,555.23
Expenditure	944,951,112.11	1,023,380,560.64	1,102,172,044.03	1,154,583,580.44	1,367,822,905.39
(Deficit)/Surplus	35,342,923.89	(61,325,387.27)	56,879,185.16	(31,862,581.30)	(101,019,350.16)

Figure 1



2.30 The actual budget out-turn for 2023, along with a comparison of the original estimates and the actual budget out-turn for 2022, is presented in Tables 1.7 and 1.8.

Table 1.7

Description	ORIGINAL ESTIMATES 2023 ($)	ACTUAL 2023 ($)
Recurrent Revenue	761,431,200.00	703,514,462.84
Less Recurrent Expenditure	(974,323,511.00)	(975,940,409.20)
(Deficit)	**(212,892,311.00)**	**(272,425,946.36)**
Capital Revenue	684,455,423.00	563,289,092.39
Capital Financing	212,892,311.00	290,863,146.03
Less Capital Expenditure	(471,563,112.00)	(391,882,496.19)
Deficit	**-**	**(101,019,350.16)**

Table 1.8

Description	ACTUAL 2023 ($)	ACTUAL 2022 ($)
Recurrent Revenue	703,514,462.84	669,462,672.74
Less Recurrent Expenditure	(975,940,409.20)	(853,715,427.85)
(Deficit)	**(272,425,946.36)**	**(184,252,755.11)**
Capital Revenue	563,289,092.39	453,258,326.40
Capital Financing	290,863,146.03	269,005,571.29
Less Capital Expenditure	(391,882,496.19)	(300,868,152.59)
Deficit	**(101,019,350.16)**	**(31,862,581.30)**

DETAILED STATEMENTS OF REVENUE

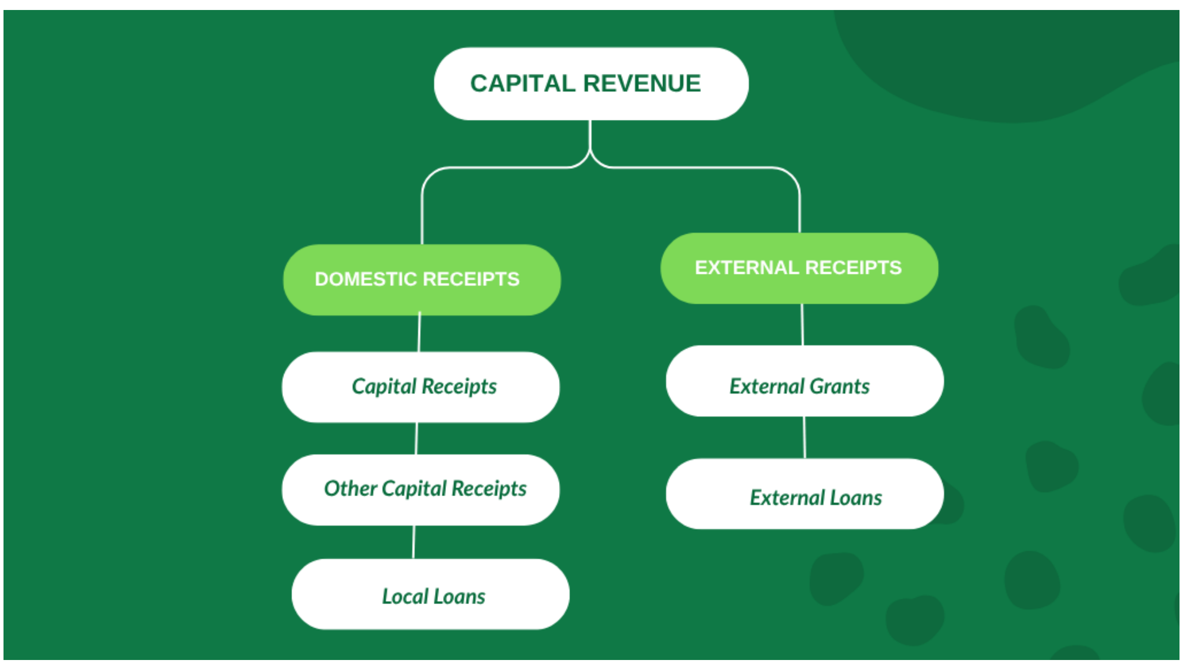
DETAILED REVENUE (RECURRENT AND CAPITAL) OUT-TURN

Revenue (Recurrent and Capital) Out-Turn 2023 **$ 1,266,803,555.23**

2.31 Recurrent Revenue is categorised into three headings based on the introduction of the new Chart of Accounts in 2016.

- √ Taxes
- √ Social Contributions
- √ Other Revenue

2.32 New and additional subheadings were also introduced as listed below.



2.33 The Financial Summary of the 2023 Estimates projected total revenue of $1,445,886,623.00. However, this amount is inconsistent with the estimates for total revenue recorded in the financial statements and the estimates of total revenue outlined in Table 1.9, which is based on the Summary of Capital Receipts and the Details of Current Revenue presented in the Estimates. The immaterial variances reflect differences in the amount reported in the financial statements and the estimates for one component of external loans, and arithmetical errors in the computation of total capital revenue in the Summary of Capital Receipts in the Estimates.

2.34 The total estimated revenue for 2023 was $1,445,886,604.00. Recurrent revenue was anticipated to generate $761,431,200.00, representing 52.7 percent, while capital revenue was projected to amount to $684,455,404.00, accounting for 47.3 percent.

2.35 The overall revenue for the year totalled $1,266,803,555.23. This amount represented 87.6 percent of the projected revenue of $1,445,886,604.00, resulting in a shortfall of $179,083,048.77. Compared to 2022, the actual revenue collection versus the estimates improved by 3.1 percent. The actual recurrent revenue was $703,514,462.84, accounting for 55.5 percent, while capital revenue totalled $563,289,092.39 or 44.5 percent.

2.36 The 2023 revenue is overstated by $ 4,770,481.15 as detailed at page 18. paragraph 2.17.

2.37 Table 1.9 shows the actual revenue versus the original estimates for 2023.

Table 1.9

DETAILS OF REVENUE	ESTIMATES 2023 $	ACTUAL 2023 $	EXCESS/(SHORTFALL) $
RECURRENT REVENUE			
***Taxes*:**			
Taxes on Income, Profits & Capital Gains	164,438,000.00	152,129,542.04	(12,308,457.96)
Taxes on Property	52,941,000.00	39,324,449.64	(13,616,550.36)
Taxes on Goods and Services/Licenses	212,142,900.00	192,984,322.82	(19,158,577.18)
Taxes on International Trade and Transactions	214,924,900.00	190,548,938.30	(24,375,961.70)
Other Taxes	3,814,800.00	4,102,612.06	287,812.06
Sub Total	**648,261,600.00**	**579,089,864.86**	**(69,171,735.14)**
Social Contributions:			
Social Security Contributions	25,000.00	18,588.11	(6,411.89)
Sub Total	**25,000.00**	**18,588.11**	**(6,411.89)**
Other Revenue			
Property Income	9,098,200.00	26,543,092.47	17,444,892.47
Sale of Goods and Services	95,876,400.00	91,301,350.15	(4,575,049.85)
Fines, Penalties and Forfeits	1,975,000.00	3,298,289.23	1,323,289.23
Transfers Not Elsewhere Classified	4,415,000.00	2,481,971.55	(1,933,028.45)
Receipts Not Elsewhere Classified	-	4,482.62	4,482.62
Other Revenue Not Elsewhere Classified	1,780,000.00	776,823.85	(1,003.176.15)
Sub Total	**113,144,600.00**	**124,406,009.87**	**11,261,409.87**
TOTAL RECURRENT REVENUE	**761,431,200.00**	**703,514,462.84**	**(57,916,737.16)**

Table 1.9 Cont'd

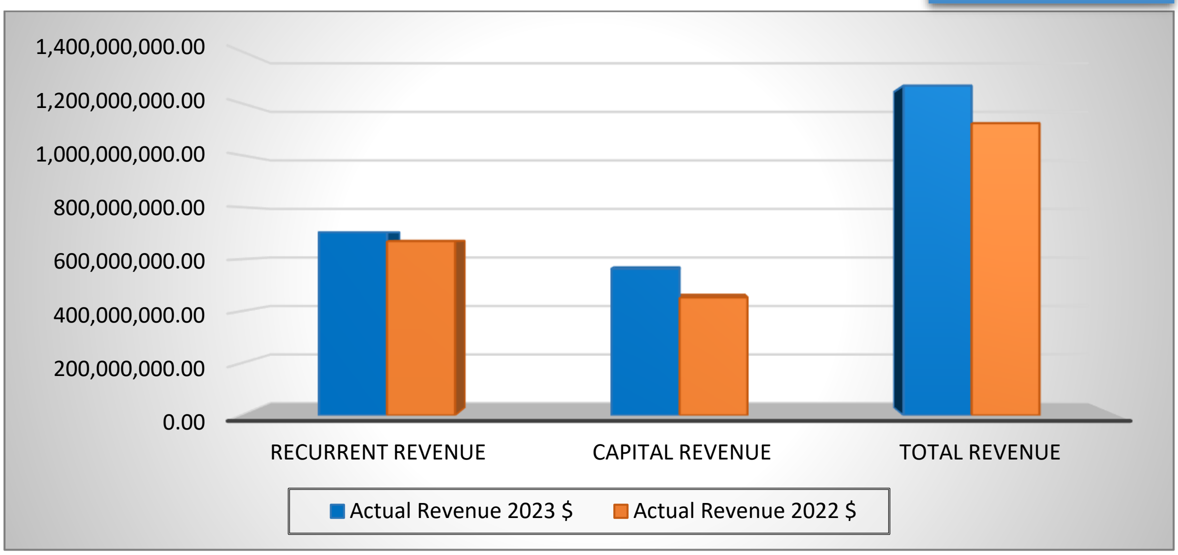
DETAILS OF REVENUE	ESTIMATES 2023 $	ACTUAL 2023 $	EXCESS/(SHORTFALL) $
CAPITAL REVENUE			
Domestic Receipts			
Sale of Land	1,000,000.00	1,700,461.30	700,461.30
Capital Receipts	225,892,301.00	93,393.49	(225,798,907.51)
Domestic Loan Receipt	99,199,196.00	81,002,500.00	(18,196,696.00)
Domestic Bond Transaction Receipt	-	121,581,583.07	121,581,583.07
Sub Total- Domestic Receipts	**326,091,497.00**	**204,377,937.86**	**(121,713,559.14)**
External Receipts			
Grants	68,648,740.00	74,946,023.67	6,297,283.67
External Loans	289,715,167.00	283,965,130.86	(5,750,036.14)
Sub Total-External Receipts	**358,363,907.00**	**358,911,154.53**	**547,247.53**
TOTAL CAPITAL REVENUE	**684,455,404.00**	**563,289,092.39**	**(121,166,311.61)**
TOTAL REVENUE	**1,445,886,604.00**	**1,266,803,555.23**	**(179,083,048.77)**

2.38 The actual revenue increased by $144,082,556.09, or 12.8 percent, compared to the financial year 2022. This resulted from increases of $34,051,790.10 and $110,030,765.99 in recurrent revenue and capital financing, respectively, as demonstrated in Table 1.10 and Figure 1.1. The primary drivers of this growth were income increases derived from taxes on property, the sale of land, grants, and external loans.

Table 1.10

Details of Revenue	Actual Revenue 2023 $	Actual Revenue 2022 $	Increase /(Decrease) $
Recurrent Revenue	703,514,462.84	669,462,672.74	34,051,790.10
Capital Revenue	563,289,092.39	453,258,326.40	110,030,765.99
Total Revenue	1,266,803,555.23	1,122,720,099.14	144,082,556.09

Figure 1.1

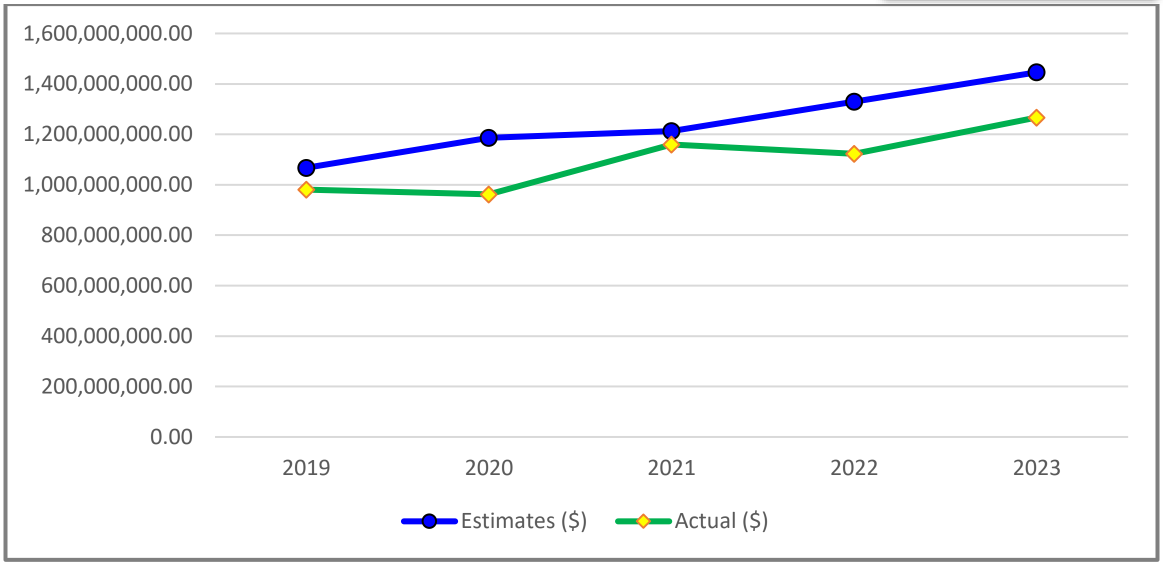


2.39 Based on a five-year analysis of estimates and actual revenue from fiscal years 2019 to 2023, it was observed that the government's revenue performance has consistently deviated from the projected figures each year, with variances ranging from 4.4 percent to 18.9 percent, as illustrated in Table 1.11 and Figure 1.2.

Table 1.11

Year	Estimates ($)	Actual ($)	Variance ($)	Variance (%)
2019	1,067,343,281.00	980,294,036.00	(87,049,245.00)	(8.2%)
2020	1,186,351,151.00	962,055,173.37	(224,295,977.63)	(18.9%)
2021	1,212,601,578.00	1,159,051,229.19	(53,550,348.81)	(4.4%)
2022	1,329,340,860.00	1,122,748,013.26	(206,592,846.74)	(15.5%)
2023	1,445,886,604.00	1,266,803,555.23	(179,083,048.77)	(12.4%)

Figure 1.2


1,600,000,000.00
1,400,000,000.00
1,200,000,000.00
1,000,000,000.00
800,000,000.00
600,000,000.00
400,000,000.00
200,000,000.00
0.00
2019
2020
2021
2022
2023
Estimates ($)
Actual ($)

DETAILED STATEMENT OF RECURRENT REVENUE

RECURRENT REVENUE 2023 **$703,514,462.84**

2.40 Recurrent Revenue is categorised into three distinct segments: Taxes, Social Contributions, and Other Revenue. Taxes consist of five specific items, Social Contributions encompasses one item, and Other Revenue comprises six distinct items. The total recurrent revenue collected amounted to $703,514,462.84, indicating a shortfall of $57,916,737.16 or 7.6 percent of the projected recurrent revenue. As illustrated in Table 1.9, the total comprised: Taxes - $579,089,864.86, Social Contributions - $18,588.11, and Other Revenue - $124,406,009.87. Compared to the fiscal year 2022, recurrent revenue increased by 5.1 percent.

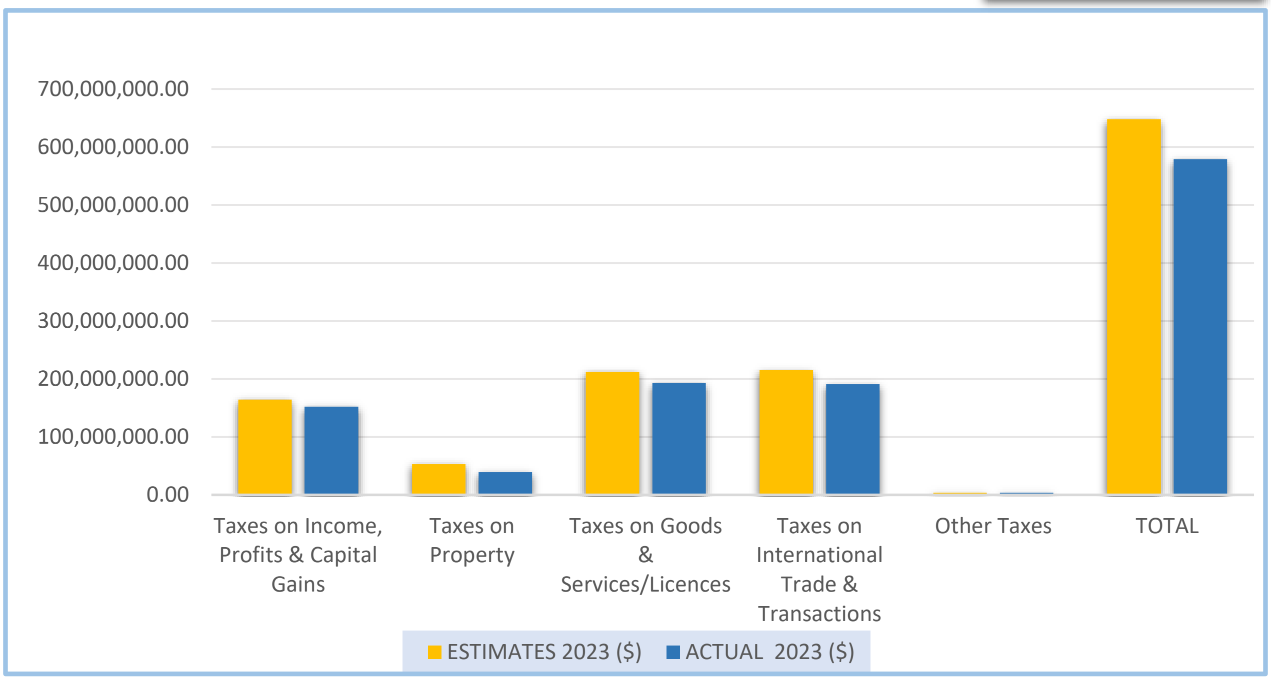
TAXES **$579,089,864.86**

2.41 Taxes represent the primary recurrent revenue stream for the Government. It is comprised of Taxes on Income, Profits and Capital Gains, Taxes on Property, Taxes on Goods and Services/Licences, Taxes on International Trade and Transactions, and Other Taxes. The total tax revenue in 2023 amounted to $579,089,864.86, a deficit of $69,171,735.14 of the projections. One category surpassed its projection, while four categories did not meet their expected targets. The composition of taxes collected in 2023 is illustrated in Table 1.12 and Figure 1.3.

Table 1.12

DETAILS OF REVENUE	ESTIMATES 2023 ($)	ACTUAL 2023 ($)	Surplus/(Shortfall) ($)
Taxes on Income, Profits & Capital Gains	164,438,000.00	152,129,542.04	(12,308,457.96)
Taxes on Property	52,941,000.00	39,324,449.64	(13,616,550.36)
Taxes on Goods & Services/Licences	212,142,900.00	192,984,322.82	(19,158,577.18)
Taxes on International Trade & Transactions	214,924,900.00	190,548,938.30	(24,375,961.70)
Other Taxes	3,814,800.00	4,102,612.06	287,812.06
TOTAL	**648,261,600.00**	**579,089,864.86**	**(69,171,735.14)**

Figure 1.3



Composition of Tax Revenue 2023 – Comparison of Estimated vs Actual

Taxes on Income, Profits and Capital Gains **$152,129,542.04**

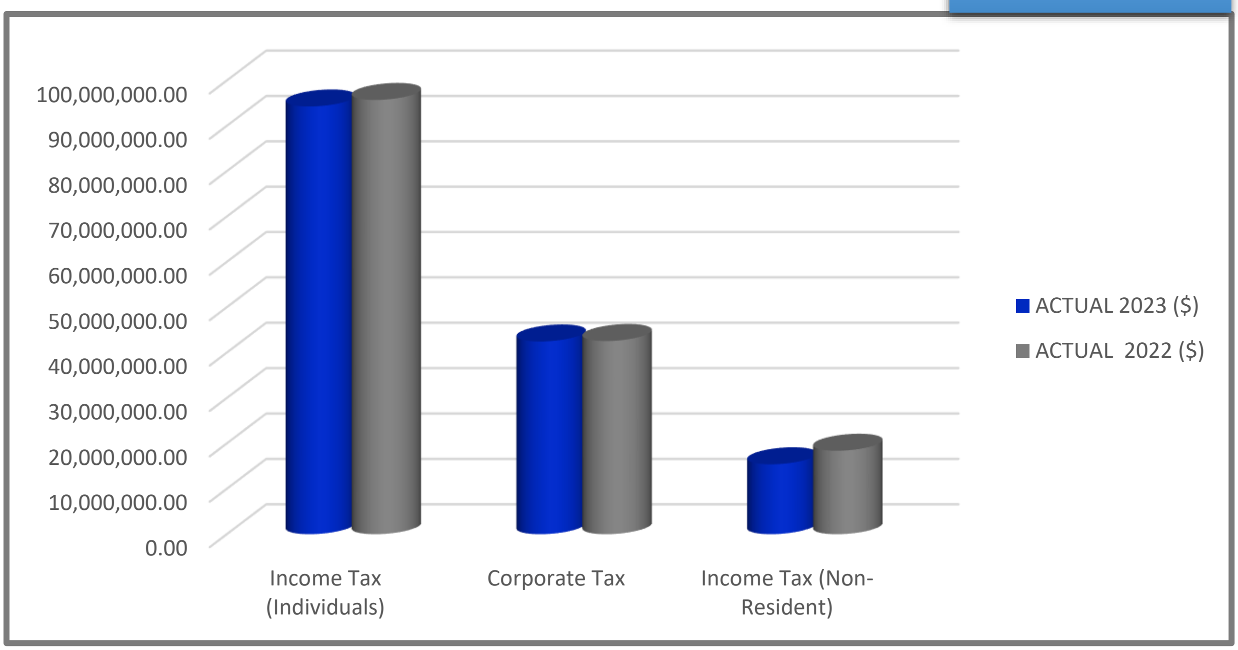
2.42 The revenue of $152,129,542.04 collected for Taxes on Income, Profits, and Capital Gains fell short of the estimated $164,438,000.00 by $12,308,457.96. All three sources within this category underperformed relative to their estimates. Income taxes from individuals, the prime revenue source within this category, exhibited the most significant shortfall of $8,904,301.67.

2.43 An analysis of the performance in the collection of Taxes on Income, Profits and Capital Gains for 2023 in comparison to 2022 receipts showed similar results. As depicted in Table 1.13 and Figure 1.4 all three categories declined, resulting in an overall decrease of $4,508,050.85 or 2.9 percent. The most notable reduction of $2,974,385.86 was recorded under tax from non-residents (Withholding tax).

Table 1.13

ITEM	ACTUAL 2023 ($)	ACTUAL 2022 ($)	EXCESS/(SHORTFALL) ($)
Income Tax (Individuals)	94,273,698.33	95,709,198.75	(1,435,500.42)
Corporate Tax	42,452,303.85	42,550,468.42	(98,164.57)
Income Tax (Non-Resident)	15,403,539.86	18,377,925.72	(2,974,385.86)
Total	**152,129,542.04**	**156,637,592.89**	**(4,508,050.85)**

Figure 1.4



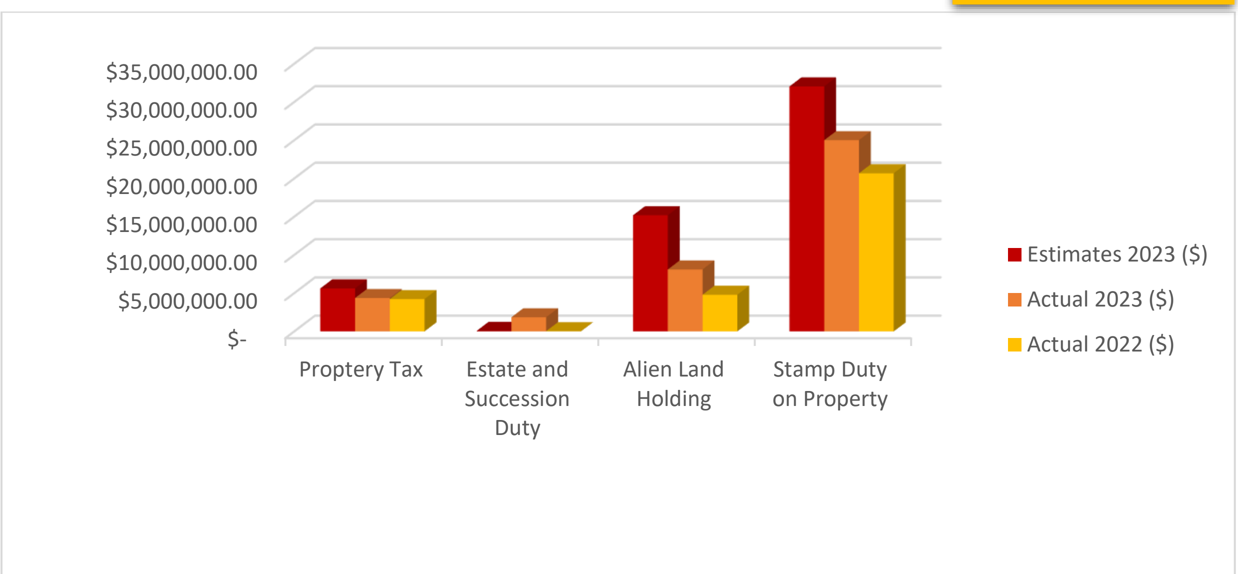
Taxes on Property **$39,324,449.64**

2.44 In 2023, the actual revenue in Taxes on Property amounted to $39,324,449.64, representing 74.3 percent of the estimated revenue of $52,941,000.00. Notwithstanding the shortfall of $13,616,550.36, the four revenue sources recorded increases compared to the amounts collected in the previous year. This led to an overall increase in the total property tax revenue of $9,579,477.28 or 32.2 percent.

2.45 The primary contributors to the increase were the fees collected on Alien Land Holding and the Stamp Duty on Property. Revenue from Alien Land Holding rose by $3,301,410.00, representing an increase of 68.8 percent compared to the $4,800,190.00 collected in 2022. Similarly, Stamp Duty on Property increased by $4,324,601.03, or 20.9 percent above the 2022 collection of $20,682,679.47. Additionally, Estate and Succession Duty recorded a notable increase of $ 1,815,334.66 compared to $35,327.71 collected in 2022. Property tax exhibited a modest increase of $138,131.59, or 3.3 percent, compared to the $4,226,775.18 collected in 2022.

2.46 A comparison of the estimated and actual revenue collected in 2023, and the actual revenue collected in 2022 for Taxes on Property, is shown in Figure 1.5.

Figure 1.5



Taxes on Goods and Services/Licences **$192,984,322.82**

2.47 The total revenue collected from taxes on Goods and Services/Licences amounted to $192,984,322.82, which represented a shortfall of $19,158,577.18 compared to the estimated projection of $212,142,900.00. In the financial year 2023, eight (8) items within this category surpassed their estimated projections, with License – Telecom and Broadcasting ($5,626,210.65) recording the highest surplus.

2.48 Value Added Tax continued to be the dominant revenue contributor in this category, yielding $97,944,554.77 or 50.8 percent of total taxes on Goods and Services/Licences. However, VAT fell short of its projection and 2022 collections by $9,256,445.23 or 8.6 percent and $4,587,964.30 or 4.5 percent, respectively. Excise Duty Customs also fell short of its projections by $9,350,231.46 or 22.8 percent and recorded a decrease of $629,679.56 or 2 percent over 2022 collections.

2.49 Despite these declines, the actual revenue collection from taxes on goods and services/licences increased by $2,073,188.66 or 1.1 percent.

Taxes on International Trade and Transactions **$190,548,938.30**

2.50 Revenue from International Trade and Transactions in fiscal year 2023 totalled $190,548,938.30, representing $24,375,961.70 less than the estimates of $214,924,900.00. Only one (1) of the eight (8) items under this category exceeded its projection and recorded a 33.4 percent increase in collections compared to financial year 2022. Additionally, revenue was recorded under two (2) items that were not included in the estimates. Overall, the actual revenue decreased by $1,338,192.05.

Other Taxes **$4,102,612.06**

2.51 The category of Other Taxes encompasses Stamp Duty – Other and the Climate Resilience Levy (CRL). The total revenue collected amounted to $4,102,612.06, representing an excess of $287,812.06 over the estimated revenue of $3,814,800.00. Although the CRL projection was not realised, the total revenue collected from Other Taxes reflected an increase of $588,122.73.

SOCIAL CONTRIBUTIONS 2023

Social Security Contributions **$18,588.11**

2.52 Based on the classification guideline for Standard Object Codes (SOC) '*Social Security Contributions'* includes amounts payable by employers on behalf of their employees. The Statement reflected a singular item categorised as '*Pension Contributions'*.

2.53 In keeping with section 6 of the Public Officers (Transfer to Undertakings) Act, Chapter 277 of the Laws of St. Vincent and the Grenadines, Revised Edition, 2009, the undertaking to which an officer has been transferred or deemed to have been transferred shall be liable to contribute pension benefits of the officer from the date of the transfer. The contribution rate is 25 percent of employees' basic salary, as directed by the Public Service Commission.

Actual revenue of $18,588.11, was collected in the financial year 2023. The amount was 74.3 percent of the estimates and represented the pension contribution for one officer. However, during the fiscal year 2023, ten (10) additional officers were granted approval for transfer in accordance with the Public Officers (Transfer to Undertakings) Act. This indicates that provision was not made in the estimates for the collection of pension contributions for all transferred pensionable officers.

2.54 Further, our audits of several statutory corporations confirmed that pension contributions on behalf of transferred pensionable officers are not made to the Consolidated Fund. The findings of these audits were communicated to those charged with governance for corrective action.

2.55 In comparison to the revenue collected in 2022, Pension Contribution increased by $2,383.94.

OTHER REVENUE 2023 $124,406,009.87

2.56 The total revenue generated under the classification 'Other Revenue' in 2023 amounted to $124,406,009.87. This figure exceeded its projected estimates by $11,261,409.87 and reflected an increase of $27,654,860.39, or 28.5 percent. The composition and individual performance of each revenue item within this category are outlined below.

Property Income $26,543,092.47

2.57 Revenue derived from Property Income was $26,543,092.47, which is $17,444,892.47 more than the estimated amount of $9,098,200.00. Two (2) of the ten (10) items recorded revenue in excess of the estimates, and one (1) source, not included in the financial year's estimates, accounted for revenue totalling $286,777.83. Furthermore, the revenue collected showed a significant growth of $20,972,554.28, or 376.5 percent, compared to the previous year's figure of $5,570,538.19. The increase was predominantly attributable to a substantial upward movement of $20,128,379.70 in 'Other Rent'. Receipts for the dredging of sand for the Port Modernisation Project accounted for $20,000,000.00.

Sale of Goods and Services **$91,301,350.15**

2.58 Revenue generated from the sale of goods and services totalled $91,301,350.15, representing an increase of $7,466,723.99 or 8.9 percent. However, the revenue collected fell short of its budgeted $95,876,400.00 by $4,575,049.85. *'Custom Service Charge',* which accounted for 70.5 percent of revenue collections in this category, had a shortfall of $1,338,786.46 of its estimates but recorded an increase of $6,786,955.38 or 11.8 percent. This increase accounted for 90.9 percent of this category's overall revenue growth.

Fines, Penalties and Forfeits **$3,298,289.23**

2.59 Revenue of $1,975,000.00 was projected for the financial year 2023. The revenue of $3,298,289.23 collected exceeded the projection and the 2022 revenue collection by $1,323,289.23 or 67 percent and $878,240.38 or 36.3 percent, respectively. Four (4) items under this category exceeded their budgetary projections, most notably *'Other Fines',* which was $1,083,052.85 above its projections and recorded an increase of $627,799.50 or 42.9% over 2022.

Transfers (not Elsewhere Classified) **$2,481,971.55**

2.60 There were two (2) items of non-tax revenue under this category – 'Reimbursements' ($1,497,515.18) and *'Repayment of Loans'* ($984,456.37). The actual revenue of $2,481,971.55 collected under these items was $1,933,028.45 less than the estimated amount of $4,415,000.00. Additionally, it represented a decrease of $1,197,494.74 or 32.5 percent of the 2022 revenue.

Receipts (Not Elsewhere Classified) **$4,482.62**

2.61 The Statement showed a single item categorised as '*Current Receipts*' under '*Receipts Not Elsewhere Classified',* which was not included in the approved estimates for the financial year. The total collection under this category amounted to $4,482.62.

Other Revenue (Not Elsewhere Classified) **$776,823.85**

2.62 The 2023 Estimates of Revenue and Expenditure projected a total revenue of $1,780,000.00 for 'Other Fees and Charges', the only revenue item under this category. However, the actual collection amounted to $776,823.85, falling short of its budgetary projection by $1,003,176.15 or 56.4 percent.

DETAILED STATEMENT OF CAPITAL REVENUE

2.63 **DETAILED CAPITAL REVENUE 2023** **$563,289,092.39**

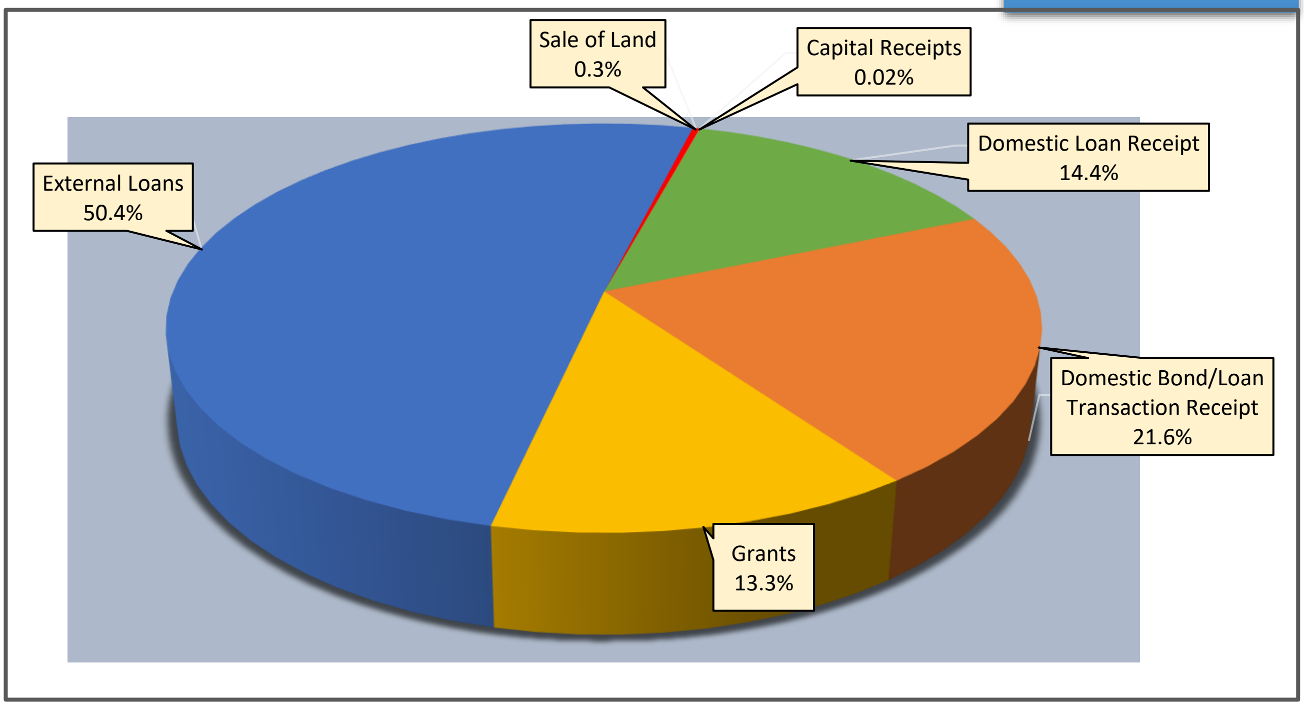
The projected Capital Revenue for the fiscal year was $684,455,404.00, as depicted in Table 1.14 on page 40. The projections included Domestic Receipts - $326,091,497.00 and External Receipts - $358,363,907.00. The actual Capital Revenue recorded for 2023 was $563,289,092.39. Domestic and External Receipts contributed $204,377,937.86 and $358,911,154.53, respectively, resulting in a net variance of $121,166,311.61, as illustrated in Table 1.14.

2.64 Capital Receipts were projected to generate 33 percent of Capital Revenue, amounting to $225,892,301.00; however, the actual amount realised of $93,393.49 was significantly below the initial projections. External loans receipts from the Caribbean Development Bank were the largest contributor to Public Sector Investment financing, accounting for 27.1 percent. This revenue source surpassed its projections of $120,684,410.00 by $31,998,435.14.

2.65 Domestic Bond Transactions totalling $121,581,583.07 constituted the second largest source of capital revenue and were the principal contributor to Domestic Receipts. This amount accounted for 59.5 percent of Domestic Receipts and 21.6 percent of the Public Sector Investment financing, respectively. This revenue source was not included in the Estimates of Revenue and Expenditure. However, the capital revenue raised through domestic bonds and loans was authorised by the Public Sector Investment Loan (No.2) Act, 2022, passed in the House of Assembly on December 13, 2022.

2.66 Figure 1.6 shows the composition of Capital Revenue for financial year 2023.

Figure 1.6

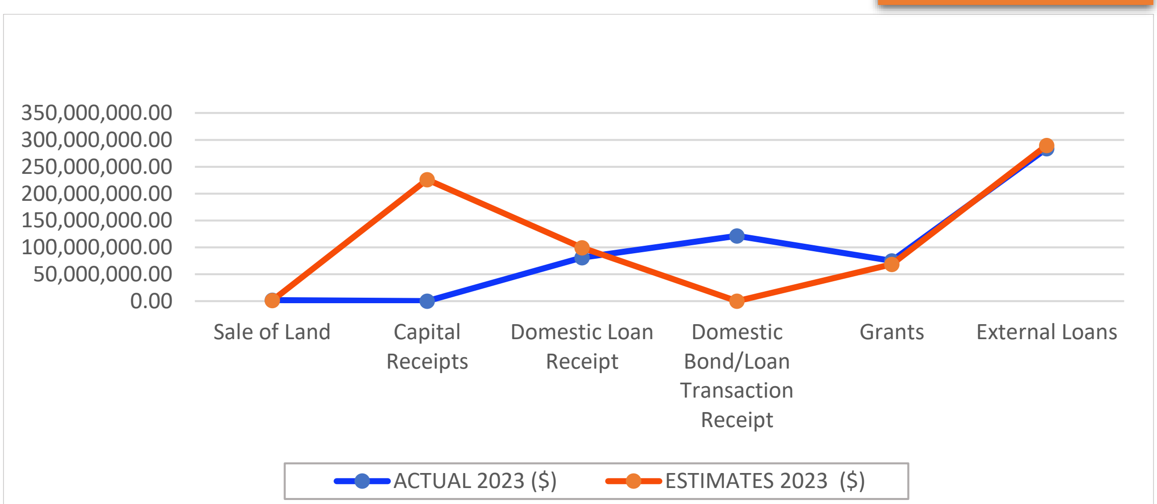


2.67 A comparison of estimated Capital Revenue with Actual revenue for the sources of capital financing is also shown in Table 1.14 and Figure 1.7.

Table 1.14

TYPES OF FUNDS	ESTIMATES 2023 ($)	ACTUAL 2023 ($)	VARIANCE Increase/(shortfall) ($)
Domestic Receipts			
Sale of Land	1,000,000.00	1,700,461.30	700,461.30
Capital Receipts	225,892,301.00	93,393.49	(225,798,907.51)
Domestic Loan Receipt	99,199,196.00	81,002,500.00	(18,196,696.00)
Domestic Bond/Loan Transaction Receipt	-	121,581,583.07	121,581,583.07
Sub total	326,091,497.00	204,377,937.86	(121,713,559.14)
External Receipts			
Grants	68,648,740.00	74,946,023.67	6,297,283.67
External Loans	289,715,167.00	283,965,130.86	(5,750,036.14)
Sub total	358,363,907.00	358,911,154.53	547,247.53
Total	684,455,404.00	563,289,092.39	(121,166,311.61)

Figure 1.7



2.68 The statement showed that capital revenue of $147,805,066.49 was obtained from nine (9) sources not included in the Estimates for the fiscal year. This consisted of Grants –

$7,670,452.50, Other external loans - $18,553,030.92, and Domestic bond/Loan transaction - $121,581,583.07 as highlighted in Table 1.15.

2.69 However, of the $18,381,083.10 recorded as 'Other' external loans receipts, $3,381,083.10 is an overstatement of Capital Revenue, as detailed on page 68 in paragraph 2.138. The balance of $15,000,000.00 was received as a temporary advance from ECCB, in accordance with section 40 (1) (a) of the ECCB Act, CAP 95 of the Laws of St. Vincent and the Grenadines Revised Edition, 2009. Additionally, the $171,947.82 accounted for as External loans receipts from the UN Environment Program was erroneously classified, as the amount represents Grant receipts.

Table 1.15

Account	Description	Actual $
Domestic Bonds/Loans		
33141-3303	Domestic Bond/Loan Transaction Receipt	**121,581,583.07**
External Grants		
13121-1328	Saudi Arabia	5,376,379.84
13121-1399	Other Grants	859,755.65
13221-1505	Climate Investment Fund - CIF	388,142.57
13221-1511	United Nations Development Programme	275,617.00
13221-1538	Caribbean Disaster Emergency Management	745,705.44
13221-1599	Other Grants	24,852.00
		7,670,452.50
External Loans		
33241-3834	UN Environment Program	171,947.82
33241-3999	Other	18,381,083.10
		18,553,030.92
TOTAL		**147,805,066.49**

2.70 The audit also revealed that projected capital revenue from twelve (12) sources totalling $15,103,140.00 (2.2 percent) was not received during the fiscal year. Table 1.16. enumerates these sources along with their estimated projections.

Table 1.16

Account	Details/Source	Description	Projection $
13121	1314	India	2,670,000.00
13121	1315	Morocco	1,881,100.00
13121	1316	United Amorites	10.00
13121	1317	Italy	10.00
13221	1520	Global Environmental Facility	1,266,500.00
13221	1529	UN Environmental Programme	797,300.00
13221	1531	Global Fund	40,000.00
13221	1541	International Labour Organisation	43,100.00
33241	2226	ALBA Bank	7,405,100.00
33241	3666	European Investment Bank	1,000,000.00
33241	3878	ABN Dhabi Fund for Development	10.00
33241	4087	Saudi Fund for Development (SFD)	10.00
TOTAL			**15,103,140.00**

Comparison of Actual 2023 vs Actual 2022

2.71 Capital revenue climbed by $110,030,765.99 or 24.3% in financial year 2023, in comparison to the $453,258,326.40 collected in 2022. Significant increases in Domestic Loans, Grants, and External Loan receipts of 305%, 69.6%, and 18.2%, respectively, gave rise to the upturn in capital revenue.

2.72 Table 1 .17 compares actual capital revenue for the financial years 2023 and 2022.

Table 1.17

TYPES OF FUNDS	ACTUAL 2023 ($)	ACTUAL 2022 ($)	Increase/(Decrease) ($)	Percentage (%) Change
Domestic Receipts				
Sale of Land	1,700,461.30	1,124,229.53	**576,231.77**	**51.3%**
Capital Receipts	93,393.49	1,086,633.54	**(993,240.05)**	**(91.4%)**
Domestic Loan Receipt	81,002,500.00	20,000,000.00	**61,002,500.00**	**305.0%**
Domestic Bond/Loan Transaction Receipt	121,581,583.07	146,597,324.68	**(25,015,741.61)**	**(17.1%)**
Sub total	**204,377,937.86**	**168,808,187.75**	**35,569,750.11**	**21.1%**
External Receipts				
Grants	74,946,023.67	44,188,073.35	30,757,950.32	69.6%
External Loans	283,965,130.86	240,262,065.30	43,703,065.56	18.2%
Sub total	**358,911,154.53**	**284,450,138.65**	**74,461,015.88**	**26.2%**
Total	**563,289,092.39**	**453,258,326.40**	**110,030,765.99**	**24.3%**

DETAILED STATEMENTS OF EXPENDITURE

DETAILS OF TOTAL EXPENDITURE 2023 $1,367,822,905.39

2.73 The analysis of total expenditure for the 2023 financial year is based on a comparison between the revised estimates and the actual expenditures incurred during the year. As highlighted at pages 17-18 in paragraph 2.16 the estimates of expenditure and revised estimates of expenditure included in the analyses are:

i. Estimates of expenditure based on the estimates reflected in the Summary of Total Expenditure; and
ii. revised estimates of expenditure calculated as estimates of expenditure as outlined at (i) above, adjusted for special warrants and Supplementary Appropriation Act No. 24 of 2023.

2.74 The total government expenditure for the fiscal year was $1,367,822,905.39, which included $975,940,409.20 in recurrent spending and $391,882,496.12 in capital expenditures. However, capital and recurrent expenditure are overstated by $13,688,490.57 and $7,333,332.99, respectively, as stated at page 18, paragraph.2.17. The 2023 expenditure was $276,006,401.16 below the revised projection of $1,643,829,306.55 for the fiscal year, and $213,239,324.95 more than the $1,154,583,580.44 spent in the financial year 2022.

DETAILED STATEMENT OF RECURRENT EXPENDITURE

DETAILS OF RECURRENT EXPENDITURE 2023 $975,940,409.20

Recurrent Expenditure 2023 vs 2022

2.75 The Statement indicated that actual recurrent expenditure for the fiscal year 2023 was recorded at $975,940,409.20. This figure included amortisation and sinking fund contributions and represented an increase of $122,224,981.35, or 14.3 percent, compared to the $853,715,427.85 recorded for 2022.

2.76 An analysis and comparison of recurrent expenditure for fiscal years 2022 and 2023 is shown at Table 1.18.

Table 1.18

Description	2023		2022		Increase/ (Decrease)
	AMOUNT $	% of Total Expenditure	AMOUNT $	% of Total Expenditure	
Current Expenditure	747,924,858.39	77%	674,614,202.53	79 %	73,310,655.86
Amortisation	220,682,217.82	22%	173,101,225.32	20%	47,580,992.50
Sinking Fund Contributions	7,333,332.99	1%	6,000,000.00	1%	1,333,332.99
Total Recurrent Expenditure	**975,940,409.20**	**100%**	**853,715,427.85**	**100%**	122,224,981.35

2.77 The composition and comparison of current expenditure for financial years 2023 and 2022 are illustrated in Table 1.19.

Table 1.19

Expenditure Type	2023 ($)	2022 ($)	Increase/ (Decrease)
Personal Emoluments	**284,907,377.29**	268,173,559.01	16,733,818.28
Wages	**29,200,022.13**	28,367,332.78	832,689.35
Allowances	**22,575,597.04**	20,773,114.94	1,802,482.10
Reward and Incentives	**72,397.77**	1,070,429.98	(998,032.21)
NIS Contributions	**15,515,128.44**	14,370,952.67	1,144,175.77
Supplies and Materials	**31,274,580.96**	25,191,448.35	6,083,132.61
Utilities	**13,387,387.73**	13,132,059.70	255,328.03
Communication Expense	**6,837,890.05**	6,689,937.23	147,952.82
Loan Charges -Domestic	**846,150.00**	517,978.23	328,171.77
Loan Charges -Foreign	**405,476.88**	1,200,630.25	(795,153.37)
Maintenance Expenses	**5,272,848.49**	5,133,440.50	139,407.99
Operating Expenses	**12,606,779.23**	11,002,913.07	1,603,866.16
Rental of Assets	**10,632,335.29**	9,950,370.48	681,964.81
Professional and Consultancy Services	**5,409,312.12**	5,133,811.71	275,500.41
Local Travel Charges	**6,124,664.44**	5,852,768.81	271,895.63
International Travel Charges	**2,045,348.97**	1,582,196.34	463,152.63
Hosting and Entertainment	**2,213,264.05**	1,877,059.38	336,204.67
Training	**22,812,888.10**	16,613,456.33	6,199,431.77
Advertising and Promotion	**416,896.95**	498,450.44	(81,553.49)
Debt Servicing - External	**36,858,132.92**	25,427,230.82	11,430,902.10
Debt Servicing - Domestic	**37,560,284.03**	35,385,182.87	2,175,101.16
Grants to Foreign Government	**0.00**	516,211.00	(516,211.00)
Current Grants to Local Authority	**4,756,481.93**	4,310,471.37	446,010.56
Current Grants to Other Agencies	**70,824,363.29**	60,375,114.27	10,449,249.02
Social Assistance Benefits in Cash	**27,062,177.16**	21,048,658.24	6,013,518.92
Social Assistance Benefits in Kind	**4,243,095.45**	6,505,756.23	(2,262,660.78)
Retirement Benefits	**64,674,945.88**	65,384,846.39	(709,900.51)
Medical Benefits	**183,065.00**	205,508.00	(22,443.00)
Contribution - Domestic	**1,649,956.22**	1,605,244.71	44,711.51
Contribution - Foreign Organisation	**18,866,162.17**	11,178,144.92	7,688,017.25
Insurance Premiums	**3,527,691.33**	2,290,532.81	1,237,158.52
Refunds	**4,473,882.59**	2,520,126.85	1,953,755.74

Table 1.19 Cont'd

Expenditure Type	2023 ($)	2022 ($)	Increase/ (Decrease)
Claims	**234,123.75**	390,496.56	(156,372.81)
Compensation	**454,150.74**	338,767.29	115,383.45
Total	**47,924,858.39**	**674,614,202.53**	**73,310,655.86**

2.78 The $122,224,981.30 increase in total recurrent expenditure is reflective of the upward movement in domestic and external debt repayment of $47,580,992.50 and current expenditure of 73,310,655.86, as depicted in Tables 1.18 and 1.19.

2.79 Further, Personal Emoluments, which accounted for 38.1 percent of the current expenditure, the servicing of debt (9.9) percent, current grants to other agencies (9.5) percent, and retirement benefits (8.6) percent, were the main contributors to the $73,310,655.86 increase in current expenditure.

RECURRENT EXPENDITURE BY DEPARTMENTS AND MINISTRIES

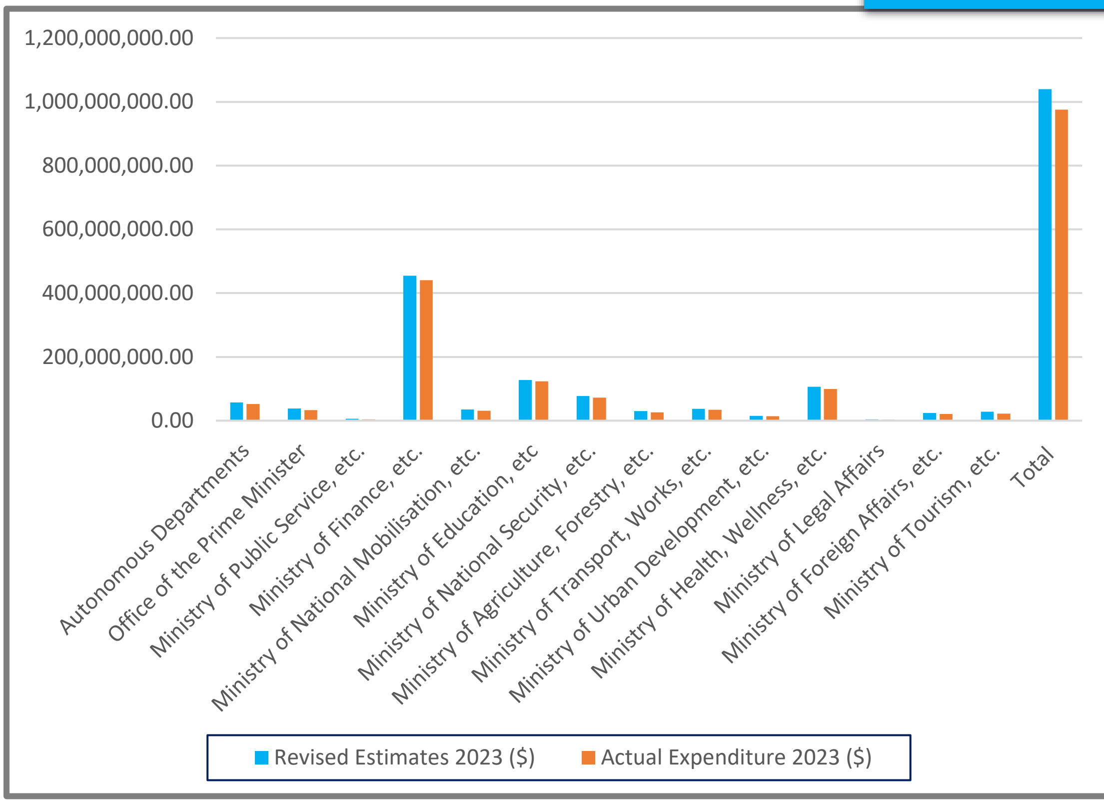
Revised Estimates vs Actual

2.80 The Autonomous Departments, Office of the Prime Minister, and twelve (12) Ministries spent a total of $63,689,889.51 less than the revised estimates of $1,039,630,298.71, as shown in Table 1.20, and Figure 1.8.

Table 1.20

Ministry/Department	Revised Estimates 2023 ($)	Actual Expenditure 2023 ($)	Difference ($)
Autonomous Departments	57,057,080.00	52,160,823.87	4,896,256.13
Office of the Prime Minister	38,081,095.00	33,110,803.52	4,970,291.48
Ministry of Public Service, etc.	5,499,674.00	4,381,387.61	1,118,286.39
Ministry of Finance, etc.	454,514,854.58	440,919,125.86	13,595,728.72
Ministry of National Mobilisation, etc.	34,754,697.00	31,513,818.51	3,240,878.49
Ministry of Education, etc	127,816,708.56	122,911,867.81	4,904,840.75
Ministry of National Security, etc.	76,963,926.00	71,836,974.06	5,126,951.94
Ministry of Agriculture, Forestry, etc.	30,032,266.67	25,799,872.85	4,232,393.82
Ministry of Transport, Works, etc.	37,557,395.00	34,045,993.16	3,511,401.84
Ministry of Urban Development, etc.	14,845,237.00	13,903,415.45	941,821.55
Ministry of Health, Wellness, etc.	106,318,316.51	99,420,084.90	6,898,231.61
Ministry of Legal Affairs	3,944,977.00	2,967,984.84	976,992.16
Ministry of Foreign Affairs, etc.	24,086,791.36	20,622,764.36	3,464,027.00
Ministry of Tourism, etc.	28,157,280.03	22,345,492.40	5,811,787.63
TOTAL	**1,039,630,298.71**	**975,940,409.20**	**63,689,889.51**

Figure 1.8



Actual 2023 vs 2022

2.81 As shown in Table 1.21 and Figure 1.9, the Ministry of Finance and the Office of the Prime Minister recorded the largest increases in spending, totalling $76,934,863.34 and $23,197,145.87, respectively. The rise in debt servicing costs, as noted in paragraph 2.78 was the main contributor to the increase in expenditure for the Ministry of Finance. A detailed analysis of debt servicing costs is provided on pages 77 to 80, Paragraph 2.158 – 2.166 of the Public Debt section of the report.

2.82 Similarly, there was an increase of $15,427,750.00 in current grants to other agencies, resulting in the increased expenditure noted under the Office of the Prime Minister. The grants were issued under the programme Post-Secondary and Higher Education, which was listed under the Ministry of Education in the previous financial year. In contrast, three ministries recorded reduced recurrent spending in the financial year 2023 – the Ministry of

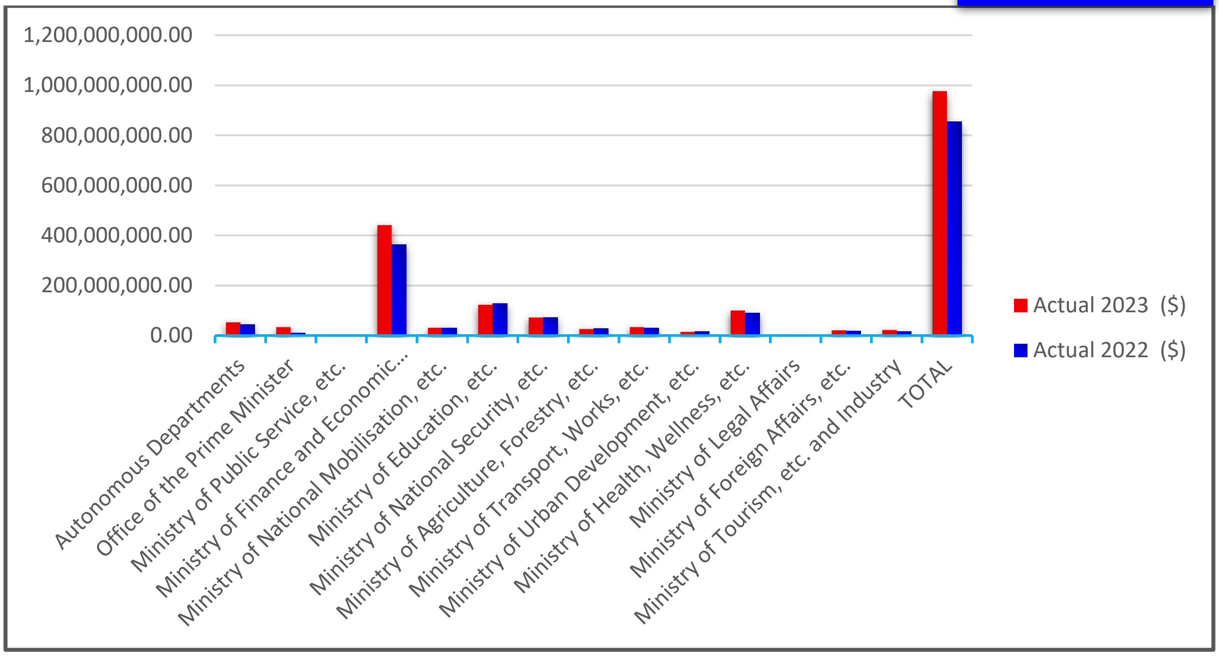
Education, etc., the Ministry of Agriculture, Forestry, etc., and the Ministry of Urban Development, etc.

2.83 The comparative figures for Recurrent Expenditure for 2023 and 2022 for the Autonomous Departments, Office of the Prime Minister, and the Ministries are shown in Table 1.21 and Figure 1.9.

Table 1.21

Ministry/Department	Actual 2023 ($)	Actual 2022 ($)	Difference ($)
Autonomous Departments	52,160,823.87	44,733,524.76	7,427,299.11
Office of the Prime Minister	33,110,803.32	9,913,657.45	23,197,145.87
Ministry of Public Service, etc.	4,381,387.61	4,238,294.30	143,093.31
Ministry of Finance and Economic Planning, etc.	440,919,125.86	363,984,262.52	76,934,863.34
Ministry of National Mobilisation, etc.	31,513,818.51	31,050,069.42	463,749.09
Ministry of Education, etc.	122,911,867.81	127,033,214.88	(4,121,347.07)
Ministry of National Security, etc.	71,836,974.06	71,076,190.63	760,783.43
Ministry of Agriculture, Forestry, etc.	25,799,872.85	28,986,272.71	(3,186,399.86)
Ministry of Transport, Works, etc.	34,045,993.16	29,515,684.37	4,530,308.79
Ministry of Urban Development, etc.	13,903,415.45	16,620,200.44	(2,716,784.99)
Ministry of Health, Wellness, etc.	99,420,084.90	90,508,473.25	8,911,611.65
Ministry of Legal Affairs	2,967,984.84	2,705,247.77	262,737.07
Ministry of Foreign Affairs, etc.	20,622,764.36	17,231,635.76	3,391,128.60
Ministry of Tourism, etc. and Industry	22,345,492.40	16,118,699.59	6,226,792.81
TOTAL	**975,940,409.00**	**853,715,427.85**	**122,224,981.15**

Figure 1.9



EXCESS EXPENDITURE UNDER RECURRENT ACCOUNTS FOR 2023

2.84 Section 28 of the Finance Administration Act grants the Minister the authority to incur expenditure via special warrants under circumstances that are unforeseen, not provided for, or insufficiently covered, and which are necessary to avoid harm to the public good. However, such additional spending must not exceed the amount specified by a resolution in the House. Similarly, Section 30 permits an Accounting Officer to vary amounts approved under any programme within an expenditure vote in the annual or supplementary estimates for the financial year, except for personal emoluments, and subject to restrictions on recurrent and capital expenditures via virement warrants due to exigencies of the office.

2.85 The Statement of Recurrent Expenditure indicated that the expenditure for nine (9) accounts across three (3) Ministries surpassed their budgetary provisions, resulting in a total expenditure of $957,344.56 in excess of the revised estimates. Of this amount, $786,181.13 was expended for Personal Emoluments and Allowances without the requisite

2.86 approval of Special and/or Virement Warrants, contravening the provisions of the Finance Administration Act.

2.87 The balance of $171,163.43 is attributable to a posting error and the omission of a Virement Warrant in the Government's accounting system - SmartStream. The details of the excess expenditure per account are provided in Appendix III.

DETAILED STATEMENT OF CAPITAL EXPENDITURE

DETAILS OF CAPITAL EXPENDITURE 2023 $391,882,496.19

2.88 The detailed statement of capital expenditure indicates that capital spending for 2023 was recorded at $391,882,496.19, representing an increase of $91,014,343.60, or 30 percent, compared to the $300,868,152.59 expended in 2022. Despite an upward revision of the estimate by $132,635,895.84, the actual capital expenditure of $391,882,496.19 for Public Sector Investment Programmes did not surpass its initial projection of $471,563,112.00. In addition, the expenditure was $171,406,596.20 less than the capital finance raised of $563,289,092.39.

2.89 During the financial year 2023, the estimates for forty-one (41) capital projects were revised under the Audit Department, Office of the Prime Minister and ten (10) ministries by a total of $132,635,895.84. Fifty-six percent of the revision increased the allocation for the Port Development Project by 82.7 percent.

2.90 Of the $132,635,895.84 by which the Capital Estimates were revised, the sum of $105,453,388.00, which constitutes 79.5 percent, was spent. A detailed analysis of the revision expended is provided at Appendix IV.

2.91 Notwithstanding the utilisation of 79.5 percent of the revision, funds allocated in the original estimates for several projects were, in some cases, neither fully nor partially expended. Thus, the Office of the Prime Minister and 7 ministries, whose estimates were revised did not exceed their original projections, as highlighted in Table 1.22 and Figure 1.10. Additionally, the Ministry of National Security, whose capital allocation was not revised, expended only 24.7 percent of its original estimates.

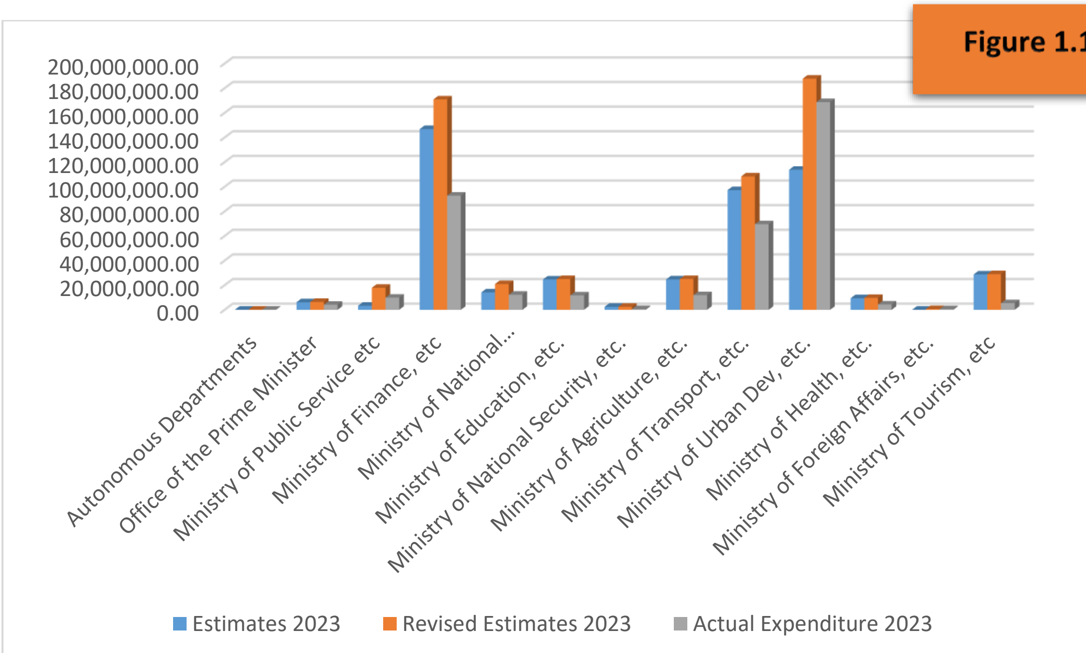
2.92 Expenditure of $162,728,549.27 incurred under the Ministry of Urban Development for the Port Redevelopment Project constitutes the highest level of capital spending, accounting for 41.5 percent of the expenditure. Significant amounts of $28,933,482.38 and $18,856,662.30 were also disbursed for the National Road Rehabilitation and Volcanic Eruption Emergency projects, respectively.

2.93 Table 1.22 and Figure 1.10 show a comparison of the Capital Estimates, Revised Estimates and Actual Capital Expenditure for 2023.

Table 1.22

Ministry	Description	Estimates 2023 ($) a	Revised/Special Warrants & Supplementary Estimates 2023 ($) b	Revised Estimates 2023 ($) a+b	Actual Capital Expenditure 2023 ($)
1	Autonomous Departments	123,710.00	51,846.26	175,556.26	151,332.99
10	Office of the Prime Minister	**6,152,520.00**	**275,000.00**	**6,427,520.00**	**4,142,839.82**
17	Ministry of the Public Service etc.	3,330,115.00	14,555,597.71	17,885,712.71	9,889,577.01
20	Ministry of Finance, etc.	**146,837,171.00**	**24,041,360.39**	**170,878,531.39**	**92,720,620.05**
30	Ministry of National Mobilisation, etc.	**14,147,376.00**	**6,773,866.40**	**20,921,242.40**	**12,231,411.12**
35	Ministry of Education, etc.	**24,626,210.00**	**362,015.00**	**24,988,225.00**	**11,726,050.31**
40	Ministry of National Security, etc.	2,446,130.00	-	2,446,130.00	605,535.06
45	Ministry of Agriculture, etc.	**24,677,720.00**	**358,821.86**	**25,036,541.86**	**11,923,767.81**
55	Ministry of Transport, etc.	**97,190,630.00**	**11,191,363.11**	**108,381,993.11**	**69,519,002.33**
60	Ministry of Urban Dev, etc.	113,754,420.00	74,013,616.00	187,768,036.00	168,708,580.95
5	Ministry of Health, etc.	**9,452,880.00**	**206,345.64**	**9,659,225.64**	**4,315,346.82**
85	Ministry of Foreign Affairs, etc.	96,120.00	543,748.00	639,868.00	542,243.87
90	Ministry of Tourism, etc.	**28,728,110.00**	**262,315.47**	**28,990,425.47**	**5,406,188.05**
TOTAL		***471,563,112.00***	***132,635,895.84***	**604,199,007.84**	**391,882,496.19**

Figure 1.10



2.94 An analysis of revised capital expenditure with the actual capital expenditure for the five years 2019 to 2023 has revealed that less than 55 percent of the revised estimates have been expended in Public Sector Investment Programmes for the financial years 2019 and 2021. However, capital expenditure increased in financial years 2020, 2022, and 2023.

2.95 Table 1.23 shows a comparison of Revised Estimates and actual Capital Expenditure for the financial years 2019-2023.

Table 1.23

Year	Revised Estimates A ($)	Actual Capital Expenditure B ($)	Variance A-B ($)	Percent Spent
2019	292,001,235.16	159,557,001.63	132,444,233.53	**54.6%**
2020	310,969,210.00	211,178,289.97	99,790,920.03	**67.9%**
2021	442,813,347.77	231,560,319.05	211,253,028.72	**52.3%**
2022	511,810,705.39	300,868,152.59	210,942,552.80	**58.8%**
2023	604,199,007.84	391,882,496.19	212,316,511.65	**64.8%**

STATEMENT OF EXPLICIT CONTINGENT LIABILITIES

2.96 In 2023, the Finance Administration Act was amended by Act No. 11 of 2023 to include, among other insertions, definitions for contingent liabilities as outlined below.

2.97 **Contingent liabilities** – government implicit or explicit obligations that do not arise *unless* a particular, discrete event occurs in the future.

2.98 **Explicit Contingent liabilities** – government obligations that are legal or contractual financial arrangements that give rise to conditional requirements to make payments of economic value if one or more stipulated condition(s) or event is realised.

2.99 **Implicit Contingent liabilities** – government obligations that do not originate from a legal or contractual source but are recognised after a condition or event is realised.

2.100 As indicated, contingent liabilities are possible obligations whose existence is confirmed by future events that are not wholly within the control of the Government. Although these obligations are uncertain, they potentially represent a significant encumbrance of resources in future periods, and could therefore influence the future cash flows available to the Government.

2.101 In keeping with generally accepted accounting standards, contingent liabilities are not recognised as liabilities in the financial statements. Consequently, they are excluded from the Statement of Assets and Liabilities. However, international accounting standards require that a contingent liability be disclosed in the notes to the financial statements unless the possibility of an outflow of economic resources is remote.

2.102 As at December 31, 2023, a total of $65,564,832.18, representing the outstanding balances on loans and bonds guaranteed by the Government, was disclosed in the Statement of Explicit Contingent Liabilities. External balances amounted to $29,492,321.89 (45 percent) while the domestic balance stood at $36,072,510.29 (55 percent).

2.103 All individual account balances decreased during the year, resulting in a total reduction in the overall balance by $8,111,291.43 or 11 percent over the 2022 reported balance.

2.104 As in the prior year, the student loan balance due to the National Insurance Services remained the largest explicit contingent liability. The balance of $20,955,859.50 accounted for 58.1 percent of the domestic balance and 31.9 percent of the total explicit contingent liabilities presented.

2.105 The balance of $18,318,948.90 relating to the University of the West Indies (UWI) loan with the Caribbean Development Bank (CDB) represented the largest external balance in the financial year 2023. On July 17, 2019, Cabinet approval was granted for the Government to take over the debt servicing of this loan as part of the financing plan to settle outstanding contribution arrears to UWI.

2.106 As a result, the loan should not be classified as a contingent liability since it is no longer a possible obligation but rather a present obligation and is being serviced by the Government.

2.107 Accordingly, the UWI loan should be recognised as a liability in the Statement of Assets and Liabilities.

2.108 Therefore, contingent liabilities disclosed in the Statement of Explicit Contingent Liabilities are overstated, and liabilities reported in the Statement of Assets and Liabilities are understated by $18,318,948.90.

STATEMENT OF INVESTMENTS

Investments **$50,983,761.80**

2.109 Investments refer to the various channels utilised by the Government to grow its available financial resources. It includes returns, risk management, liquidity, stability, goal alignment, transparency, quality oversight, growth opportunities, cost-effectiveness, and market adaptability changes.

2.110 In keeping with section 43(1) of the Finance Administration Act, **"The Minister may authorise the investment of money forming part of the Consolidated Fund, the Contingencies Fund or held as a special fund or deposit with a bank, whether at call or subject to notice not exceeding twelve months; in deposits with the Eastern Caribbean Central Bank; or in a manner authorised for investments of property in the hands of trustees by any law for the time being in force."**

2.111 The Statement of Investment as at December 31, 2023, reported total investments of $50,983,761.80, comprising Trust Funds, Sinking Fund, Special Funds, and Special Deposits. At the end of the 2022 financial year, total investments were $43,293,211.90. Thus, the 2023 balance reflects an increase of $7,690,549.90 or 17.8 percent, which is chiefly attributable to the $7,614,673.45 upward movement in Special Funds. However, the investment growth rate declined in comparison to the 49 percent increase recorded in the financial year 2022.

Trust Funds **$32,770.00**

2.112 Trust funds are funds designated by law as monies set aside for specific purposes. As of December 31, 2023, the Statement of Investment included three Trust Funds, namely, the Major Bain Gray Prize Fund ($1,066.84), the Haywood X-Ray Fund ($21,066.48), and the Simmons Bequest ($10,636.68).

2.113 The Haywood X-Ray Fund and the Simmons Bequest are twelve-month Certificates of Deposits, held at BOSVG. The statement balances on these accounts were consistent with the BOSVG confirmation. In comparison to the financial year 2022, the balances reflected marginal increases of 1.5 percent, equivalent to the interest earned for the year.

2.114 The Major Bain Gray Prize Fund balance has remained unchanged since the financial year 2016. As in previous financial years, the fund balance was not included in the confirmation provided by BOSVG. Therefore, the existence and value of the Fund could not be determined.

Accountant General's Comments:

We had dialogue with the BOSVG concerning Major Bain Gray Prize Fund, the bank was unable to provide any information on the Fund.

Sinking Fund **$3,224,130.1**

2.115 Details of the sinking funds are discussed in the Statement of Sinking Fund section at pages 82-83 of this report.

Special Funds **$47,525,676.29**

2.116 The particulars regarding the Special Funds are outlined in the Special Fund section at pages 90-91 of this report.

SPECIAL DEPOSITS

Fiscal Reserve Account ECCB **$201,185.36**

2.117 One (1) account – 'Fiscal Reserve Account ECCB', with a balance of $201,185.36, was categorised as a Special Deposit on the Statement at the end of the financial year 2023. The balance, which had previously remained unchanged since 2020, increased by $3,909.36 during the financial year. The increase resulted from an adjustment made to reconcile the SmartStream balance to the balance reported by ECCB. However, a confirmation was not provided to verify the account balance.

RECOMMENDATION

2.118 The Accountant General should:

- Further dialogue with BOSVG to verify the existence and status of Major Bain Gray Prize Fund, with a balance of $1,066.84, which was not reflected on the BOSVG Certificate of Balances at the end of 2023.

STATEMENT OF PUBLIC DEBT

2.119 As reported by the Accountant General in the Statement of Public Debt, the Government's public debt as at December 31, 2023, stood at $2,305,790,948.16. The amount represented an increase of $239,753,683.37 or 11.6%, compared to the 2022 reported debt of $2,066,037,264.79. However, the amount reported as Public Debt is *understated* by $41,714,522.10, as depicted in Table 1.30.

Additional Debt Incurred in 2023

Authority for Borrowings

2.120 Section 44 of the Finance Administration Act, Chapter 252 of the Laws of St. Vincent and the Grenadines, Revised Edition, 2009, stipulates that no money shall be raised on the credit of the Government except under the authority of the aforementioned Act or another Act of Parliament or of a resolution of the House of Assembly.

2.121 In addition to legislations authorising borrowings which were already in force, a resolution and the Public Sector Investment Loan Act No. 26 of 2022 were passed on December 13, 2022, in the House of Assembly to provide for further borrowings in the financial year 2023.

2.122 The resolution authorised the Minister of Finance to borrow an amount not exceeding $50,000,000 in aggregate by means of fluctuating overdraft or otherwise from First Caribbean Bank, the Republic Bank, or the BOSVG, during the period January 1, 2023, to December 31, 2023, to meet the liquidity requirements of the Government.

2.123 The Public Sector Investment Loan Act also authorised borrowings in or out of SVG to assist in financing the public sector investment programme, of amounts sufficient to produce as nearly the sum of EC$135,000,000.00. This Act was subsequently amended by Act No. 29 of 2023 on November 23, 2023, to increase the authorised borrowing to an amount sufficient to produce as nearly the sum of EC$170,000,000.00.

2.124 Further, four (4) Acts were passed in the House of Assembly during the financial year 2023, authorising the Government to raise amounts as detailed in Table 1.24 below.

Table 1.24

LEGAL AUTHORITY	AMOUNT	SOURCE	PURPOSE
Act 8/2023	an amount sufficient to produce as nearly as may be, the sum of **USD45,000,000**	Export-Import Bank of the Republic of China on Taiwan	To assist in financing the National Secondary Roads Investment Programme
Act 13/2023	an amount sufficient to produce as nearly as may, be the sum of **SAR 22,500,000**	Saudi Fund for Development	To assist in financing the Construction of the Health Center in South Rivers
Act 14/2023	an amount sufficient to produce as nearly as may be, the sum of **SAR 37,500,000**	Saudi Fund for Development	To assist in financing the Construction of the Cultural Artistic Hub and Market for Craft and Agricultural Products Project in Belle Vue
Act 31/2023	amounts sufficient to produce as nearly as the sum of **EC$150,000,000**	Funds obtained in or out of SVG	To assist in financing the Public Sector Investment Programme

➢ **Debt Incurred via Overdraft**

2.125 As detailed at page 92 in paragraph 2.204-2.206 of this report, the financial statements reflected an overdraft of $63,245,237.88 on the Accountant General's Current Account, whereas BOSVG confirmed an overdraft of $67,079,890.36 – a difference of $3,834,652.48. A reconciliation statement was not provided to determine the reason for the difference. However, the overdraft shown on the Statements and the BOSVG Confirmation of Balance exceeded the resolution's $50,000,000.00 limit by $13,245,237.88 and $17,079,890.36, respectively. Further, based on SmartStream records, monthly balances for the period February 2023 to November 2023 exceeded the approved limit. The excesses ranged from $31,401,900.56 to $55,926,624.69. This indicates that cash flow challenges persisted throughout the financial year.

➢ **Domestic Bonds Issued**

2.126 In comparison to the bonds valued $154,325,678.00 issued in financial year 2022, eighteen (18) additional bonds valued at $117,030,708.00 were reflected on the 2023 Statement of Public Debt as illustrated in Table 1.25. The amount comprised seventeen 17 new bonds valued at $116,581,583.00 and, as indicated by the Accountant General, an IADC bond valued at $449,125.00, which was taken over by the Central Government.

2.127 However, the additional bonds recorded on the Statement of Public Debt are *understated* by $5,000,000.00 due to the exclusion of Private Treasury Bullet Bond (PP060529) in the same value as reflected in Meridian.

Accountant General's Comments:
The revenue from The Private Treasury Bullet Bond (PP060529) was brought to account in 2023. However, the liability was omitted in 2023 and subsequently brought to account in 2024. This accounted for the difference between the Statement of Public Debt and the Meridian System.

Table 1.25

Number of Bonds	Rate of interest	Amount
1	2%	449,125.00
1	3%	7,751,583.00
1	4.85%	3,500,000.00
2	5%	14,980,000.00
2	5.25%	14,850,000.00
2	5.75%	15,000,000.00
1	6%	10,000,000.00
2	6.5%	10,500,000.00
4	6.75%	29,000,000.00
2	7.5%	11,000,000.00
18		**117,030,708.00**

Domestic Loans Raised

2.128 During the fiscal year, the Government of SVG secured the loan facilities identified below.

- A loan of $66,000,000.00 was raised from BOSVG to reduce the overdraft balance; and
- A temporary advance of $15,000,000.00 was obtained from ECCB under the authority of section 40 (1) (a) of the ECCB Act, CAP 95 of the Laws of St. Vincent and the Grenadines Revised Edition, 2009.

2.129 The total domestic loan financing of $81,000,000.00 in 2023 represents a significant increase over the $20,000,000.00 raised in the preceding financial year.

2.130 The BOSVG 66M loan raised and the additional bonds issued were authorised under Public Investment Loans Acts Nos. 26 of 2022 and 31 of 2023.

Treasury Bills Issued

2.131 Subject to the provisions of the Treasury Bills Act, CAP 444 of the Laws of St. Vincent and the Grenadines Revised Edition, 2009, treasury bills were redeemed and reissued throughout the financial year. The Statement of Public Debt as at December 31, 2023, showed treasury bills balance of $84,000,000.00, whereas Meridian indicated a balance of $98,176,000.00, a material variance of $14,176,000.00.

2.132 Audit procedures confirmed that the treasury bill balance at the end of the financial year 2023 amounted to $98,176,000.00 as recorded in Meridian. The verified balance is inconsistent with the 84,000,000.00 year-end balance maintained since financial year 2017. The variance is attributable to the following:

- Treasury bills issued during the year were undersubscribed by $824,000.00, as reflected in Meridian. However, the Public Debt balance was not adjusted for the shortfall.

- As confirmed by the subscriber, an additional treasury bill with a balance of $15,000,000.00 at the end of the financial year 2023 was issued during the year. The treasury bill was recorded in Meridian. However, it was not included in the Statement of Public Debt, although the related proceeds were recognised as revenue in the financial statements.

2.133 These omissions resulted in the *understatement* of the treasury bills balance and Public Debt by $14,176,000.00.

2.134 Furthermore, movements in the treasury bills balance could not be traced, as the treasury bills issued and repaid were not processed in the treasury SmartStream account.

Accountant General's Comments:

The 91- day Treasury Bill- BOSVG was issued in December 2023; the revenue was accounted for in December 2023; in error the liability was not recorded. The Treasury bill was repaid in March 2024. The Treasury bill transactions are now being entered on a monthly basis as of December 2025.

External Loans Disbursed

2.135 In financial year 2023, amounts were disbursed under loan agreements authorised by legislations approved during the current and prior financial years. According to SmartStream, loans disbursed from external creditors amounted to $262,484,940.28, an increase of $32,152,233.58 or 13.9% over the $230,332,706.70 recorded as disbursed in Meridian during the financial year 2022.

2.136 However, based on audit confirmations received and verification procedures performed, the total disbursements were $259,321,294.17, a difference of $3,163,646.11. The variation in disbursed external loans consisted of disbursals from:

- Kuwait Fund for Arab Economic Development – ($66,916.17)
- Demerara Bank Limited – $3,279,906.00
- Caribbean Development Bank – ($49,343.69)

2.137 The Accountant General's explanations for the Demerara Bank Limited and Caribbean Development Bank variances are detailed under the section 'External Loan Receipt Versus External Loan Disbursed'. A detailed analysis of the $259,321,294.17 disbursed is provided in Table 1.26.

Table 1.26

Creditor/Project	Amount Disbursed	Total
Import Export Bank of China		
Hotel Development Project	13,500,000.00	
Modern Court House	13,500,000.00	
Country Road Project	27,000,000.00	**54,000,000.00**
International Development Association		
OECS Regional Tourism Competitiveness Project	2,351,570.40	
Human Service Delivery Project	8,534,797.61	
OECS MSME Guarantee Facility Project	160,614.90	
SVG Regional Health OECS Project	1,944,000.00	
SVG Digital Caribbean Project	4,457,321.43	
SVG Volcanic Eruption Emergency Project	12,834,006.88	
St. Vincent and the Grenadines UBEC Project	7,276,555.73	

Table 1.26 cont'd

Creditor/Project	Amount Disbursed	Total
OECS Data for Decision Making Project	4,774,681.67	**42,333,548.62**
CARICOM Development Fund		
Country Assistance Program – Holiday Inn Project	3,381,085.80	**3,381,085.80**
OPEC		
Agriculture and Feeder Road	3,795,310.44	**3,795,310.44**
Demerara Bank Limited		
US2.2 M Line of Credit - Prefabricated Housing Project	2,660,094.00	**2,660,094.00**
Kuwait Fund for Arab Economic Development		
Feeder and Agriculture Road Project	2,028,912.79	**2,028,912.79**
Caribbean Development Bank		
Improving Response and Resilience of the Health Sector to COVID-19	8,231,369.47	
Energy Efficiency Measures and Solar Photovoltaic Plant	779,468.27	
NDM - Rehabilitation and Reconstruction (December 2013 trough event - add. loan)	1,237,903.99	
NDM - Immediate Response Loan La Soufriere Volcano - St. Vincent and the Grenadines	4,898,291.98	
Sandy Bay Sea Defences Resilience Project	2,282,679.11	
Port Modernisation Project	123,836,436.02	
Technical Assistance - Canouan Airport Runway Rehabilitation	533,458.90	
Project Management Support for the Ministry of Transport, Works, Lands and Physical Planning	968,356.75	
NDM - Rehab. and Reconstruction -Hurricane Tomas/North Windward	1,228,613.09	
NDM - Disaster Risk Reduction and Climate Change Adaptation	6,038,982.47	
School Improvement Project - Phase 1	349,230.47	
NDM - Rehabilitation and Reconstruction (December 2013 trough event - add. loan)	691,039.86	
NDM - Disaster Risk Reduction and Climate Change Adaptation	46,512.14	**151,122,342.52**
		259,321,294.17

External Loan Receipt Versus External Loan Disbursed

2.138 A comparison of the additional loans disbursed from various creditors with the revenue recorded in their respective SmartStream revenue accounts revealed several discrepancies, as outlined below.

i. **International Development Agency (IDA)**

As reported in Smartstream and confirmed by the International Development Agency, $42,333,548.60 was disbursed in loans during the financial year. However, total capital receipts of $43,862,411.25 was journalised under IDA's loan receipt account, a difference of $1,528,862.65.

Accountant General's Comments:

In 2023 other IDA projects USD bank accounts outside of SmartStream were brought to account in SmartStream. These accounted for the excess of loan receipts recorded in 2023.

ii. **Caribbean Development Fund (CDF).**

Capital receipts of $3,381,083.10 were journalised under CDF's loan receipt account. This amount is near equivalent to the $3,381,085.80 accounted for in SmartStream and Meridian for loans disbursed during the year. However, an amount of $3,381,083.10 was also accounted for as CDF loan receipts under the loan receipt account - Other. This resulted in the *overstatement* of capital revenue by $3,381,080.40.

Accountant General's Comments:

The amount of $3,381,083.10 came into the Accountant General's Account at the East Caribbean Central Bank. In error, the capital receipt was journalised twice in SmartStream.

iii. **OPEC Fund for International Development (OFID)**

Additional loans disbursed from OFID, as reflected in SmartStream and Meridian, were $3,795,310.44; however, capital receipts of $6,295,981.30 was journalised under OFID's loan receipt account, an excess of $2,500,670.86.

As reported in the 2022 Audit Report, OFID capital receipts reflected in SmartStream for the financial year 2022 were $1,612,042.47 less than the additional loans journalised. The Accountant General's response indicated that the shortfall in receipts was brought to account in the financial year 2023. This is evidenced by the excess revenue highlighted in the preceding paragraph.

However, the excess receipts recorded in the financial year 2023 are $888,628.39 more than the shortfall in the financial year 2022. Based on discussions with the Accountant General, some receipts processed in SmartStream in financial year 2023 were not received. Therefore, capital revenue is overstated by $888,628.39.

iv. Kuwait

The Kuwait Fund for Arab Development confirmed that additional loans of $2,028,912.79 were disbursed in 2023. However, loan receipts of $2,529,685.15 were journalised in SmartStream. The amounts journalised were $500,772.36 more than the additional loans. Based on explanations provided by the Accountant General the capital revenue and capital expenditure are *overstated* by $500,772.36.

Accountant General's Comments:

All Revenue and Expenditure for 2023 under the OPEC fund for Int'l Development were brought to account in 2023. However, IPC#23 dated 20/11/2023 forward to the fund for payment was actually paid in 2024.

v. CDB

The CDB Disbursement Report showed CDB loans disbursed in 2023 of EC$13,949,353.75, €4,195,346.33, and US$46,174,391.38. The total disbursement in Eastern Caribbean dollars, converted at exchange rates used by the Debt Unit, is

$151,122,342.51. However, Smartstream and Meridian recorded total CDB disbursements of $151,072,998.82, a difference of $49,343.69.

Further, capital receipts of $152,682,845.14 were processed in CDB's revenue account. The revenue recorded exceeded the $151,122,342.51 loans disbursed as per the CDB report by $1,5605,502.63.

Accountant General's Comments:

The difference between SmartStream and the balances from CDB's online portal is attributed to exchange rate differences.

vi. Demerara Bank Limited

An amount of $2,660,094.00 was confirmed as loans disbursed by Demerara Bank Limited and recorded as capital receipts in the accounts. However, an amount of $5,940,000.00 was recorded as additional loans, a difference of $3,279,906.00.

Accountant General's Comments:

The Treasury Department, in error, recorded the full amount of the loan instead of the disbursed amounts. This was corrected in the financial year 2024.

Domestic Debt as at December 31, 2023 — 700,117,589 .16

2.139 Domestic debt constitutes the balances on bonds and treasury bills issued in and out of St. Vincent and the Grenadines, loans sourced locally, and an ECCB temporary advance. Total Domestic Debt of $700,117,589.16 was reflected on the Statement at the end of the financial year, representing an increase of $34,192,420.68 or 5.1% compared to the previous year's balance of $665,925,168.48. The total domestic debt comprised:

- Bonds - EC$502,193,695.54
- Treasury bills - $EC84,000,000.00
- BOSVG loans – EC$90,856,264.48
- NIS loans - EC$5,036,466.64
- VINLEC loan - EC$3,031,162.50
- ECCB Temporary Advance - EC$15,000,000.00.

2.140 However, the audit revealed that the Domestic debt is *understated* by $23,678,197.87, due to the following:

(i) Private Treasury Bullet Bond of $5,000,000.00 was omitted from the Statement. Page 63 in paragraph 2.127 refers.

(ii) Three (3) IADC land compensation private amortised bonds issued in prior financial years and recorded in Meridian, with balances amounting to $679,625.86, were not included in the Statement of Public Debt.

Accountant General's Comments:

The three IADC Bonds were not brought to account in Smarstream since the IADC payables were taken over by Central Government and included in Public debt prior to issuing of these bonds.

(iii) An amount of $3,504,801.00 received in Loans from Petro Caribe in 2018 was not included as a debt in SmartStream and on the Statement of Public Debt, resulting in an *understatement* of the Public Debt by $3,504,801.00. Further, there is no evidence which indicates that this loan is being serviced.

Accountant General's Comments:

$3,504,801.00 was received from Petro Caribe, no documentation was received concerning the loan and the loan was not brought to account.

(iv) Treasury bills of $14,176,000.00 was omitted from the Statement as highlighted at page 65 in paragraphs 2.131 to 2.133.

(v) The confirmed balance for Government Bond 2028 E exceeded the Statement balance by $285,000.00.

Accountant General's Comments:

Bond 2028 E difference of 285,000 is due to the payment being processed on SmartStream in December 2023 but paid in 2024.

(vi) A comparison of the third-party confirmed balances with the Statement balances for five (5) loans, showed a net variance of $32,771.01, as illustrated in Table 1.27. The Accountant General indicated agreement with the confirmed balances, consequently, Public Debt is *understated* by $32,771.01.

Table 1.27

Loan Description	Statement Balance	Confirmed balance	Difference
VINLEC /GEOTHERMAL 2022	3,031,162.50	3,056,512.50	25,350.00
NIS Modern Medical 2015	2,493,993.20	2,432,934.96	(61,058.24)
NIS Modern Medical 2017	425,108.16	451,958.56	26,850.40
NIS Disadvantage Student Loan	1,321,322.80	1,316,765.30	(4,557.50)
BOSVG $15M	8,630,221.98	8,676,408.33	46,186.35
Net Variance			**32,771.01**

2.141 In addition to the misstatements identified, a comparison of Domestic bonds and loans balances in Meridian with the Statement balances revealed a net variance of $440,314.13 as presented in Table 1.28. However, the accuracy of these balances could not be determined as independent third-party confirmations were not received.

Table 1.28

Loan Description	Statement Balance	Meridian balance	Difference
Gov’t Bonds 2024	1,178,570.14	1,071,428.59	107,141.55
Gov’t Bonds 2024-B	1,785,714.28	424,857.18	1,360,857.10
Gov’t Bonds 2024-D	7,500,000.00	6,586,041.65	913,958.35
Gov't Bonds 2029 - B	7,050,000.00	9,450,000.00	(2,400,000.00)
Gov't Bonds 2029 - E	4,790,000.00	4,930,000.00	(140,000.00)
Gov't Bonds 2029 - F	7,180,285.71	6,581,928.58	598,357.13
Net variance			**440,314.13**

N/A- Not applicable

Accountant General’s Comments:

Several of these balances were updated in SmartStream in 2024. We continue to work with the Debt Unit to reconcile both systems and correct outstanding errors.

External Debt as at December 31, 2023 1,605,673,359.00

2.142 External debt represents bond balances with foreign financial services firms and bilateral and multilateral loans from foreign governments and lending agencies. As of December 31, 2023, the total external debt was $1,605,673,359.00, reflecting an increase of $205,561,259.79 or 14.7% compared to the 2022 balance. The amount comprised fifteen (15) loan balances and two (2) bond balances.

2.143 A comparison of external loan balances as reported on the Public Debt Statement with the Meridian balances and the amounts confirmed by the creditors, revealed various discrepancies as illustrated in Table 1.29.

2.144 The analysis of the balances indicates that, except for the IMF balance, the Meridian and the third-party confirmed balances are more closely aligned. The variances between the confirmed balances and the Meridian balances were therefore investigated to assess the accuracy of the balances presented in the Statement of Public Debt as itemised below.

Table 1.29

Creditor	Balance as per Public Debt Statement	Balance as per Meridian	Confirmed /Verified balance	Difference (Statement vs Meridian)	Difference (Statement vs Confirmed/Verified balance)	Difference (Meridan vs Confirmation)
IMF	73,765,724.00	72,037,631.25	73,542,006.25	1,728,092.75	(223,717.75)	1,504,375.00
IDA	620,716,385.02	618,915,399.95	618,915,399.66	1,800,985.07	(1,800,985.36)	0.29
UK Export Finance	7,496,801.20	7,452,080.11	7,452,080.11	44,721.09	(44,721.09)	-
CDB	519,340,840.52	529,770,243.45	530,076,390.91	(10,429,402.93)	10,735,550.39	306,147.46
Kuwait	17,332,726.87	16,644,230.39	16,644,230.13	688,496.48	(688,496.74)	0.26
Demerara Bank	5,580,413.05	2,300,507.06	2,204,764.58	3,279,905.45	(3,375,648.47)	(95,742.48)
ALBA	121,923,129.44	142,851,637.34	**None Received**	(20,928,507.90)	**N/A**	**N/A**
First Citizens Trustees Services	6,885,000.00	4,050,000.00	**None Received**	2,835,000.00	**N/A**	**N/A**
First line Securities	10,884,869.04	6,225,704.39	**None Received**	4,659,164.65	**N/A**	**N/A**

IMF

2.145 The difference in the confirmed balance of EC$73,542,006.25 and the Meridian balance of EC$72,037,631.25 is equivalent to one year's payment instalment erroneously processed in Meridian. As such, the Meridian balance is *understated* by EC$1,504,375.00, and the Statement balance is overstated by $223,717.75.

IDA

2.146 The Meridian balance of EC$618,915,399.95 is consistent with the confirmed balance, indicating that Public Debt is *overstated* by $1,800,985.36.

UK Export Finance

2.147 The Meridian balance agrees with the confirmed balance, indicating that Public Debt is *overstated* by $44,721.09.

CDB

2.148 The CDB Meridian loan balances were verified against balances extracted from CDB's online portal and the Debt Unit's confirmation provided to CDB's auditors. It was noted that the amounts confirmed by the Debt Unit and detailed on the CDB online portal, for three (3) loans, were higher than the balances recorded in Meridian. As per discussions with the Debt Unit, parity changes were erroneously calculated in the Meridian system, and the recording of one excess payment resulted in the variances. Therefore, the Meridian balance and the Statement balances are *understated* by $306,147.46 and $10,735,550.39, respectively.

Kuwait

2.149 The Meridian balance is consistent with the confirmed balance, indicating that Public Debt is *overstated* by $688,496.74

Demerara Bank Ltd.

2.150 The apportionment of the amounts repaid between principal and interest, reflected in Meridian, was inconsistent with the confirmation provided by the Demerara Bank Ltd. Consequently, the Meridian balance exceeded the confirmed balance by $95,742.48. The Debt Unit indicated agreement with the confirmed balance. Consequently, the Meridian balance and the Statement balances are *overstated* by $95,742.48 and $3,375,648.47, respectively.

ALBA Bank/ El Fondo

2.151 As of the date of this report, a response to the audit confirmation request for the ALBA balance was not received. However, as highlighted in the 2022 audit report, the variance in the Statement and Meridian balance is attributable to loans recorded in Meridian that are not reflected on the Statement of Public Debt. The loans omitted of $20,928,507.90 pertains to the amounts transferred to the International Airport Development Company in 2015. Supporting documentation for the amounts transferred was provided by the Debt Unit. Therefore, the Statement balance is *understated* by $20,928,507.90.

2.152 Additionally, based on the information documented in Meridian, 80.3 percent of the ALBA balance, which is equivalent to $114,750,000.00, was disbursed during 2013 to 2017 for the construction of Argyle International Airport (AIA). However, to date, no repayments have been made on this portion of the loan balance. The loans are due to mature in 2038 and 2047.

Accountant General's Comments:

As was reported in 2022 statements the supporting documents for the ALBA Loans were presented to the Treasury in 2024 and recorded in 2024.

First Citizens Trustees Services and First Line Securities

2.153 As highlighted in Table 1.29, the statement balances for First Citizens Trustees Services and First Line Securities exceeded the Meridian balances by $2,835,000.00 and $4,659,164.65, respectively. Audit procedures conducted revealed repayments in current and prior financial years were processed as expenditure in SmartStream, but were not recorded in the respective bond accounts. Therefore, the variances represent an *overstatement* of the statement balances. Responses to confirmation requests for these balances were not received.

2.154 Due to the misstatements in various balances reported on the Statement of Public Debt, public debt is *understated by $41,714,522.10.* The understatement is illustrated in Table 1.30.

Table 1.30

Bond/Loan Description	Error Description	Amount	Paragraph Reference
Domestic			
Private Treasury Bullet Bond	Omission	5,000,000.00	2.127
Treasury Bills	Omission	14,176,000.00	2.131 -2.133
IADC Bonds	Omission	679,625.86,	2.140
Petro Caribe Loan	Omission	3,504,801.00	2.140
Bond 2028 E	Understatement	285,000.00	2.140
VINLEC /GEOTHERMAL 2022	Understatement	25,350.00	2.140
NIS Modern Medical 2015	Overstatement	(61,058.24)	2.140
NIS Modern Medical 2017	Understatement	26,850.40	2.140
NIS Disadvantage Student Loan	Overstatement	(4,557.50)	2.140
BOSVG $15M	Understatement	46,186.35	2.140
SUB TOTAL - Understatement		**23,678,197.87**	
External			
IMF	Overstatement	(223,717.75)	2.145
IDA	Overstatement	(1,800,985.36)	2.146
UK Export Finance	Overstatement	(44,721.09)	2.147
CDB	Understatement	10,735,550.39	2.148
Kuwait	Overstatement	(688,496.74)	2.149
Demerara	Overstatement	(3,375,648.47)	2.150
ALBA	Understatement	20,928,507.90	2.151
First Citizens Trustees Services	Overstatement	(2,835,000.00)	2.153
First line Securities	Overstatement	(4,659,164.65)	2.153
SUB TOTAL - Understatement		**18,036,324.23**	
TOTAL - Understatement		**41,714,522.10**	
Public Debt as per Statement of Public Debt		**2,305,790,948.16**	
Public Debt adjusted for misstatements		**2,347,505,470.26**	

2.155 Further, the Statement showed loans totalling $11,100,618.00 owed to the Government of Trinidad and Tobago, which are not being serviced. The balance, which remained unchanged since the financial year 2017, represented:

- two (2) Liat 1974 Limited loans of $4,050,000.00, and $5,700,000.00 which were disbursed in 2003 and 2004, respectively. There have been no repayments on the loans since their disbursal, and
- one (1) Sugar Factory Spare Parts loan of $1,350,618.00 disbursed in 1985. The last payment made on this loan was in the financial year 2001.

Public Debt Maturity Structure

2.156 The maturity structure of the Government's Public Debt spans 48 years, from 2024 to 2071. The repayment periods for domestic and external debt extend from 2024 to 2049 and from 2024 to 2071, respectively. Several maturity dates, as detailed in Meridian, were adjusted to reflect dates confirmed by creditors. A detailed analysis of the repayment period for the 2023 Public Debt (adjusted for misstatements) is provided in Appendix V.

2.157 The total public debt included in the analysis amounts to $2,344,000,676.69, which is $3,504,793.57 less than the Public Debt adjusted for misstatements of $2,347,505,470.26 as presented in Table 1.30. The difference occurred primarily from the exclusion of the Petro Caribe loan - $3,504,801.00. As highlighted at page 71 in paragraph 2.140, documentation on the Petro Caribe loan is not available, hence a maturity date could not be obtained.

Cost of Servicing Public Debt $303,685,594.64

2.158 All debt charges are applied to the Consolidated Fund in accordance with section 74 (1) of the Saint Vincent and the Grenadines Constitution Order. These debt charges encompass interest, sinking fund charges, the repayment or amortisation of debts, and all expenditure related to obtaining loans secured by the Consolidated Fund, as well as the servicing and redemption of the resulting debts.

2.159 The Statement of Detailed Expenditure indicated total debt charges/servicing costs of $303,685,594.64. In comparison to financial year 2022, debt servicing increased significantly by $62,053,347.15 or 25.7 percent and was driven by higher costs associated with both external debt ($123,071,830.62) and domestic debt (180,613,764.02). The increase represents the highest annual growth rate recorded in the last five years. By comparison, the movement in the annual public debt servicing rates over the period 2019 to 2022 ranged from a contraction of 7.9 percent to a maximum increase of 8.9 percent. However, the reported cost of servicing debt is overstated by $7,333,332.99 due to the overstatement of sinking fund contributions.

2.160 Table 1.31 shows public debt, debt servicing costs, debt servicing costs vs recurrent revenue, and debt servicing vs recurrent expenditure for the financial year 2023, with comparative figures for the financial year 2022.

Table 1.31

PARTICULARS	2023 $	2022 $	% CHANGE INCREASE (DECREASE)
Total Debt	**2,305,790,948.18**	**2,066,037,264.79**	11.6%
Central Government Debt Servicing	**303,685,594.64**	**241,632,247.49**	25.7%
External Debt	**123,071,830.62**	**96,602,198.04**	27.4%
Amortisation	85,808,220.82	69,974,336.97	22.6%
Interest Payments	36,858,132.92	25,427,230.82	45%
Foreign Charges	405,476.88	1,200,630.25	(66.2%)
Domestic Debt	**180,613,764.02**	**145,030,049.45**	24.5%
Amortisation	134,873,997.00	103,126,888.35	30.8%
Interest Payments	37,560,284.03	35,385,182.87	6.1%
Local Charges	846,150.00	517,978.23	63.4%
Sinking Fund Contribution	7,333,332.99	6,000,000.00	22.2%
Recurrent Revenue	**703,514,462.84**	**669,462,672.74**	5.1%
Recurrent Expenditure	**975,940,409.20**	**853,715,427.85**	14.3%
Debt Service/Recurrent Revenue (%)	43.2%	36.1%	7.1%
Debt Service/Recurrent Expenditure (%)	31.1%	28.3%	2.8%

2.161 External debt servicing costs rose by 27.4 percent, predominantly reflecting marked growth in amortisation and interest cost of 22.6 percent and 45 percent, respectively. These increases indicate higher repayments of principal and interest on outstanding debt. The 66.2 percent reduction in foreign charges had a negligible effect on overall external debt servicing, as they represent only 1.2 percent of total external debt cost in 2023.

2.162 The movement in total domestic debt servicing cost mirrored that of external debt servicing. It grew by 24.5 percent, with all components recording growth. Amortisation increased by 30.8 percent, representing the largest increase in dollar value, while local charges increased by 63.4 percent, reflecting the highest percentage growth. Interest payments and sinking fund contributions rose by 6.1 percent and 22 percent. However, sinking fund charges are *overstated by $7,333,332.99* as highlighted at page 82-83 in paragraph 2.171 – 2.173.

2.163 Despite a 5.1 percent increase in recurrent revenue, the debt servicing to recurrent revenue ratio rose by 7.1 percent. Similarly, the cost of servicing public debt, as a percentage of recurrent expenditure, increased from 28.3 percent to 31.1 percent. These indicators suggest a growing share of government's resources is being absorbed by debt obligations.

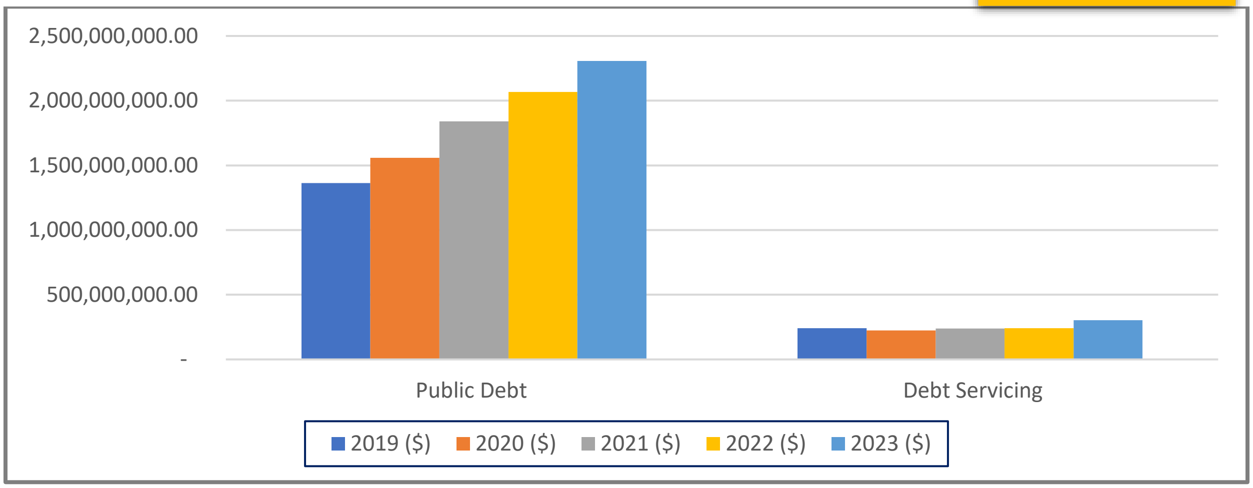
Public Debt and Debt Servicing 2019-2023

2.164 Public Debt and Debt Servicing for the financial years 2019 to 2023 are presented at Table 1.32 and Figure 1.11.

Table 1.32

PARTICULARS	2019	2020	2021	2022	2023
Public Debt	1,364.1M	1,558.8M	1,839.5M	2,066.0M	2,305.7M
Cumulative Dollar Increase		194.7M	475.4M	701.9M	941.6M
Cumulative Percentage Increase		14.3%	34.9%	51.5%	69.0%
Debt Servicing	242.4M	223.2M	237.8M	241.6M	303.6M
Cumulative Dollar Increase/(Decrease)		(19.2M)	(4.6M)	(0.8M)	61.2M
Cumulative Percentage Increase/(Decrease)		(7.9%)	(1.9%)	(0.3) %	25.2%

Figure 1.11



2.165 Over the five-year period, Public Debt has exhibited a sustained upward trajectory, increasing from 1,364.1M in 2019 to 2,305.7M in 2023. This indicates aggregate growth of 941.6M or 69 percent. The growth in public debt was progressive with a cumulative increase of 14.3 percent in 2020, 34.9 percent in 2021, 51.5 percent in 2022, and peaking at 69 percent in 2023.

2.166 In contrast, debt servicing costs fluctuated. Debt servicing cost declined marginally from 242.4M to 241.6M over the period 2019 to 2022, a decrease of 0.8M or 0.3 percent. However, in 2023 it increased sharply to $303.6M, reflecting an overall increase of 61.2M or 25.2 percent over the five-year period. The main contributors were increased external and domestic amortisation cost. The higher costs were partially attributable to the maturation of domestic debt, and higher external interest cost, which may have resulted from unfavourable interest rate movements on floating- rate external debt instruments.

RECOMMENDATIONS

2.167 The Accountant General should:

1. ensure that an adequate narrative is inserted in the comments field in SmartStream to justify the transactions under the loan and capital revenue accounts;

2. investigate and address, before submission of the Statement of Public Debt for auditing:
   i. all discrepancies between information recorded in SmartStream loan and capital revenue accounts; and
   ii. all variances between balances reported on the Statement of Public Debt and the balances recorded in the Meridian.

3. account for transactions incurred for Treasury Bills during the financial year, in SmartStream.

4. ensure that all the Government's debt is reflected on the Statement of Public Debt.

5. examine the balance owed to the Government of Trinidad and Tobago, to determine its accuracy and effect adjustments to the balance where necessary.

6. Process the requisite adjusting journals to correct all misstatements highlighted - bonds, treasury bills, and loan balances.

STATEMENT OF SINKING FUND

Sinking Fund **$3,224,130.15**

2.168 The General Loan Act (Chapter 253) and the General Loan and Stock Act (Chapter 254) of the Revised Laws of St. Vincent and the Grenadines, 2009, established the Sinking Fund as a mechanism for redeeming debentures that are due on a specific date. In accordance with the Government's Chart of Accounts, the sinking fund balance is classified as a long-term investment.

2.169 A savings account earning interest at an annual rate of 2.25 percent is maintained at BOSVG for sinking funds. A Sinking Fund balance of $3,224,130.15 was shown on the Statement of Sinking Fund and BOSVG Certificate of Balances, as at December 31, 2023. The balance was $71,498.57 more than the balance of $3,152,631.58 reported at the 2022 financial year-end. Interest received, net of bank charges, contributed to the increased balance.

2.170 Provisions for sinking fund contributions of $22,000,000.00 were made under recurrent expenditure in the Estimates of Revenue and Expenditure for the financial year 2023. However, there were no contributions to the Sinking Fund bank account during the financial year 2023, despite the financial statement recording Sinking Fund expenditure of $7,333,332.99. As highlighted previously the only deposits to the Sinking Fund bank account were interest, net of bank charges. Nonetheless, there were no fixed-dated bonds that were due to be repaid in the financial year 2024.

2.171 Further analysis revealed that the $7,333,332.99 recognised as Sinking Fund expenditure was debited to the Sinking Fund expenditure account as 'Accrue payment request'. The amount was deposited into the Sinking Fund bank account in the financial year 2025.

2.172 In accordance with the accounting procedures for recording bond transactions, outlined in the Government's Chart of Accounts, the Sinking Fund expenditure is debited when funds are transferred or remitted from the Accountant General's Current account to the Sinking Fund Investment account. The accounting procedure is consistent with section 2.3 '*The New Chart of Accounts Structure*' of the Government's Chart of Accounts, which states:

'**the Government of St. Vincent and the Grenadines currently operates under a hybrid accounting framework between Cash and Accrual basis, by which revenues and expenditures are recognised when cash flow takes place**….".

2.173 Recognising 'Accrue payment request' as sinking fund expenditure instead of actual remittances to the Sinking Fund Investment account is contrary to the policy and procedures established in the Government's Chart of Accounts. Further, it has resulted in the overstatement of the Sinking Fund expenditure and total recurrent expenditure by $7,333,332.99.

Accountant General's Comments:

Prior to January 1st 2000 the Treasury operated a cash basis where revenue and expenditure were recognised when cash was passed. In January 2000 Smartstream was introduced, with Smartstream revenue is recognized when cash flow takes place, however, expenditure is recognised when the payment is entered and posted in the system.

2.174 **RECOMMENDATION**

- The Accountant General should ensure that the accounting for sinking fund expenditure is in keeping with the accounting framework and procedures outlined in the Government's Chart of Accounts.

STATEMENT OF CONTINGENCIES FUND

Establishment of the Contingencies Fund

2.175 The Contingencies Fund was established under section 29 of the Finance Administration Act 2004, Cap 252 of the Laws of St. Vincent and the Grenadines, Revised Edition, 2009, to cover urgent and unforeseen expenses that lack adequate provisions elsewhere.

Source of Funds

2.176 Section 8A of the Value Added Tax (VAT), Chapter 445 of the Laws of St. Vincent and the Grenadines, Revised Edition 2009, provides for the appropriation of one percent (1%) of the VAT chargeable on a taxable supply or taxable import to the Contingencies Fund, with effect from 1st May, 2017. Additionally, Act No. 9 of 2018, which came into force on June 1, 2018, makes provisions for the imposition and collection of a Climate Resilience Levy (CRL), which is to be wholly allocated to the Contingencies Fund as outlined in Schedule 2 of the Finance Administration (Amendment) Act, No.22 of 2019. This levy is collected from all transient visitors in visitor accommodation premises at a rate of eight dollars ($8) per night on each room.

Receipts Payable to the Fund During the Financial Year 2023

2.177 The Government's Accounting System – SmartStream reported total VAT collections of $212,999,490.11 under the Customs and Excise and Inland Revenue Departments, for the period January to December 2023. As required by the VAT Act, $13,312,468.13, representing 6.25 percent (1 percent of the 16 percent VAT rate) of the 2023 VAT receipts, should have been deposited into the Contingencies Fund. Similarly, the $880,390.72 collected as CRL in 2023 was payable to the Fund, in keeping with Schedule 2 of the Finance Administration (Amendment) Act, No.22 of 2019.

2.178 In addition to the 2023 VAT and CRL collections payable to the fund, the prior years' VAT and CRL receipts of $4,449,541.64 and $52,196.92, respectively, remained outstanding to the Fund at the start of the 2023 financial year. As a result, a total of $18,694,597.41, comprising VAT receipts - $17,762,009.77 and CRL receipts - $932,587.64, was payable to the Fund in fiscal year 2023.

2.179 The Contingencies Fund bank statement showed that a total of $6,863,970.16 was paid into the Contingencies Fund account at BOSVG. The deposits comprised VAT and CRL collections from the financial year 2022 and 91.9 percent of the 2023 CRL receipts, totalling $857,168.95. There were no deposits to the Fund from the 2023 VAT collections. A detailed analysis of the amount deposited is shown in Table 1.34.

2.180 The CRL deposit was $75,418.69 less than the $932,587.64 payable to the Fund in 2023, while the VAT deposits of $6,006,801.21 fell short by $11,755,208.56 compared to the total balance due in 2023 of $17,762,009.77. As a result, a total of $11,830,627.25 in CRL and VAT receipts remained outstanding at the end of the financial year 2023.

2.181 Table 1.33 shows the outstanding balance payable to the Contingencies Fund at the end of the financial year 2023. The VAT balances are computed using the contribution rate of 6.25 percent.

Table 1.33

Description	VAT	Climate Resilience Levy	Total
Prior year Short Deposits	$ 4,449,541.64	$ 52,196.92	$ 4,501,738.56
Current year receipts payable to the Fund	$ 13,312,468.13	$ 880,390.72	$ 14,192,858.85
Total Receipts payable to the Fund	**$ 17,762,009.77**	**$ 932,587.64**	**$ 18,694,597.41**
Receipts deposited to the Fund during the year.	$ (6,051,688.37)	$ (812,281.79)	$ (6,863,970.16)
Outstanding receipts payable to the Fund as at 2023 financial year	**$ 11,710,321.40**	**$ 120,305.85**	**$ 11,830,627.25**

2.182 It was noted that the Accountant General continued to calculate VAT contributions to the Contingencies Fund, using a rate of 6.67 percent, a deviation from the 1 percent VAT rate stipulated under the Value Added Tax Act, Cap 445, which is equivalent to 6.25 percent.

2.183 The persistent error rate is attributable to the inclusion of a VAT contribution rate of 6.67 percent in Schedule 2 of the Finance Administration Act (Act No. 22 of 2019). The 6.67 percent rate is consistent with the initial VAT rate of 15 percent but is not reflective of the increased 16 percent VAT rate, which took effect on May 1, 2017, the effective date the 1 percent VAT was appropriated to the Contingencies Fund.

2.184 Thus, the amounts charged to the capital expenditure account and paid into the Fund's bank account for the financial years are overstated by 0.42 percent. Despite the overstatement, VAT receipts to the Fund remained outstanding since the annual VAT payable to the Fund, as calculated by the Accountant General, is neither fully charged as capital expenditure in the financial statements nor deposited in full to the Contingencies Fund bank account at BOSVG.

Purpose for which the Fund may be Utilised

2.185 Pursuant to section 4 (2) of the Finance Administration (Contingencies Fund) Regulations, 2019 and without limiting the provision of section 29 of the Finance Administration Act, the Fund may be used to provide financial resources for:

a) relief, recovery and reconstruction costs from a disaster;
b) facilitating the counter-cyclical fiscal policy in the event of an economic recession or crisis;
c) the prepayment of debt only if the Fund exceeds 20 percent of the average of the actual current revenue for the last three years and the debt-to-GDP ratio of the State exceeds 60 percent.
d) investment in climate resilient infrastructure and adaptation measures only if the Fund exceeds 20 percent of the average of the actual current revenue for the last three years and the debt-to-GDP ratio of the State does not exceed 60 percent.

Withdrawals from the Fund During 2023

2.186 Under section 29 (2) of the Finance Administration Act 2004, CAP 252 of the Revised Laws of St. Vincent and the Grenadines, the Minister is granted authority through a Contingencies warrant to make payments from the Contingencies Fund. This provision authorises the Minister to draw advances from the Contingencies Fund in cases where there exists an urgent and unforeseen requirement for expenditure that cannot be met from other funding sources or provisions.

2.187 During the financial year 2023, there were no withdrawals from the Contingencies Fund. However, the year-end balance of the Fund increased due to further deposits and interest accumulation as reflected in Table 1.34.

Contingencies Fund Balance 2023 **$46,837,567.44**

2.188 The Contingencies Fund balance reported on the Statement of Contingencies Fund and confirmed by BOSVG was $46,837,567.44. Table 1.34 details the composition of the balance.

Table 1.34

Balance brought forward at January 1, 2023			**39,301,959.55**
Deposits			
Value Added Tax			
fiscal year 2022 receipts		6,006,801.21	
Climate Resilience Levy			
Fiscal year 2022 receipts	127,268.24		
Fiscal year 2023 receipts	729,900.71	857,168.95	
Total deposits			**6,863,970.16**
Interest earned			**671,646.73**
Balance as at December 31, 2023			**46,837,576.44**

Minimum Balance of the Contingencies Fund

2.189 Section 5 of the Finance Administration (Contingencies Fund) Regulations, 2019, prescribes that the Fund shall not be less than 20 percent of the average of the actual current revenue for the last three years. Actual current revenue, as defined by the Regulations, refers to total revenue minus grants and proceeds from the sale of Government assets in each year.

2.190 In accordance with the minimum balance requirement established by the Regulation, the Contingencies Fund is mandated to maintain a minimum balance of $203,975,606.80 at the end of 2023. However, since the implementation of the respective Acts, the total collection for CRL and the 1 percent VAT amounted to $68,728,807.38. This amount is $135,246,799.43 less than the required 20 percent of the average actual current revenue. Therefore, the stipulated minimum balance could not be maintained.

Capital Expenditure Recognised in the Financial Year

2.191 A review of the Contingencies Fund capital expenditure account revealed that of the $14,000,000.00 charged to the account, only $812,281.79 was deposited to the Contingencies Fund Bank account at BOSVG. The amount included CRL receipts of $82,381.08 and $729,900.71, for financial years 2022 and 2023, respectively. The balance of $13,187,718.21, consisting of $2,493,098.63 and $10,694,619.58, attributable to the financial years 2022 and 2023, respectively, was deposited in subsequent financial years.

2.192 This accounting treatment contradicts section 2.3 '*The New Chart of Accounts Structure'* of the Government's Chart of Accounts, which states: '**the Government of St. Vincent and the Grenadines currently operates under a hybrid accounting framework between Cash and Accrual basis, by which revenues and expenditures are recognised when cash flow takes place**…."

2.193 Therefore, the $13,187,718.21, which was charged as capital expenditure but not deposited in the financial year 2023, represents an overstatement of the Capital Expenditure reported in the financial statements.

RECOMMENDATIONS

2.194 The Accountant General should:

i. review the rate used in the computation of VAT payable to the Contingencies Fund, initiate its amendment and adjust the amounts paid to the Fund;

ii. establish policies and procedures to facilitate the deposit of the Climate Resilience Levy and the 1 percent VAT, directly to the Contingencies Fund bank account, within the financial year collected; and

iii. ensure that the amount charged as capital expenditure for the capitalisation of the Contingencies Fund reflects cash flows to the Fund in keeping with the hybrid accounting framework between Cash and Accrual basis laid out in the Government's Chart of Accounts.

STATEMENT OF SPECIAL FUNDS

Special Funds **$47,726,861.65**

2.195 Section 39 of the Finance Administration Act, Chapter 252 of the Laws of St. Vincent and the Grenadines, Revised Edition, 2009, identifies the following as special funds:

a. A fund of public revenue established by or under any other Act for a specific purpose;
b. A fund established by the Minister through a Regulation; and
c. A trust fund held by the Government.

2.196 Pursuant to sections 40 (1 & 2) of the Finance Administration Act, a special fund shall be administered, and expenditures from it shall be authorised as specified by the law or trust instrument establishing the special fund, or any other related law. If there is no provision in the law or trust instrument establishing the special fund or any related law, the Minister of Finance may determine how it will be administered.

2.197 The Statement of Special Funds listed six (6) special funds with balances totalling $47,726,861.65 for the financial year 2023.

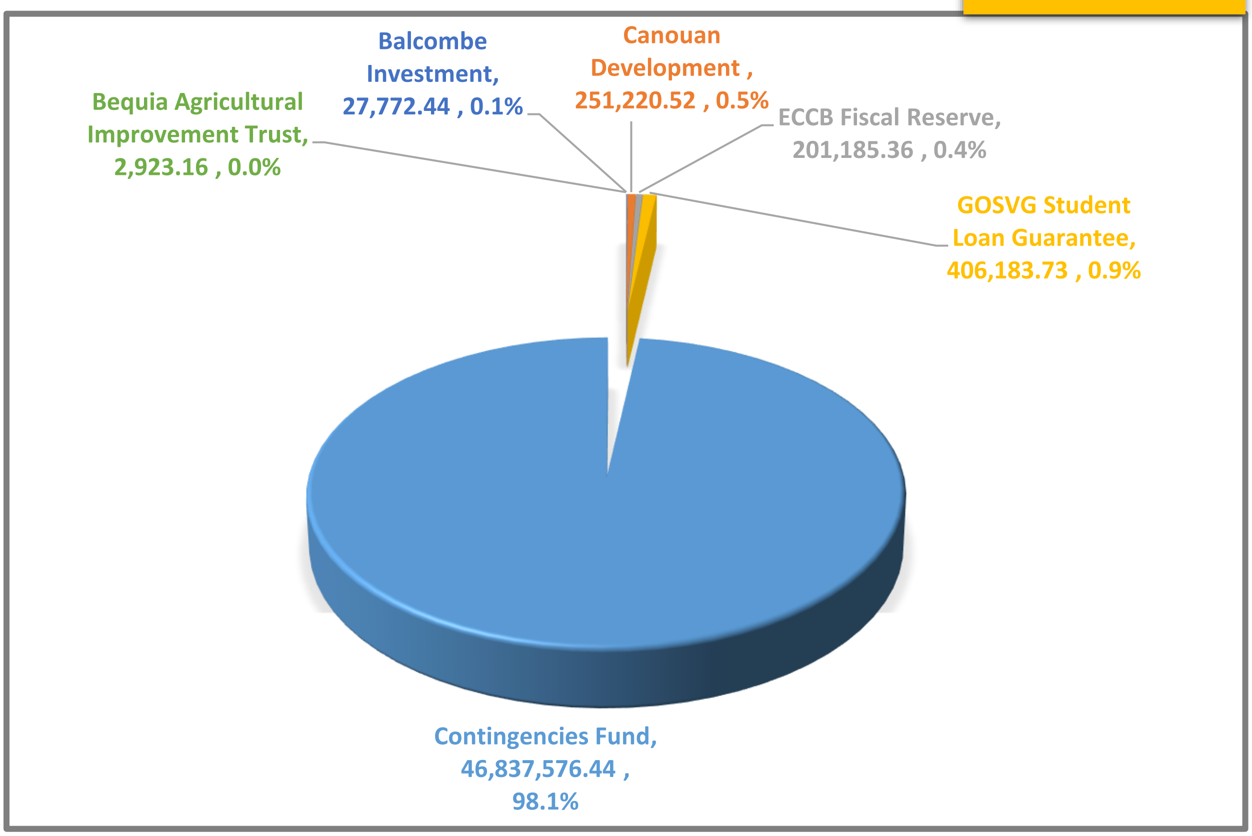
2.198 The special funds accounts shown on the Statement are held at BOSVG, except for the ECCB Fiscal Reserve Account. The balances shown on the BOSVG Certificate of Balances were consistent with those shown on the financial statements. A confirmation was not provided to verify the balance on the ECCB Fiscal Reserve Account.

2.199 At the fiscal year-end, the special funds balances increased, with the exception of the 'Balcombe Investment' balance, which remained unchanged. The Contingencies Fund balance, which represented 98.1 percent of special funds, recorded the most notable increase of $7,535,616.89, although the amounts payable to the fund were not deposited in full. A detailed analysis of the Contingencies Fund is provided in the Contingencies Fund section on pages 84 to 85 of the report.

2.200 In comparison to the financial year 2022, the overall Special Funds balance increased by $7,618,582.81 or 19 percent.

2.201 The composition of the Special Funds is shown in Figure 1.12.

Figure 1.12



STATEMENT OF ASSETS AND LIABILITIES

2.202 The assets and liabilities presented on the statement excluded fixed assets owned by the Government and mainly comprised:

- Cash and bank balances
- Short and long-term liabilities
- Deposits held
- Special funds
- Advances
- Investments

2.203 This section examines the assets and liabilities that are not highlighted elsewhere in this report.

LIABILITIES 2023

Current (Short-Term) Liabilities

Current Account **($63,245,237.88)**

2.204 At the conclusion of the financial year 2023, the financial statement reflected an overdraft of $63,245,237.88 on the Accountant General's Current Account. This amount was $27,903,191.30 or 78.9 percent higher than the 2022 overdrawn balance of $35,342,046.58.

2.205 However, the confirmation of balance provided by BOSVG indicated an overdraft of $67,079,890.36 as at December 31, 2023, which was $3,834,652.48 in excess of the financial statement-reported balance. A bank reconciliation statement was not provided; therefore, the reason(s) for the variance could not be determined.

2.206 The overdraft shown on the Statement and the bank's confirmation exceeded the $50,000,000.00 limit approved by the resolution passed in the House of Assembly on December 13, 2022, by $13,245,237.88 and $17,079,890.36, respectively.

Unreconciled Cash - Current, Development and World Bank Accounts ($28,367,547.02)

2.207 The Unreconciled Cash accounts function as clearing accounts. Cheques processed in SmartStream and printed or payments uploaded to the Government's online payment platform are recorded in this account until they are cleared at the bank.

2.208 As at December 31, 2023, the balances on the Unreconciled Cash accounts totalled $28,367,547.02. The total balance comprised:

- Unreconciled Current account - $26,260,312.28
- Unreconciled Development account - $ 1,986,618.01
- Unreconciled World Bank account - $ 120,616.73

2.209 The unreconciled cash balances represent encumbered sums for which the Government must maintain adequate bank balances to settle these unprocessed cheques and payments. However, the Current and Development balances reflected on the Statement and confirmed by the bank are insufficient to settle the outstanding payments.

2.210 In comparison to 2022, the balance on the Unreconciled Cash-Current account decreased by 31.5%. However, the Unreconciled Cash Development account increased by 23.1%, and the Unreconciled Cash World Bank balance was 2.42 times higher than the amount in 2022.

Volcano Eruption Project (VEEP) Account ($22,948.82)

2.211 An overdraft of $22,948.82 was shown on the Statement for the Volcano Eruption Project (VEEP) XCD account, whereas BOSVG confirmed a balance of $210,751.27, a difference of $233,700.09. Based on the reconciliation submitted by the Accountant General, the difference is mainly attributable to cheques processed in SmartStream which have not cleared the bank. The Accountant General indicated that balances held on project foreign currency accounts are transferred to project EC accounts to offset balances overdrawn.

Union Island Sub-Treasury ($128,632.92)

2.212 The Statement recorded a credit balance of $128,632.92 on the Sub- Treasury account at the end of the financial year, compared to the debit Cash book balance of $1,500.00, as required by the Accountant General.

2.213 It was noted that receipts collected during the year by the Sub-treasury and subsequently deposited to the Accountant General's account were accurately processed in the account. However, the credit balance brought forward from the financial year 2012 remained on the account. This indicates that prior years' discrepancies remained unresolved.

Crown Agent **($500,346.82)**

2.214 A balance of $500,346.82 was shown on the Crown Agent account at the end of the financial year. The balance, which has remained on the account since 2014, relates to amounts recorded in prior years to mainly account for payments due to the Crown Agent for periodicals and examination fees.

Clearing Accounts/Accounts Payable **($161,951,679.55)**

2.215 The Statement showed two invoice clearing accounts with balances amounting to $161,951,679.55. The total balance included an Invoice Clearing Account - World Bank balance of $83,963.00, which represents unpaid invoices for World Bank -funded projects, and an Invoice Clearing Account balance of $161,867,716.55, representing the amount outstanding on all other invoices.

2.216 In comparison to the financial year 2022, the balance on the Invoice Clearing Account - World Bank, decreased by 80%, and the Invoice Clearing Account balance rose significantly by 81.5%.

Balancing Accounts **($68,294,544.38)**

2.217 The Balancing Accounts were established in 2009 to account for unreconciled differences in the Accountant General's Current and Sub-Treasuries SmartStream account balances and the balance confirmed by the bank.

2.218 The Account comprises a Current Account Balancing account and six (6) Sub-Treasury Balancing accounts, with a total net balance of $68,294,544.38. The balance on the account was brought forward from the financial year 2019. As highlighted at page 92 in paragraph 2.205 the Current Account balance reported on the Statement and the balance confirmed by BOSVG remained unreconciled at the end of the financial year.

RECOMMENDATIONS

2.219 The Accountant General should:

- prepare a bank reconciliation statement for the Current Account to determine the reason/s for the difference between the balance presented on the Financial Statements and the balance stated on the Certificate of Balances issued by the BOSVG. Reconciling items should be properly followed up and cleared on a timely basis;

- conduct year-end analyses of the Unreconciled Cash Current, Development and World Bank Accounts to determine the accuracy of the balances and to classify cheques printed, but not yet issued at the end of the financial year, as Accounts Payable.

- analyse the Union Island Sub - Treasury Account to determine the reason for the large credit balance on the account. Further, the necessary adjustments should be made to correct the balance to reflect the Treasury accounting policy.

- conduct an analysis on the Crown Agent Account, which remained inactive, to determine the accuracy of the balance. Any outstanding balance should be settled to reduce the balance on the account.

- analyse the balancing accounts and clear where applicable all reconciling items identified during the preparation of the reconciliation statement for the Accountant General's Current Account.

ASSETS

Current Assets $40,526,369.21

2.220 Current assets comprised bank and cash balances held on nineteen (19) accounts at BOSVG, two (2) accounts at ECCB, five (5) Sub Treasuries and one (1) Kingstown Cash Account, totalling $40,526,369.21.

➢ Bank of St. Vincent and the Grenadines Accounts $25,716,949.02

2.221 A total of $25,716,949.02 or 63.5% of the reported current assets represented the balances on nineteen (19) BOSVG accounts. The accounts were predominantly demand deposit and chequing accounts with balances amounting to $24,795,361.10 held for various projects, trust funds, and a foundation. The remaining $921,587.92, classified as short-term deposits, was held on three (3) savings accounts.

2.222 The balances reported for fourteen (14) of the demand deposits and chequing accounts were consistent with the Certificate of Balances from the BOSVG. Bank reconciliation statements were provided by the Accountant General for the five (5) accounts, whose balances were not congruent with the balances on the Certificate of Balances.

The reconciliation statements revealed an overstatement of $40,400.00 in one account, arising from the use of an incorrect exchange rate to convert a foreign currency balance to Eastern Caribbean Dollars. Additionally, the accuracy of the $797,096.29 balance on the Development account could not be verified based on the reconciliation provided. Some reconciling transactions on the Development account were processed in SmartStream more than ten years prior to financial year 2023, and the accompanying notes are insufficient to determine their nature.

➢ ECCB Accounts $14,409,256.38

ECCB Operating Account

2.223 The ECCB Operating /account facilitates the deposit of loans and other receipts until they are transferred to the Accountant General's Current account or the Development account. The Statement reflected a balance of $ 14,398,037.30 on the account at the end of the financial year. Total receipts of $11,110,000.00 and transfers of $3,898,037.30 were recorded in SmartStream during the financial year. The net effect of these transactions was a reduction of $7,211,962.70 of the balance of $21,610,000.00 held at financial year end 2022.

2.224 As of the date of this report, a response to the confirmation request for the ECCB balances was not received.

Fiscal Reserve II ECCB

2.225 In the financial years 2021 and 2022, the ECCB Fiscal Reserve account was used to manage IMF and IDA loan receipts. A balance of $11,219.08 remained on the account at the end of financial year 2022. No transactions were processed in the account during 2023 financial year. As indicated above, a response to the confirmation request was not received to verify the ECCB balances.

- **Sub -Treasuries** **$398,663.81**

2.226 According to the Statement, a total of $398,663.81 was held by four (4) Sub-Treasuries: Georgetown, Bequia, Barrouallie, and Canouan, at the end of the financial year 2023. However, significant discrepancies existed between the audited Sub-Treasuries cash book balances and the reported financial statements balances. Table 1.35 shows the comparative year-end balances on the four (4) Sub-Treasuries accounts.

Table 1.35

Account	Sub Treasury	Cash Book ($)	Financial Statement ($)	Variance ($)
6061	Georgetown	300.00	300.00	-
6062	Bequia	-	77,050.65	77,050.65
6064	Barrouallie	300.00	300.05	0.05
6066	Canouan	3,389.00	321,013.11	317,624.11
	Total	**3,989.00**	**398,663.81**	**394,674.81**

2.227 The significant net variance of 394,674.81 reflected mainly under the Bequia and Canouan Sub-Treasuries indicates that transactions were either not posted or were not accurately posted in the Sub-Treasuries accounts in Smartstream.

- **Kingstown Cash** **$1,500.00**

2.228 The statement indicated a balance of $1,500,00 on the Kingstown cash account at the end of the financial year.

Public Debt Control Account **$2,218,473,592.11**

2.229 In keeping with the Government's Chart of Accounts, the Public Debt Control account records all public debts until they are cleared. The Public Debt Control account showed a balance of $2,218,473,592.11, which was $239,753,683.49 more than the 2022 year-end balance of $1,978,719,908.62. The increase was consistent with the reported increase in Public Debt. However, the balance on the Public Debt Control account was $87,317,356.05 less than the Public Debt balance of $2,305,790,948.16. The difference is partly attributable to prior years' incorrect classification of Treasury Bills of $47,308,699.05. While the remaining balance of $40,008,657.00 could not be determined.

Receivables

2.230 The receivable balance of $398,215.27 for dishonoured cheques, declined by $329,386.67 or 45.3% at the end of the financial year, indicating the recovery of amounts related to dishonoured cheques.

Consolidated Fund **($399,609,732.44)**

2.231 At January 1, 2023, the Consolidated Fund account reflected a deficit of $297,840,178.90. The deficit was further increased by prior year's adjustments amounting to $750,203.38 and the current year's deficit of $101,019,350.16, resulting in a total deficit of $399,609,732.44. However, the current year's deficit is overstated by $16,251,342.41 due to the errors as highlighted on page 18 in paragraph 2.17. The current year deficit adjusted for misstatements identified is $84,768,007.75.

2.232 In comparison to 2022, the Consolidated Fund deficit as reported on the Statement increased by $101,769,553.54.

RECOMMENDATIONS

2.233 The Accountant General should:

- analyse the Smartstream Sub -Treasuries accounts and make the appropriate adjustments in the accounts;

- analyse the Public Debt Control account to determine the reason for the variance between the balance on the account and the Public Debt balance, and effect the appropriate adjustments in the accounts to reconcile the balances.

- process the requisite adjusting journals to correct the misstatements in the BOSVG account balances.

STATEMENT OF GENERAL DEPOSITS

Total General Deposits 2023 **-$43,908,421.69**

2.234 In accordance with section 42 (1) of the Finance Administration Act, a deposit refers to money other than that which is required to be deposited in the Consolidated Fund or the Contingencies Fund or in a special Fund.

2.235 General deposits presented in the statement comprise deposits held by the Accountant General on behalf of other governments, statutory bodies, ministries or departments, private citizens, and other non-governmental organisations, pending application for payment in accordance with the intended purpose for which the relevant deposits were established.

2.236 According to the Statement, total deposits was $43,908,421.69 at the end of financial year 2023. The deposits balance consisted of sixty-nine (69) accounts, one less than the number held at the end of financial year 2022. Despite the reduction in the number of accounts, the balance grew by $1,821,696.06.

Statutory Bodies **$11,796,354.55**

2.237 Deposits held on behalf of statutory bodies amounted to $11,796,354.55. The balance is $55,066.00 more than the $11,741,288.55 recorded in the previous financial year. As in the last five years, the increase is solely attributable to transactions recorded in the Port Authority's account. The Port Authority's account continued to record annual increases, whereas the remaining eight (8) accounts, amounting to $10,772,878.76, have not recorded transactions for periods in excess of five years.

Deposits - Departmental Accounts **-$27,149,203.40**

2.238 General deposit accounts presented on the Statement are predominantly departmental deposit accounts. Departmental deposit accounts record and track funds held on behalf of various government departments. At the end of the financial year 2023, they constituted a

2.239 large portion of the deposits held - accounting for thirty-five (35) of sixty-nine (69) deposit accounts and 61.8 percent of the $43,908,421.69 reported as total deposits.

2.240 The departmental deposits reflected a net balance of $27,149,203.40, an increase of $1,715,950.51 over the 2022 balance. However, transactions erroneously recorded in 2017 on the CXC Examination account have resulted in an overstatement balance of $26,709.63.

2.241 The balance comprises thirty-four (34) accounts with total credit balances of $27,472,641.15 and a debit balance of $323,437.75 on the Trade Bottle Deposit Levy account. Four (4) accounts with credit balances amounting to $565,794.95, as shown in Table 1.36, have recorded no further deposits or withdrawals for periods equal to or in excess of 5 years.

Table 1.36

Account Description	Amount
UNICEF Education Initiatives	2,372.70
Stats Dept. Money Services Business	300,000.00
Unclaimed Monies	263,418.25
Min. Health-OECS Pharmaceutical Procur	4.00
Total	**565,794.95**

2.242 The debit balance may be due to transaction processing errors in SmartStream or refunds made in excess of Trade Bottle Levy deposits received. Moreover, the debit balance resulted in the understatement of $323,437.75 in the overall deposit and Liabilities balances

Deposits – Individuals **-$4,126,458.57**

2.243 Individual deposit accounts relate to funds collected by the Government on behalf of private citizens and various non-governmental organisations. The Statement reflected fourteen (14) *Individua*l deposit accounts with an aggregate credit balance of 4,126,458.57. In comparison to the financial year 2022, the balance fell slightly by $5,361.59.

2.244 It was observed that five (5) of the fourteen (14) accounts recorded no further deposits or withdrawals for periods in excess of 5 years. The total balance on these accounts of $1,911,199.43, as depicted in Table 1.37, existed prior to the 2016 financial year.

Table 1.37

Account Description	Amount
Earl Mt. Batten Trust Fund	1,205.40
Brain Gray Prize Fund	1,160.51
Heirs of E. Ollivierre	4,259.64
Dormant Accounts- Local Banks	1,904,248.06
Musgrave Prize Fund	325.82
Total	**1,911,199.43**

2.245 The *Individual* deposits balance included an amount of $71,563.63 classified as '*Individual Deposit Written Off.*' The nature of the balance could not be determined, since 92.6 percent of the balance was brought forward from the financial year 2000, and the narrative detailed in SmartStream to support the remainder of the balance was insufficient

Deposits - Local Government -$427,912.36

2.246 Local Government deposit for the financial year 2023 relates to the balance held in respect of the Kingstown Town Board. The Statement indicated a balance of $427,912.36, representative of an increase of $83,574.62 compared to the preceding year's balance.

Other Governments -$408,492.81

2.247 *Other Government*s deposits are the balances on accounts that were maintained before 2016, to record transactions related to pension payments made to retired judges on behalf of other Governments. However, pension transactions for other governments are now reflected in the Other Governments advance accounts.

2.248 At the end of the financial year 2023, the Statement showed five (5) accounts with credit balances amounting to $767,587.86 and five (5) accounts with a total debit balance of $359,095.05, resulting in a net balance of $408,492.81.

2.249 The balances existed since the financial year 2000 and remained unchanged in 2023. Further, transactions erroneously recorded in 2017 have resulted in the understatement of the Government of Barbados account balance by $26,709.63.

2.250 The debit balance on the deposit accounts may be attributable to errors or disbursements in pension payments on behalf of some regional governments in excess of their deposits held. In the absence of an advance warrant, amounts overdrawn constitute an unauthorised advance.

2.251 The debit balances have resulted in the understatement of $359,095.05 in the overall deposit and liabilities balances. Any excess disbursements also represent amounts due to the Government of St. Vincent and the Grenadines and should be reflected as a current asset on the statement of assets and liabilities.

2.252 However, as highlighted on page 102 in paragraph 2.247 the deposits accounts reflect pension transactions prior to financial year 2016, and subsequent transactions are recorded in the advance accounts Therefore, the deposit and advance accounts require analysis to ascertain the *Other Government* balances.

2.253 In comparison to the financial year 2022, *Other Government* deposits decreased by $27,533.48. The decline resulted from an adjustment processed in the Government of St. Kitts account. The deposit balance was set off against the advance balance due from the Government of St. Kitts.

Unclaimed Deposit Accounts

2.254 In accordance with section 42 (5) of the Finance Administration Act, a deposit that remains unclaimed for five years shall, subject to the provisions of any law, cease to be a deposit and accrue to the Consolidated Fund. The law further indicates that the Minister may direct the refund of a deposit, or any part of it, to a person who subsequently satisfies the Minister that they are so entitled.

2.255 As highlighted in the preceding paragraphs, seventeen (17) accounts inclusive of statutory bodies (8), government departments (4), and individual accounts (5) with total deposits of $13,249,873.14, have remained inactive for periods equal to or in excess of five years.

Based on discussions with the Accountant General, recommendations were made to Cabinet to write off the balances on some of the accounts.

RECOMMENDATIONS

2.256 It is recommended that the Accountant General:

- review the amount of $71,563.63, which is reflected on the Statement and in the Treasury Accounts as "*Individual Deposit Accounts written off",* and make the appropriate adjustment;

- implement controls to ensure that amounts disbursed from the deposit accounts do not exceed the deposits held;

- analyse the deposit accounts with debit balances. Amounts overdrawn should be reclassified and adjusting journals processed to correct any errors identified.

- analyse the statutory, departmental, and individual accounts which have remained inactive for periods equal to and in excess of five years to determine whether the balances should be maintained as deposits and continue to dialogue with Cabinet for the requisite adjustments to be made to the accounts;

- determine the balance due to/owed by other governments by obtaining a confirmation or Statement of Account from the regional governments and reconciling the balance confirmed with the SmartStream balances on the Other Governments deposits and advance accounts; and

- implement follow up procedures to settle or recover the Other Government balances, as these debts could grow to unmanageable levels.

STATEMENT OF ADVANCES

2.257 Section 32 (1) of the Finance Administration Act authorises the Accountant General to make advances of money from the consolidated fund or from money held as deposits, under the authority of an advance warrant issued at the hand of the Minister. Section 32 (3) of the Act also stipulates that all advances must be recovered within twelve months following the end of the financial year in which they were granted.

2.258 An examination of the Advance statement indicated a clear violation of the accountability time limit, with balances in multiple accounts remaining outstanding. This delay in clearing advances also heightens the risk of understating the expenditures for the financial year during which the advances were issued and expended.

2.259 The outstanding advances are categorised under four (4) accounts in the Detailed Statement of Advances as follows:

- Government Officers
- Other Advances
- Receivables
- Other Governments

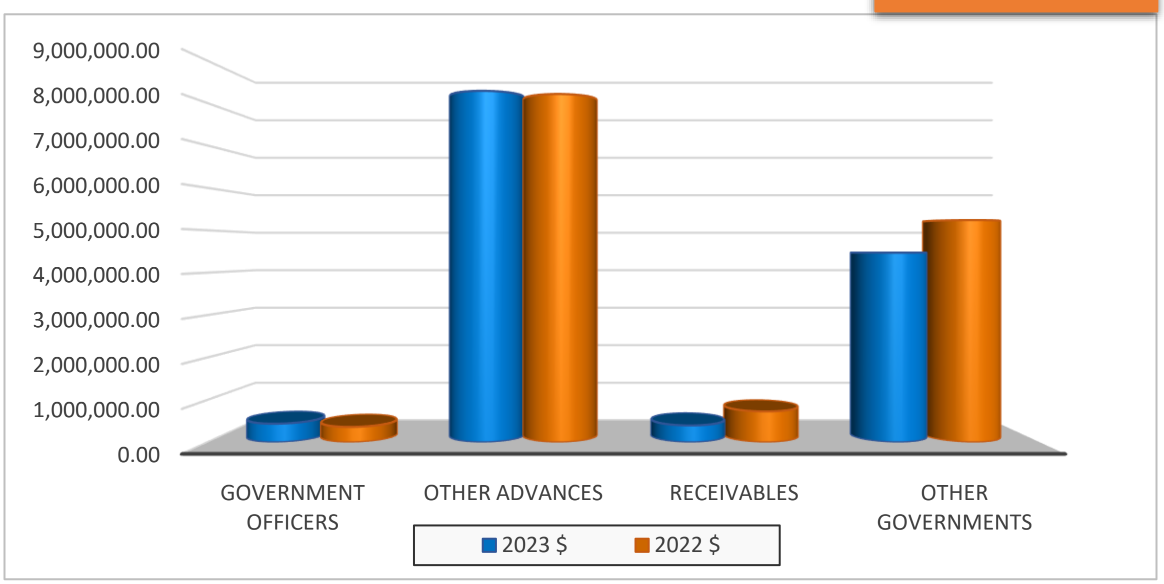
Total Balance of Advances 2023 **$13,594,020.58**

2.260 The Statement of Advances indicated an aggregate balance of $13,594,020.58 as at December 31, 2023. The balance was $947,601.70 or 6.5 percent lower than the outstanding balance of $14,541,622.28 recorded at the 2022 year-end. The decline primarily resulted from decreases in *Receivables* and *Other Governments*. A comparison of the four categories of advances for the financial years ended 2023 and 2022 is shown in Table 1.38 and Figure 1.13.

Table 1.38

CATEGORY	2023 $	2022 $	INCREASE/(DECREASE) $	INCREASE/(DECREASE) %
Government Officers	438,678.50	362,801.73	75,876.77	20.9%
Other Advances	8,285,936.43	8,211,570.14	74,366.29	0.9%
Receivables	398,215.27	727,601.94	(329,386.67)	(45.3%)
Other Governments	4,471,190.38	5,239,648.47	(768,458.09)	(14.7%)
TOTAL	**13,594,020.58**	**14,541,622.28**	**(947,601.70)**	(6.5%)

Figure 1.13



2.261 **Government Officers** **$438,678.50**

The balance outstanding in advances made to government officers rose by $75,876.77 over the 2022 financial year balance. Increases in advances to travel ministers and for training grew by 64.8 percent and 85.9 percent, respectively, and were the chief contributors to the increased balance.

2.262 Government officials who received travel advances are required to report their expenditures within one month of their return to the State to facilitate clearance in the Government's accounting system. The Government's established policy stipulates that non-compliance will result in salary deductions. However, the excessive balance on the Advance Account indicates that the Accountant General's Office has not implemented the recovery policy.

Accountant General's Comments:

Kindly note that The Accountant General 's Office enforces the salary deduction policy.

2.263 Further, of the $438,678.50 balance, $179,998.12, or 41 percent, pertains to amounts advanced to officers who have since retired. The balance, which was transferred to the account on the introduction of the Government's new Chart of Accounts, should have been recovered from the officers upon disbursement of their retirement benefits, and the requisite journal entries processed in SmartStream to reduce the balance on the account.

Other Advances **$8,285,936.43**

2.264 A balance of $8,285,936.43, attributable to *Other Advances*, was reflected on the Statement as at December 31, 2023. As highlighted in Table 1.38, the balance showed a slight increase over the previous year's balance. The number of accounts comprising the balance was one (1) less than the 16 accounts reported in 2022 due to the recovery of $45,000.00 advanced to a retired officer.

2.265 The composition of the 2023 balance was:

- Government's Foreign Missions - $6,405,609.15 (8 accounts)
- Deceased individuals – $459,653.19 (2 accounts)
- Other - $1,420,674.09 (5 accounts with no recorded transactions for 5-7 years).

2.266 The persistent failure to clear advances related to foreign missions continued to dominate the balance reflected in *Other Advances*. This protraction occurred despite multiple audit reports and recommendations directed to rectifying this issue. Table 1.39 provides a comparison of the 2023 and 2022 uncleared balances of the Government's Foreign Missions.

Table 1.39

OFFICES	2023 $	2022 $	INCREASE/(DECREASE) $	PERCENTAGE INCREASE/ (DECREASE)
Permanent Mission to the UN	1,997,168.63	1,694,595.31	302,573.32	18%
Toronto Consulate	1,512,654.71	1,470,980.78	41,673.93	3%
Embassy of SVG - Taiwan	834,966.45	583,670.91	251,295.54	43%
Embassy SVG - Cuba	795,011.89	610,086.28	184,925.61	30%
High Commission - London	416,589.95	428,361.31	(11,771.36)	(3%)
Washington Mission	376,919.98	229,980.15	146,939.83	64%
New York Consulate	273,757.56	705,939.24	(432,181.68)	(61%)
Embassy SVG - Venezuela	198,539.98	562,628.88	(364,088.90)	(65%)
Total	**6,405,609.15**	**6,286,242.86**	**119,366.29**	**1.9%**

2.267 As depicted in Table 1.39, the total uncleared balance for the Foreign Missions registered a slight increase of $119,366.29 or 1.9 percent over the 2022 balance. An individual analysis of the balances indicated that only the balances for the High Commission - London, the New York Consulate and the Embassy SVG – Venezuela were reduced. The most significant reductions (over 60%) were reflected under the New York Consulate and the Embassy SVG – Venezuela. In contrast, there was marked growth of 64 percent, 43 percent, and 30 percent in the balances for Washington Mission, Embassy of SVG – Taiwan and Embassy SVG – Cuba, respectively.

2.268 Most notably, the Foreign Missions accounted for 77.3 percent and 47.1 percent of *Other Advances* and *Total Advances,* respectively. Given that the uncleared balances have remained excessive, it is unjustifiable that expenditures incurred by the respective Foreign Missions are properly accounted for in SmartStream. Consequently, expenditure reported for the Foreign Missions in the financial statement is understated.

2.269 **Receivables** **$398,215.27**

Receivables are the accumulated balance of dishonoured cheques issued to the Government. During the financial year, there was a substantial recovery of $329,603.68 on the outstanding balances. Consequently, the receivables balance fell by 45.3 percent.

Other Governments **$4,471,190.38**

2.270 The balances in this category reflected amounts due from regional governments for pension and gratuity payments made by the Accountant General on their behalf. As reflected in the financial year 2022, twelve (12) regional governments' balances remained outstanding. However, the balance fell from the $5,239,648.47 recorded in 2022 to $4,471,190.38, a decline of 14.7 percent.

2.271 The recorded reductions under the accounts of the Government of Dominica and, more notably, the Government of St. Kitts were the principal contributors to the decrease. The balance due from the Government of St. Kitts fell by 95.5 percent at the end of the financial year. Details of the reduction in the Government of St. Kitts' balance are provided in the ensuing paragraph and on page 103 in paragraph 2.253.

2.272 During the financial year 2023, additional payments were made on behalf of eight (8) regional governments, while repayments were received from two (2) governments – the Government of Dominica and the Government of St. Kitts. It was further observed that four (4) accounts with balances in existence since 2000 recorded no transactions.

2.273 Importantly, pension and gratuity payments made by the Accountant General on behalf of other governments were accounted for in the financial statements. However, similar payments made by regional governments on behalf of SVG during the audit year and for earlier periods were excluded. Further, as highlighted on page 102 in paragraph 2.247 the 2023 year-end balances on deposit accounts reflected amounts that were maintained to account for pension and gratuity payments for other governments. Therefore, the Advance accounts do not accurately reflect the balances due to or due from regional governments.

RECOMMENDATIONS

2.274 The Accountant General should:

- review the outstanding balances in the *Government Officers, Other* and *Receivables* advance accounts, and implement appropriate corrective actions to recover, clear, or write off these advances as per section 17 (1) of the Finance Administration Act;

- enhance the internal controls to ensure that advances are cleared promptly in accordance with the accounting policies;

- enforce policies and procedures to ensure that Accounting Officers exercise due diligence when accepting cheques from businesses and individuals. In particular, reference should be made to the Dishonoured Cheque List prepared by the Accountant General before accepting cheque payments.

- determine the balance due to and due from other governments by obtaining a confirmation or Statement of Account from the regional governments and reconciling the balance confirmed with the balances on the Other Governments deposits and advance accounts. The requisite adjustments should be made in the accounts; and

- implement follow up procedures to settle or recover the other government balances, as these debts could grow to unmanageable levels.

- Ensure that payments made by other governments in respect of pension and gratuity are reflected in the financial statement.

AUDIT OBSERVATIONS

Ministries and Departments

PART III

This section summarises the principal audit observations and compliance issues identified during audits conducted at specific ministries and departments in the fiscal year 2023.

The audit examinations, findings and recommendations outlined in the audit reports submitted to the relevant accounting officers are highlighted.

PART III

AUDIT OBSERVATIONS - MINISTRIES AND DEPARTMENTS

AUTONOMOUS DEPARTMENT

PERSONNEL DEPARTMENT

3.1 A compliance audit was conducted on the records maintained by the Personnel Department for the period 2015 to 2020. The significant findings and recommendations of the audit are articulated hereunder:

Leave

3.2 We found that in many instances, the Personnel Department was non-compliant with Chapter 6 of the Civil Service Orders (CSO) in the administration of vacation, sick and special leave, since eleven (11) categories of non-compliance were identified. The non-compliance resulted in: (I) the potential losses of $78,765.52 and $25,537.56 to the Government and employees, respectively; and (II) overpayment of $96,737.16 to officers as follows:

Vacation Leave

Findings

Incorrect calculation of vacation leave duration.

3.3 The duration of vacation leave was inaccurately computed for seven (7) officers, resulting in the actual leave taken being under or overstated. In one instance, the actual vacation leave taken by an officer was recorded as two (2) days instead twenty-four (24) days, resulting in an understatement of twenty-two (22) days, and a potential loss of $1,994.19 to the Government. The incorrect computation of vacation leave taken by officers has resulted in total potential losses of $2,917.93 and $2,321.78 to the Government and officers.

Inaccurate computation of vacation leave accumulation.

3.4 There were several instances where the vacation leave earned by officers within stipulated periods, were erroneously computed and recorded on the Leave Schedules enclosed in the respective Personal Files, resulting in the under and overstatement of vacation leave accumulation. It was noted that, amongst the inaccurate computations, were the amounts of thirty (30) and twenty-four (24) days' vacation leave, which were granted in excess of the leave accumulated, for two (2) officers, resulting in potential loss of $5,305.16 and $3,628.65, respectively, to the Government. The inaccuracies have resulted in total potential losses of $16,110.12 and $15,252.03 to the Government and officers, respectively.

Earned vacation leave was computed for officers, whilst on sick leave in excess of twenty-eight (28) days.

3.5 Civil Service Orders (CSO) 6.12(1) provides for leave to be granted in respect of resident service. Further, it stipulates that sick leave on full salary not exceeding 28 days in twelve consecutive months will be counted as resident service. However, we found that there was one instance where an officer accumulated vacation leave while on sick leave in excess of twenty-eight (28) days, contrary to the CSO. The earning of leave has resulted in a potential loss of $302.39 to the Government as shown at Table 1.40.

Table 1.40

Personal File Number	Name	Period (Sick leave)		No. of Days	Annual Rate of Accumulation (Days)	No. of Days Accumulated	Potential Loss to Government (EC$)
		Start Date	End Date				
14108	Whaneth Webb	13/03/2018	11/04/2018	30	30	2	302.39

Earned vacation leave was computed twice for the same period, for some officers.

3.6 We found several instances where earned leave was computed twice for the same period, for fourteen (14) officers, resulting in a potential loss of $19,299.51 to the Government.

Leave eligibility balances were incorrectly recorded on the Leave Schedules.

3.7 The balance of leave eligibility for fifteen (15) officers were either under or overstated on the Leave Schedules. It was noted that, amongst the inaccurate balances recorded, were the amounts of 105.5 instead of 81.5 days and 22.5 instead of 2.5 days, resulting in the overstatement of 24 and 20 days, and potential losses of $3,075.87 and $1,594.84, respectively, to the Government. The total potential losses to the Government and employees as a result of inaccurate recording of leave eligibility balances is $12,964.09 and $1,603.77, respectively.

Annual leave not taken by officers, was not deferred or forfeited.

3.8 In accordance with CSO 6.10, annual leave due and not taken in a particular year will be forfeited, unless the officer or employee is precluded by the exigencies of the Service from taking such leave. Further, the CSO stipulates that the approval of the Chief Personnel Officer (CPO) must be obtained for annual leave not taken to be deferred and taken in the following year. We noted that there were various instances where the annual leave of twelve (12) days was not taken by sixteen (16) officers; however, approval for deferment of the annual leave or portion thereof, was not sought from the CPO. Further, the annual leave not taken was not deducted from the officers' vacation leave eligibility, resulting in the overstatement of leave entitlement. In addition, there were instances in which the number of annual leave deducted from two (2) officers, was in excess of the balance of annual leave not taken. The potential losses to the Government and officers as a result of the foregoing are $15,010.72 and $961.94, respectively.

Leave was earned during periods of vacation leave in excess of twelve (12) days, while leave was not accumulated for some periods of resident service.

3.9 In accordance with CSO 6.12(2), "Leave eligibility will be calculated on the basis of completed months of resident service in a year…" We found instances where seven (7) officers earned leave for periods of vacation leave in excess of twelve (12) days, while leave was not accumulated for some periods of resident service for six (6) officers. The contravention of the CSO has resulted in an over and understatement of leave eligibility and potential losses of $3,175.03 and $5,398.08 to the Government and officers, respectively.

Vacation leave taken, was not recorded on the Leave Schedule or deducted from leave eligibility.

3.10 Vacation leave taken by officers should be recorded on the Leave Schedule retained on officers' Personal File and the vacation leave eligibility reduced by the number of days taken. We noted that during the period under review, six (6) officers proceeded on vacation leave; however, the leave taken was not accounted for on the Leave Schedule, neither was it deducted from the officers' leave eligibility. In one instance, one hundred and forty-three (143) days' vacation taken, were not subtracted from an officer's leave eligibility, resulting in a potential loss of $26,252.03 to the Government. The total potential loss to the Government is $33,965.10.

3.11 RECOMMENDATIONS

1. The staff of the Personnel Department should exercise due care and diligence in the computation and recording of leave eligibility, vacation leave taken and the balances, in order to avoid overstating or understating of the balances; which could result in potential losses to the Government and public officers.
2. Leave eligibility should be calculated on the basis of completed months of resident service in a year, one twelfth of the annual rate of leave applying to each completed month of resident service, in accordance with the Civil Service Orders.

3. Annual compulsory leave or part thereof, which was not taken within a financial year, should be approved for deferral by the Chief Personnel Officer. In the absence of the requisite approval, the leave not taken, should be forfeited in accordance with the Civil Service Orders.

4. Officers should exercise diligence in the computation of leave eligibility, to ensure that vacation leave is accumulated for all periods of resident service, and that the period used for calculation of vacation leave eligibility, does not overlap with a previous recorded period of resident service.

MANAGEMENT'S RESPONSE

INACCURATE COMPUTATION OF VACATION LEAVE

The Personnel Department notes the discrepancies in the report as it relates to the following:

a) Inaccurate computation
b) Leave earned while on sick leave
c) Annual leave not taken was deferred or forfeited
d) Leave schedules not properly maintained

The Department recognizes the importance of keeping proper records as the absence of such can have financial implications to the Government and the public officers whom we serve.

In light of this, the Department has been having continuous training for members of staff on the computation of vacation and sick leave.

Efforts have been also made to have files audited at reasonable periods, to verify the correct allocation of leave given to officers, especially when persons are proceeding on no pay, study leave and pre-retirement leave. Accordingly, another training session has been scheduled for Leave calculation by the end of 2nd quarter of this year.

Currently, there are over 7,000 public officers for whom files are processed daily. In light of the shortcomings relating to Leave, an indication of the number of files with large discrepancies, will be helpful to determine the level of the issue highlighted.

Sick Leave

Findings

Officers received full pay and half pay for sick leave granted in excess of the stipulated maximum period.

3.12 The Leave Schedule contained in officers' Personal Files, does not contain a designated space to document sick leave submitted by officers; hence, sick leave is not adequately documented and monitored by the Personnel Department for officers who are granted extended periods of sick leave. Consequently, some officers received payment for sick leave granted in excess of the stipulated maximum period.

3.13 During the period under review, we found that full salary was paid to some officers for sick leave in excess of six (6) months, within a twelve-month period. In addition, it was noted that some officers who were granted sick leave in excess of an aggregate of twelve (12) months within a period of four (4) years or less, received salary for the period of sick leave, contrary to CSO 6.27(1). The failure to effectively apply the CSO in the management of sick leave has resulted in a total overpayment of ninety-six thousand, seven hundred and thirty-seven dollars and sixteen cents ($96,737.16) to four (4) officers, as shown at Appendix X. Although these deviations were communicated to your office in order to facilitate commencement of recovery actions, as at 31st October, 2022, the Personnel Department had not initiated action to recover all of the moneys overpaid.

Officers who have been on sick leave for a continuous period of three (3) months, were not required to submit themselves for examination by a Medical Board.

3.14 The CSO provides for an officer, who has been on sick leave for a continuous period of three (3) months, to submit himself for examination by a Medical Board, on the advice of the CPO. We found that although some public officers had been on sick leave for a continuous period of three (3) months, no evidentiary documentation was presented in the Personal Files, to indicate that the officers were examined by the Medical Board.

Sick leave granted to officers whilst overseas, by doctors who were physically present in St. Vincent and the Grenadines, was accepted by the Personnel Department.

3.15 It was noted that some officers who departed St. Vincent and the Grenadines (SVG) on sick leave to seek medical attention, submitted medical certificates for extension of sick leave, which were granted by doctors who were present in SVG, whilst the officer was still out of the State. According to the Medical Certificates, the doctors stated that they had examined the patients; however, it is impossible that the doctors, who were physically present in SVG, could have medically examined the officers at the time of the issuance of the Medical Certificates.

3.16 The sick leaves submitted were accepted by the Departments at which the officers are employed, contrary to the Chief Personnel Officer's (CPO) Memo SC 307, dated **24th June, 2019**, which was issued to Permanent Secretaries and Heads of Department. The memo, which seeks to address the validity of sick leave certificates issued by medical practitioners locally, to public officers who are out of State, advised that sick leave submitted by such public officers, must be authorised by the attending physician overseas, written on an official letterhead. Further, the CPO advised that sick leave requests that are not in keeping with the guidelines outlined in the memo under reference, **will not be accepted**. Notwithstanding the foregoing, it was noted that sick leave granted by local doctors, were accepted by the Personnel Department.

3.17 Further, despite the Honourable Attorney General's, legal opinion submitted to the CPO, advising that sick leave granted to officers by a local physician, whilst out of the State, should be deducted from the officers' vacation leave eligibility, we noted that deductions were not made by the Personnel Department.

3.18 RECOMMENDATIONS

1. The staff of the Personnel Department should:

   I. ensure that all sick leave granted to officers is duly and accurately recorded on the Leave Schedule; and

   II. monitor sick leave granted to officers, in order to ensure that sick leave is in conformity with the Civil Service Orders, to avoid overpayment of salary.

2. The Chief Personnel Officer should:

   I. initiate recovery of the balance of thirty-three thousand, six hundred and thirty-three dollars and twenty-five cents ($33,633.25) which was overpaid to officers, as a result of failure to apply 6.27of the Civil Service Orders; and

   II. request an officer, who has been on sick leave for a continuous period of three (3) months, to submit himself for examination by a Medical Board, in accordance with the Civil Service Orders.

3. sick leave granted by medical practitioners in St. Vincent and the Grenadines, to officers who departed the State to seek medical attention overseas, and submitted to the Personnel Department, should be investigated, to ascertain whether the officer had returned to the state, prior to acceptance of the application for sick leave; and

4. sick leave issued to officers who are out of the State, by a physician who was present in St. Vincent and the Grenadines at the time of issuance, should be deducted from the officers' vacation leave eligibility and the officers informed accordingly.

MANAGEMENT'S RESPONSE

OFFICERS RECEIVED FULL PAY AND HALF PAY FOR SICK LEAVE GRANTED IN EXCESS OF THE STIPULATED MAXIMUM PERIOD

This issue, having been brought to attention by the Audit Department a few years ago, has been given attention and the necessary adjustments have been made to the files identified. The Accountant General has been informed and deductions have been arranged in cases where overpayments have been recorded.

Additionally, the practice of having a sick leave schedule on each file has been revisited to ensure sick leave given is in keeping with existing regulations.

OFFICERS WHO HAVE BEEN ON SICK LEAVE FOR A CONTINUOUS PERIOD OF THREE (3) MONTHS WERE NOT REQUIRED TO SUBMIT THEMSELVES FOR EXAMINATION BY A MEDICAL BOARD

The records of Officers who have been on continuous sick leave are reviewed regularly and a determination is made on whether or not they should be submitted to the attention of the Public Service Commission for a recommendation for medical Board. Several reasons why the file would not be submitted are:

a) Pregnancy
b) Accident that resulted on broken limbs
c) Diabetics
d) Cases where cancer patients have to travel overseas for special treatments/procedures.

Special Leave

Finding

3.19 It was noted that, in various instances, special leave granted to officers by the Chief Personnel Officer, for the purpose of representing St. Vincent and the Grenadines in an official capacity or sports, was not recorded in the space designated for special leave on the Leave Schedule.

3.20 In the absence of documentation, special leave granted will not be easily monitored to determine, when an officer has attained the maximum special leave of thirty (30) days, which is approved by the Chief Personnel Officer. It is critical that special leave approved is monitored, since special leave in excess of the stipulated maximum amount, has to be authorised by the Minister responsible for the Public Service, in accordance with the CSO.

RECOMMENDATION

3.21 It is recommended that all special leave granted to officers by the Chief Personnel Officer or Minister responsible for the Public Service, should be documented on the Leave Schedule and monitored, in order to avoid the grant of additional special leave, which was not approved by the Minister.

MANAGEMENT'S RESPONSE

A response was not provided by Management

VOTE BOOKS

Findings

3.22 The vote books presented for audit inspection for the period under review were not satisfactorily maintained in accordance with regulations 19 - 21 of the Finance Administration Regulations, 2009. The following deviations were observed: -

1. in some instances, the amounts voted in the estimates, the quarterly allotments, and the expenditure reducing balances, were not recorded in the vote books, contrary to regulation 19 of the Finance Administration Regulations, 2009;
2. there were instances where figures were written in pencil; and the reducing balances and dates were not inserted in the vote book;

3. several transactions were not initialled by the Head of Department or his/her delegate, as proof of authorisation of payments; and
4. the vote accounts were not reconciled with the Accountant General's account, contrary to regulation 21 of the Finance Administration Regulations, 2009, which states “without delay, after the end of each month, the accounting officer shall ensure that the vote account and statutory charge account are reconciled with the Accountant General’s accounts”.

3.23 **RECOMMENDATIONS**

1. The vote books should be maintained and reconciled in accordance with regulations 19 - 21 of the Finance Administration Regulations, 2009;
2. All transactions should be recorded in indelible ink, in the vote books; and
3. Due care should be taken when transferring figures and computing balances in the vote books, in order to avoid errors of transposition and recording of inaccurate balances, respectively.

MANAGEMENT’S RESPONSE

A response was not provided by Management.

EQUIPMENT LEDGER AND INVENTORY

Finding

3.24 An Equipment Ledger was not maintained in accordance with the relevant Store Rules. As a result, it could not be ascertained whether all of the items purchased, were received, issued and placed in the appropriate stations. Notwithstanding the foregoing, all inventory sheets were prepared and submitted upon the request of the auditors, and the items placed in each station were accounted for on the inventory sheets.

RECOMMENDATION

3.25 An Equipment Ledger and Inventories should be maintained in accordance with Stores Rules No. 48 – 52, to ensure accountability and safekeeping of Government's assets.

MANAGEMENT'S RESPONSE

A response was not provided by Management.

CONCLUSION

3.26 Based on the audit procedures, we concluded that the records maintained at the Personnel Department were not in accordance with the established criteria. The compliance deviations identified, emphasises the urgent need for the staff of the Personnel Department to become conversant with the requisite instruments that govern the Department's operations. The efficient application of the Civil Service Orders and the exercise of diligence in the administration and management of vacation, sick and special leave is critical, since the audit results show that inadequate application and inaccurate computations have resulted in: (I) overpayment to officers for sick leave; and (II) potential losses to Government and officers as a result of the over and understatement of vacation leave, respectively. Consequently, it is recommended that adequate training is provided to the staff, in order to improve operations of the Department.

MINISTRY OF FOREIGN AFFAIRS AND FOREIGN TRADE - OVERSEAS OFFICES

St. Vincent and the Grenadines Consulate, Toronto

3.27 A compliance audit was conducted at the St. Vincent and the Grenadines (SVG) Consulate, Toronto, during the period November 4-11, 2022. The major findings of the audit for the period December 2019 to September 2022 are summarised below:

Monthly Expenditure

3.28 As of November 30, 2019, the Consulate's Current account had a closing balance of CAN$61,403.98 (EC$128,948.35). From November 2019 to August 2022, EC$1,611,524.79 (CAN$814,509.12) in advances were remitted to the Toronto Consulate to fund expenses, goods, services, and furniture.

3.29 Total spending was EC$1,190,803.35 and CAN$525,380.89. By November 2022, EC$1,105,586.39 was processed in SmartStream. EC$124,324.86 and EC$39,107.90 were unprocessed or over-processed, exceeding monthly expenses. Monthly expenses were submitted and processed during the audited period.

3.30 As of September 30, 2022, The Advance Account balance was EC$1,667,369.35. The previous audit of the SVG Consulate in Toronto (November 2017 to December 2019) showed an uncleared balance of EC$1,165,076.42 as of November 30, 2019. Hence, the amount increased by EC$502,292.93.

Classification of Expenditure Accounts

3.31 Although management agreed to charge expenditures before submitting them to the Treasury, transactions still required scrutiny before inputting into SmartStream. Eight (8) incorrect classifications of accounts for goods and services were found.

3.32 **RECOMMENDATIONS**

1. A thorough analysis should be carried out on the Consulate's monthly expenditure statements and vouchers to ascertain the following and effect adjustments where necessary:

   a. the large balance of EC$1,667,369.35 in the Advance Account;
   b. the difference of EC$124,324.86 in expenditure not cleared; and
   c. the excess amount of EC$39,107.90 in expenditure cleared in the Treasury and Accounting Services' Accounts for the period audited.

2. The Consul General should ensure that expenditure for goods and services is appropriately classified in accordance with the Accounting Service's Chart of Accounts.

3. The Ministry of Foreign Affairs etc. should scrutinise the monthly statements submitted by the Toronto Consulate, to ensure that transactions are appropriately classified, prior to submission to the Treasury Department for processing in the expenditure accounts.

4. The incorrect classified accounts should be journalised in SmartStream.

5. A copy of the monthly journals should be transmitted to the Consul General to assist the Office in reconciling its monthly accounts and to address any errors occurring therein.

Recruitment of Temporary Workers

3.33 An accountant was engaged twice at the Consulate, for July 20 to September 16, 2020, and from March 2021. However, the Permanent Secretary of the Ministry of Finance approval was also provided for in the earlier period. A relief worker was hired from April 19 to May 6, 2022, but no approval was submitted for audit examination, despite the Consul General's claim of approval inspection.

RECOMMENDATION

3.34 The Consul General should seek and obtain approval from the Permanent Secretary for hiring of temporary workers.

Monthly Statements and Transaction Reports

An examination of November 2020 statements and cheque counterfoils revealed that CAN $678.00 paid to ITEXXIA INC via Cheque No. 02675, dated November 17, 2020, was not recorded as an expense or in the November report. The bank account was debited for this amount in March 2021. A review of statements from December 2019, January 2020, August

2020, September 2020, February 2021, and March 2021 revealed discrepancies between opening and closing balances for subsequent months, as shown in Table 1.41.

Table 1.41

MONTHS	CLOSING BALANCES ($)	MONTHS	OPENING BALANCES ($)	DIFFERENCES ($)
December 2019	31,377.43	January 2020	30,777.43	600.00
August 2020	75,536.50	September 2020	75,546.94	10.44
February 2021	129,753.59	March 2021	129,075.59	678.00

RECOMMENDATIONS

3.35 The Consul General should ensure that:

1. all transactions are included in the monthly statements and brought to account in SmartStream; and
2. the monthly statements should be adjusted to reflect the correct closing or opening balances.

Goods and Services Harmonise Sales Tax (HST)

3.36 During the previous audit, CAN$3,038.92 for HST from 2016-2017 was outstanding but was remitted on December 9, 2019, via Cheque No. 2688. It was recorded in the Accountant General's Reimbursement Revenue Account. However, the paid HST amounts already cleared from the Expenditure and Advance Accounts were not reversed.

RECOMMENDATION

3.37 The sum of $3,038.92 remitted to the Accountant General for HST and credited to the Reimbursement Account should be journalized in the Expenditure and Advance Accounts.

Accounting for Cheques and Cheque Counterfoils

3.38 In line with Regulation 153 of the Finance Administration Regulations, 2009, cheques must be issued in ascending serial number order. It was found that the issued Cheque Nos. 002827, 002825, 002826, 002828, and 002829, were not in order. These cheques are for rent payments for the Consulate's residence. Additionally, six cancelled cheques were not attached to their counterfoils, violating regulation 155(c). The Consul General and Administrative Assistant were notified, and efforts were made to locate the missing cheques. Five were found and attached, but Cheque No. 2893, which was sent to a client and subsequently cancelled, was not recovered for attachment.

RECOMMENDATIONS

3.39 The Consul General should ensure that:

1. cheques are issued in ascending order of their serial numbers; and
2. cancelled cheques are attached to the matching counterfoils.

Procurement of Furniture for Consulate's Office

3.40 An amount of CAN$2,341.22 (EC$4,900.00) was remitted to the Consulate via Advance Warrant No. 94/20 on September 23, 2020, to be accounted upon receipt of monthly statements from the Capital Account 85-851901-1062 (Overseas Mission Enhancement Project/local loan). On March 13, 2021, CAN$2,655.47 / EC$5,651.11 was spent on furniture for the Consul General's residence, exceeding the budget by CAN$314.25 (EC$751.11).

3.41 Additionally, the expenditure was incurred in the financial year 2021, rather than 2020, and was cleared via Journal Voucher No. FACONTOR122020 in the financial year 2020, contrary to the Finance Administration Act and the Government's Cash Basis Accounting.

RECOMMENDATIONS

3.42 The Consul General should ensure funds remitted for asset procurement, to be cleared from a Capital Account, are expended, recorded, and processed within the same financial year in the Advance and Capital Accounts in SmartStream after receiving approval. This must follow the Finance Administration Act and Government's Cash Basis Accounting standards. Accounts Officers at the Ministry of Foreign Affairs and the Accountant General's Office should exercise due care when processing government accounts.

Salaries and Allowances

3.43 During the review period, the Toronto Consulate received CAN$505,920.08 in salaries and allowances, while CAN$539,552.40 was paid instead of CAN$531,629.92, resulting in an overpayment of CAN$7,922.48. This discrepancy arose from using incorrect exchange rates instead of the approved EC$2.10 to CDN$1.00 for calculating exchange loss, as per the January 31, 2019, Cabinet Memorandum.

3.44 Between April and July 2020, salaries and allowances were not remitted to the Consulate because, due to COVID-19, they were deposited directly into officers' bank accounts. Summaries of remitted, payable, paid, and overpaid amounts from December 2019 to September 2022 are documented.

RECOMMENDATIONS

3.45 The Consul General should ensure that:

1. salaries and allowances are paid at the exchange rate of EC$2.10 to CDN$1.00 approved by Cabinet Memorandum dated January 31, 2019**;** and
2. the Officers repay the total overpayment of CAN$7,922.48.

Inventory at the Consul General's Residence and Consulate Office

3.46 A physical stock inventory was performed at the Consul General's Residence and the Consulate Office to verify whether acquired assets were properly recorded. It was observed that inventories were kept current and accurate; however, an Equipment Ledger was not maintained, contrary to Store Rules 48-51.

RECOMMENDATION

3.47 The Consul General should maintain an Equipment Ledger to account for assets acquired for use at the Consulate Office and Consul General's residence.

3.48 **Passport Records**

i. The passport records were reviewed for the period December 9, 2019, to November 4, 2022. The records were satisfactorily maintained except for the receipt books, which showed the following issues.

ii. words and figures were re-written and crossed out on some receipts; and

iii. correction was made in ink on a duplicate receipt, contrary to regulation 68(1) of the Finance Administration Regulations 2009.

3.49 Fees were collected in accordance with Passport Regulations SR&O No. 19 of 2014. A total of CAN$160,534.55 in passport and emergency certificate fees was remitted to the Immigration Department by the Consulate during the review period. This amount was recorded in SmartStream from December 2019 to November 2022. As of November 11, 2022, CAN$22,545.85 remained in the passport bank account.

RECOMMENDATIONS

3.50 Due care and diligence should be exercised by the staff of the Consulate Office in the issuance of receipts in order to ensure that:

I. receipts which are incorrect or spoiled are cancelled; and
II. the information on the duplicate receipt is not corrected, in conformity with the Finance Administration Regulations.

General Receipt Books

3.51 The general receipt books forwarded to the Consulate of St. Vincent and the Grenadines in Toronto were duly recorded in the Receipt Book Register and submitted by the Consulate for inspection. The register was kept in accordance with the Finance Administration Regulations of 2009.

Petty Cash Book

3.52 The Petty Cash records were not provided for inspection during the audit. The Consul General informed the auditors that the former Administrative Assistant did not relinquish the records related to petty cash. No petty cash was utilised during the period under review.

Certification of Documents - Other Receipts

3.53 The collection of monies for the preparation of correspondence to nationals, aimed at facilitating the issuance of Canadian or American driver's licenses, certification of documents, and proof of driver's permits for Vincentian nationals, has been discontinued.

CONCLUSION

3.54 Based on our audit procedures, we concluded that the activities at the Toronto Consulate fully complied with the established criteria. However, due to incomplete clearance and allocation of all expenditures to the relevant accounts, the actual spending and balances under the Expenditure and Advance Accounts are inaccurate for the period under review.

3.55 It is necessary that continuous training and improvements in managing the Consulate's Accounts by the Ministry's personnel are essential to enhance the accounting process. Staff at the Accountant General's Office must also exercise due diligence before approving transactions in SmartStream.

3.56 Furthermore, the Processing officer of the Ministry's accounts should communicate regularly with the Consulate and the Office of the Accountant General.

EMBASSY OF ST. VINCENT AND THE GRENADINES (SVG) TO THE BOLIVARIAN REPUBLIC OF VENEZUELA

3.57 A compliance audit was conducted at the Embassy of St. Vincent and the Grenadines (SVG) to the Bolivarian Republic of Venezuela for the period January 2016 to January 2022. The major findings of the audit are outlined hereunder.

MONTHLY EXPENDITURE

REMITTANCES TO FINANCE EXPENDITURE

3.58 A total of EC$757, 003.48 (US$278,627.64) in advances, was approved to finance the operations of the Embassy of St. Vincent and the Grenadines to the Bolivarian Republic of Venezuela, during the period January 2016 to January 2022, as shown at Appendix II. It was noted that the allotment of EC$50,000.00, for the first quarter of 2016, was remitted to the Minister Counsellor's account at Creska International (Creska), Miami, which was utilised by the Embassy, on 03/03/2016. Advance Warrant No 30/2016 refers. However, on 01/04/2016, due to banking regulations imposed on Venezuela by the United States of America, EC$49,229.11 of the amount remitted, was returned to the BOSVG and debited to the Accountant General's Current Account, resulting in a variance of $770.89. The variance was as a result of foreign exchange loss for return of the moneys remitted to Creska. The amount of $770.89 was accounted for in Smartstream.

3.59 Additionally, an amount of EC$42,368.78 approved via Advance Warrant No. 19/2021 and credited to the Minister Counsellor's account, was returned to the Accountant General's Current Account No.300001 at the BOSVG. Consequently, a total of $664,634.70 was received to defray expenses for the operation of the Embassy.

3.60 Pursuant to the imposition of banking regulations by the USA, and in order for the Embassy to receive funds for the year 2017 to finance operations, the MoFA made a decision to remit, via Advance Warrant, an amount of US$23,874.33 (EC$65,000.00) to the Minister

Counsellor's bank account No.1189128101 at Creska, Panama, in April 2017 for further transfer to the Embassy's bank account at Banco Bilbao Vizcaya Argentaria (BBVA) Provincial Bank, BBVA Provincial, Venezuela. However, no documented authority of the Accountant General, with the approval of the Minister of Finance, was provided for the operation of the Minister Counsellor's bank account on behalf of the Government, contrary to section 12 of the Finance Administration Act.

3.61 An examination of the Creska bank statement revealed that an amount of US$23,860.83 was credited to the Creska account on 4th April, 2017. Further, we noted that as at 1st April, 2017, the last date of transaction prior to the deposit, the account recorded a balance of US$768.06; however, we could not determine how much, if any, of the balance, was the property of the Embassy. An analysis of the Creska bank statement revealed that, of the amount of US$23,860.83 credited, a total of US$13,450.00 was transferred to the Embassy's bank account at BBVA Provincial, during the period 4th April, 2017 to 20th January, 2022, while a total of US$157.50, which represent monthly maintenance costs and transfer fees, was debited to the account. Consequent upon the transactions, as at 20th January, 2022 a balance of US$10,266.83 should have remained in the Creska account. However, the Creska bank statement showed a zero balance. Further, it was noted that a total of US$5,638.60, was credited to the account on behalf of the Minister Counsellor, during the specified period; however, a total of US$16,433.89, which represents cash transfers, cash withdrawals, visa credit card payments and fees associated with cash withdrawals and transfers, was debited to the account, resulting in a total of US$10,795.29 utilised in excess of the amount deposited by the Minister Counsellor.

3.62 Pursuant to the imposition of banking regulations by the USA, the Ambassador, in Memorandum SVGEMB/16 dated 12th September, 2018, to the Permanent Secretary, Ministry of Foreign Affairs etc., suggested as an interim measure to sanctions imposed by the United States of America on Venezuela, that cash in United States dollars be physically transported to the Embassy and stored in a vault, in order to defray payment of salary to staff and cater for the operational expenses of the Embassy, should the need arise. However, no approval was presented by the MoFA or the Embassy, to this request. Notwithstanding the absence of the requisite approval, a total of EC$599,634.70 ($664,634.70 - $65,000.00) was issued to the Minister Counsellor for the purchase of US dollars, during the period December 2018 to January 2022, for transportation to Venezuela. It was noted that the Minister

Counsellor was not named as the authorised recipient in the Advance Warrants approved by the Director General, Finance and Planning. Further, EC$20,080.24 of the amount issued to the Minister Counsellor, was transmitted to the Administrative Secretary and Chauffeur of the Embassy via MoneyGram, to finance operating expenses, while an amount of EC$784.41 was incurred for the transfer of funds. A balance of $578,770.05 should have been utilised for the purchase of US dollars to be transported to Venezuela, by the Minister Counsellor; however, only EC$198,741.24 received via Advance Warrant No. 20/2021, was verified by documentation presented by the Embassy, as being utilised for purchase of US dollars. The auditors were unable to determine whether (i) the difference of EC$380,028.81 ($578,770.05 - $198,741.24) received by the Minister Counsellor, was utilised to purchase US dollars, due to the absence of Receipts of Foreign Moneys Sold; and (ii) US dollars purchased, if any, were accounted for at the Embassy.

3.63 A summary of the total advances approved, amounts returned to the Accountant General's bank account and amounts entrusted to the Minister Counsellor, for the purchase of US dollars to be transported to the Embassy, Venezuela, during the period December 2016 to January 2022, are schematically expressed at Tables 1.42 and 1.43, respectively.

3.64 Table 1.42 shows the total advances approved and amounts returned to the Accountant General's bank account during the period December 2016 to January 2022.

Table 1.42

Description	Debit EC$	Credit EC$	Balance EC$
Total advances approved during the period January 2016 to January 2022.		757,003.48	757,003.48
Allotment of EC$50,000 for first quarter 2016, approved via Advance Warrant No. 30/2016, returned to BOSVG on 01/04/2016 from Creska International, Miami.	49,229.11		707,774.37
Loss on foreign exchange as a result of the return of EC$50,000.00 to BOSVG on 01/04/2016.	770.89		707,003.48
Portion of allotment approved via Advance Warrant No. 19/2021, returned from the Minister Counsellor's account, Creska International, Miami, and credited to the Accountant General's account No.300001, BOSVG.	42,368.78		664.634.70
Amount remitted to the Minister Counsellor's account No.1189128101, Creska, Panama, for further transfer to the Embassy's account at Banco Bilbao Vizcaya Argentaria (BBVA) Provincial Bank, BBVA Provincial, Venezuela.	65,000.00		599,634,70
Total cash which was entrusted to the Minister Counsellor, for the purchase of US dollars, to finance the operations of the Embassy.			**599,634,70**

Table 1.43 shows cash remitted to the Minister Counsellor during the period December 2018 to January 2022, which could not be determined whether the amount was utilised for the purchase of US dollars.

Table 1.43

Description	Amount EC$	Balance EC$
Cash remitted to Minister Counsellor, for purchase of US dollars to be transported to the Embassy, Venezuela.	599,634.70	**599,634,70**
Cash transmitted to the Administrative Secretary and chauffeur at the Embassy, via MoneyGram, to finance operating expenses and partial payment of salaries.	20,080.24	579,554.46
Fees for the transfer of cash via MoneyGram.	784.41	578,770.05
Cash utilised for purchase of US dollars, as verified by documentation.	198,741.24	**380,028.81**
Total cash for which it could not be determined, whether the amount was utilised for the purchase of US dollars, due to the absence of Receipts of Foreign Moneys Sold.		**380,028.81**

3.65 RECOMMENDATIONS

- All bank accounts operated on behalf of the Government, should be approved by the Accountant General, on approval by the Minister of Finance, in accordance with the Finance Administration Act;
- The Minister Counsellor should account for or reimburse the amount US$10,111.44 utilised from the Embassy's funds at Creska International, Panama;
- The transportation of cash from St. Vincent and the Grenadines to an Embassy or Consulate, by a public officer, should be approved by the requisite authority;
- Receipts for Foreign Moneys Sold, for US dollars purchased by the Minister Counsellor during the period December 2018 to January 2022, should be presented and cash accounted for by the Ambassador;
- Receipts for Foreign Moneys Sold, should be retained by the Embassy, to enable validation of foreign moneys purchased by the Director of Audit; and

- Accounting records inclusive of cash book should be maintained by the Embassy to account for the receipt and disbursement of cash from the vault.

ACCOUNTING FOR UNITED STATES (US) CASH ON HAND

3.66 The Embassy retains US dollars on hand, which is secured in a vault for the payment of salaries and wages, incidentals and other operating expenses. It was noted; however, that:

- no accounting records were maintained by the Embassy, to account for the receipt and disbursement of cash from the vault; and
- cash withdrawn from the vault was not deducted from the balance reported on the reconciliation statement.

3.67 Therefore, the auditors could not determine whether US dollars; and the amount purchased was accounted for in the vault for the period December 2018 to January 2022.

3.68 Further, during an examination of the expenditure records, the auditors noted a correspondence to the Minister Counsellor from the Administrative Secretary, informing of defective US dollars totalling US$1,129.00, (EC$3,014.43). The defective cash was returned to SVG by the Minister Counsellor in March 2020, to be exchanged by the BOSVG. However, the US cash was not returned to the Embassy.

RECOMMENDATION

3.69 The amount of US1,129.00 (EC$3,014.43) which represents defective cash, should be accounted for and remitted to the Embassy, by the Minister Counsellor.

HANDING OVER AND HANDING OVER STATEMENT

3.70 A handing over and handing over statement of the Embassy's US dollars, accounting records, keys, furniture and equipment, were not done and prepared by the Ambassador, contrary to regulation 223 (1) & (2) and regulation (3), respectively, of the Finance Administration

Regulations, Chapter 252 of the Laws of St. Vincent and the Grenadines, Revised Edition, 2009. The Administrative Secretary intimated that the US dollars was left in the vault by the Minister Counsellor. Accordingly, the auditors could not determine the value of US dollars on hand at the time the Ambassador demitted office.

RECOMMENDATION

3.71 A handing over and handing over statement of the Embassy's US dollars, accounting records, keys, furniture and equipment, should be done and prepared by the demitting officer, in accordance with the Finance Administration Regulations.

TRANSFER OF FUNDS VIA MONEYGRAM

3.72 During the period 30th November, 2020 to 19th May, 2021, EC$20,864.65 inclusive of transfer fees of EC$784.41 was utilised from Advances by the Minister Counsellor, to remit US$7,508.92 via MoneyGram, to the Administrative Secretary and Chauffeur at the Embassy, for partial payment of salary and to defray operating expenses. An examination of the MoneyGram transfer receipts revealed that US$6,940.00 was received in US cash by the Administrative Secretary and Chauffeur, while the difference of US$568.92 was converted to Bs.$208,869,194.00, and deposited to their bank accounts. A perusal of the monthly statements prepared by the Embassy for the period 30th November, 2020 to 19th May, 2021, revealed that the US amounts remitted were accounted for on the reconciliation statements. It was also noted that the amount of EC$20,864.65 inclusive of transfer fee of EC$784.41, was accounted for in the Treasury Accounts.

CLASSIFICATION OF EXPENDITURE

3.73 It was noted that the narration on the invoices and the amounts paid for goods and services agreed with the narrative on the expenditure vouchers. All expenditure vouchers issued were approved by the Ambassador or the Minister Counsellor and approval for payments were sought from the requisite authority.

3.74 However, in some instances, accounts were incorrectly classified on the payment vouchers and expenditures incurred were not charged to the appropriate accounts in the government's accounting system, SmartStream. In accordance with the guidelines for processing statements at the overseas Mission/Consulates and Embassies (the Guidelines), provided by the Ministry of Foreign Affairs etc, a payment voucher must be prepared for each expense. We found that there was an absence of payment vouchers to account for bank charges debited to the Creska account for the transfer of funds from the Creska account to BBVA. Further, these expenses were not accounted for on the monthly reconciliation statements and brought to account in the Treasury Accounts.

3.75 Additionally, an indemnity form was not attached to some invoices to substantiate refunds to individuals who made purchases on behalf of the Embassy, contrary to the Government's accounting policy and the Guidelines. Also, we found that a rate was recorded on some payment vouchers, which was used to convert Bolivar to US dollars. However, the US equivalent stated could not be derived. Consequently, the EC equivalent, could not be determined.

3.76 **RECOMMENDATIONS**

- A payment voucher should be prepared for each direct debit transaction from the Embassy's bank account;
- All expenses should be accounted for on the monthly reconciliation statements;
- An indemnity form should be attached to invoices, to substantiate refunds to individuals who made purchases on behalf of the Embassy; and
- Diligence should be exercised in the recording of exchange rate and computation of equivalence of foreign currency on payment vouchers, to prevent arithmetic inaccuracies.

ACCOUNTING FOR EXPENDITURE

3.77 A total of EC$469,943.16 was expended to procure goods and services for the Embassy and residence for the period under review. As at January 31, 2022, a total of EC$445,174.71 was processed in the Expenditure and Advance Accounts in SmartStream. We noted that a total of EC$111.12 was processed in excess of the monthly expenditure, while a total of $24,879.57

was not processed in the expenditure accounts and a total of $16,262.78 was cleared from the Advance Account No. 20-62184-6267 of the Embassy of Cuba. As at January 31, 2022, a balance of EC$426,049.06 had accumulated in the Advance Account.

3.78 **RECOMMENDATIONS**

- The total of EC$111.12 processed in excess of the monthly expenditure should be adjusted in the accounts;
- The amount of EC$24,879.57 which was not processed in the expenditure accounts, should be reviewed and the necessary adjustments made to the accounts;
- An analysis should be done on the Embassy's monthly expenditure statements and vouchers to ascertain the balance of EC$426,049.06 in the Advance Account and effect adjustments where necessary; and
- The amount of $16,262.78 cleared from the Advance Account of the Embassy of Cuba, should be adjusted in the accounts.

REFUND OF RENT FOR AMBASSADOR'S RESIDENCE

3.79 A rental contract was entered into between Mr. Guido Zecchini, the Lessor, and Mr. Andreas Wickham, Ambassador, on June 21, 2012, for rental of property to be used as the official residence of the Embassy of St. Vincent and the Grenadines. According to Clause Fifteen of the contract, as a guarantee of the proper conservation of the Property and its accessories and furniture listed to the annexed inventory, given to the Lessee, the Lessee was required to give the Lessor as a deposit, the amount of eighteen thousand U.S. dollars (US$18,000.00), equivalent to three (3) months rent, which will be paid at the signing of the said contract. Further, the Contract states that the Lessor should return the deposit thirty (30) days after the vacancy of the property, once the Lessor has checked that the Property has been returned in the same condition established in Clause Three of the Contract and that all the receipts of the services have been paid.

RECOMMENDATION

3.80 The Permanent Secretary, Ministry of Foreign etc. should, through the St. Vincent and the Grenadines Embassy, Venezuela, investigate whether the Property which was leased as the official residence of the Embassy of St. Vincent and the Grenadines, was returned to the Lessor in accordance with Clause Three of the contract. In addition, where Clause Three was satisfied, the Permanent Secretary should ascertain whether the deposit of US$18,000.00 was returned to the Lessee by the Lessor and that the amount was brought to account in the Accountant General's bank account.

REFUND OF TAXI FARE

3.81 A scrutiny of the payment vouchers and petty cash vouchers for the period under review, revealed that during the period 12/04/2016 to 05/03/2018, a total of Bsf337,100.00 (EC$188.19) was refunded to the Minister Counsellor from the Embassy's operating account for taxi fares. However, the Minister Counsellor receives transport allowance at a monthly rate of EC$801.91; hence, taxi fares are not reimbursable.

RECOMMENDATION

3.82 The amount of EC$188.19 refunded to the Minister Counsellor for taxi fares should be reimbursed to the Embassy.

UTILISATION OF THE EMBASSY'S FUNDS FOR PAYMENT OF WAGES AND FOOD ALLOWANCE TO TEMPORARY HOUSEKEEPER, AND DEFRAYING SOCIAL SECURITY AND CONTRIBUTING TO RETIREMENT FUND FOR THE HOUSEKEEPER

3.83 A house keeper was employed at the Ambassador's residence with effect from August 1, 2012. As the employer, the Ambassador was required to meet the statutory obligation for social security and retirement fund.

3.84 In order for the statutory obligation to be realised, an arrangement must be made with a corresponding bank to facilitate a direct payment to the responsible entity's bank account. We found that the Embassy's current account at the Banco Bilbao Vizcaya Argentaria (BBVA) Provincial bank was used to facilitate the payments for the housekeeper's social security and retirement contribution. During the period January 2016 to January 2022, Bsf8,055,826.89 (EC$254.98) was paid to the Institute of Venezuela Social Security (IVSS) for social security, which represents the employee's and employer's 4.5% and 13% contributions, respectively. In addition, an amount of Bsf7,023,748.99 (EC$267.27) was deposited to the housekeeper's bank account, under a sub account for the retirement fund. Although documentation submitted by IVSS was provided, outlining the total contribution due for social security, we were unable to determine the contribution payable by the employee and employer, as the social security is payable on a fluctuating minimum wage. The expenses related to the social security and retirement fund should have been met from the household allowance paid to the Ambassador, to defray maintenance cost of the residence, including housekeeping services, in accordance with the Memorandum from the Permanent Secretary, Foreign Affairs, dated 30th January, 2006.

3.85 An examination of the reconciliation statements and the BBVA bank statement revealed that the employer's contributions for social security and retirement fund for the aforesaid period, were not refunded to the Embassy's current account. An amount of Bsf158,335.45 (EC$77.60) was repaid by the housekeeper for the 4.5% employee's contribution for the period 2016 to 2019. However, there was no evidence of refund made to the Embassy's current account on behalf of the housekeeper, for the period 2020 to 2022.

3.86 In addition, we found that during the period 30th April to 29th May, 2018, an amount of Bs13,302,205.00 (EC$168.10) was expended from the Embassy's operating account, to meet the payment of wages and food allowances to the temporary housekeeper, while the housekeeper was on sick leave. The amount of Bs13,302,205.00 (EC$168.10) should have been financed by the Ambassador.

3.87 **RECOMMENDATIONS**

- The total amount of EC$690.35 ($254.98 +$267.27+$168.10) which represents amount paid for social security and contribution to retirement fund for the

Ambassador's housekeeper, and wages and food allowance paid to the temporary housekeeper, should be reimbursed by the Ambassador; and

- The Permanent Secretary should ensure that all expenses related to the housekeeper employed at the Ambassador's residence, are defrayed by the Ambassador.

CHEQUES AND CHEQUE COUNTERFOILS

3.88 In accordance with regulation 155 of the Finance Administration Regulations, cancelled cheques should have the word "CANCELLED" in upper case letters written or stamped across the face of the cheques. We found a total of twenty (20) cheques were cancelled during the period 2016 to 2020; however, the word "CANCELLED" was not written or stamped across the face of the cheques, contrary to the Finance Administration Regulations.

3.89 We found instances where the payment voucher numbers referenced on the cheque counterfoils were not related to the cheques. Cheques were not drawn in ascending order of their serial numbers, contrary to regulation 153 of the Finance Administration Regulations 2009. A scrutiny of cheque book No. 701-750 revealed that although the cheque book was incomplete, cheque book No. 751 to 800 was utilised during the period 2018. Similarly, all of the cheques were not utilised from cheque book No. 821 to 850, during the year 2020.

3.90 **RECOMMENDATIONS**

- Spoiled cheques should be cancelled in accordance with regulation 155 of the Finance Administration Regulations 2009.
- Due diligence should be exercised to ensure that cheque numbers and information on cheques issued, are recorded on the cheque counterfoil and cheque numbers agree with numbers recorded on payment vouchers.
- Cheques should be drawn in ascending order of their serial numbers in accordance with regulation 153 of the Finance Administration Regulations 2009.

VERIFICATION OF CLOSING AND OPENING BALANCES FOR THE EMBASSY'S BBVA CURRENT ACCOUNT AND CRESKA US ACCOUNT.

3.91 Pursuant to the new banking regulations imposed on Venezuela by the United States of America, two (2) currencies were used to conduct business on behalf of the Embassy. The Bolivars was used to conduct online payment for utilities, communication expenses, social security, retirement fund and other expenditures; while the US dollars deposited to the Minister Counsellor's account at the Creska International Bank, Panama, was utilised to facilitate the payment of medical insurance for the Ambassador and Minister Counsellor, vehicle insurance, suppliers' payment and to transfer money to the Current Account at BBVA Provincial.

3.92 An examination of the statements for the Embassy's Current Account at the BBVA Provincial and the Minister Counsellor's account at Creska International, Panama, revealed the following:

- the rate utilised in the conversion of the Bolivar to US dollar, was not provided, to aid in the computation of the Eastern Caribbean (EC) dollars equivalent, in order to determine whether the EC dollars closing and opening balances on the Current Account, agreed with the EC dollars closing and opening balances on the reconciliation statements;
- there were instances when transfer of funds detailed on the Creska International bank statements, could not be traced to the BBVA Provincial Bank statements and were omitted from the reconciliation statements; and
- there were instances where amounts recorded on the reconciliation statements as expenses from the Creska International account, could not be traced to the bank statement.

3.93 Further, examination of the reconciliation statements revealed the following:

- an amount of US$100 (EC$271.69) was deposited to the BBVA Provincial in the month of December 2021; however, an amount of EC$462.00 instead of

EC$271.69 was stated on the reconciliation statement, resulting in the overstatement of the closing balance on the Current Account for December 2021 by EC$190.31;

- as at 20th January, 2022, the Creska International bank statement showed a zero balance, while the reconciliation statement reported a closing balance of US$1,786.00 (EC$4,852.38) as at 31st January, 2022; and
- incorrect amounts were reported for some expenses, which resulted in the balances being either overstated or understated.

3.94 As a result of the foregoing, the closing and opening balances on the statements for the BBVA Current Account and Creska US dollars Account did not reconcile with the closing and opening balances on the reconciliation statements prepared by personnel at the Embassy.

RECOMMENDATION

3.95 Due diligence should be exercised by the person responsible for processing the accounts at the Embassy, to prevent the recording of inaccurate information on the monthly reconciliation statements.

EQUIPMENT LEDGER AND INVENTORY

3.96 There was no evidence to prove that a handover of the Government's assets at the Embassy and residence, was conducted prior to the Ambassador's demitting office on the 31st January, 2022, which contravened regulation 223 (1) (2) & (3) of the Finance Administration Regulations.

3.97 Also, we found that an equipment ledger was not maintained to account for and ensure the safekeeping of government's assets, neither were inventory sheets prepared in accordance with Store Rules 48 and 51. Notwithstanding the foregoing, electronic listings of the inventories for the residence and Embassy were maintained to account for all items acquired by the Embassy.

3.98 A physical stock count of the inventories of the Embassy and the residence was conducted on the 5th and 14th December, 2022, respectively, to ascertain whether items procured or otherwise acquired, were accounted for. We noted that furniture and household items, which were procured at a cost of US$61,636.41 and utilised at the Ambassador's residence, were stored at the Embassy and occupy most of the Embassy's space. The current Ambassador stated that he is residing in a fully furnished residence; hence, it was not necessary to utilise the inventories. All inventories for the residence and Embassy were accounted for, with the exception of a Banana Art that was donated to the Embassy of Guyana by the Ambassador.

3.99 **RECOMMENDATIONS**

- An Equipment Ledger and inventory sheets should be maintained to account for and ensure safe keeping of government's assets, in accordance with Store Rules 48-51.
- The Permanent Secretary, Ministry of Foreign Affairs etc. should seek approval from the Ministry of Finance for the disposal of the inventories from the Ambassador's residence.

PETTY CASH BOOK

3.100 A surprise survey of the petty cash was conducted on the 5th December, 2022. The cash on hand was BsS1,160.00.

3.101 The petty cash records were examined for the period January 2016 to January, 2022. We noted that an amount of Bsf15,000.00 was approved for the operation of the petty cash; however, during the months of August and October 2016 and January 2017, there were increases to the petty cash, in the amounts of Bsf5,000.00, Bsf10,000.00 and Bsf20,000.00, respectively, increasing the amount to Bsf50,000.00. Further inspection of the records revealed that due to the frequent increases in the exchange rates between the Bolivar and the US dollar, it was necessary to increase the amount in order to facilitate the increase in prices for products and services.

3.102 A scrutiny of the petty cash vouchers also revealed that the petty cash was used to facilitate the payment of utility bills, wages for cleaners, taxi fares and other minor operating expenses incurred by the Embassy and the Ambassador's residence. It was noted, that the petty cash balance as at 31st August, 2018 was Bsf99,756.24. No petty cash transactions were recorded for the period September to December 2018, however, on 1st January, 2019, the petty cash resumed with an opening balance of BsS2,000.00, resulting in a difference of Bsf97,756.24 unaccounted for. As at 31st July, 2019, the closing balance was BsS1,123.00; BsS37.00 short of the total amount computed during the surprise cash survey. Subsequent to July 2019, no petty cash transactions were seen.

3.103 Notwithstanding the aforementioned findings, we noted that all transactions were supported by petty cash vouchers and receipts. Vouchers were accounted for in the petty cash log and in the months in which the transactions occurred. The petty cash account was reconciled to ensure all payments did not exceed the amount approved and replenished with the amount expended as recorded on the petty cash vouchers. In addition, all petty cash vouchers were also brought to account in the Accountant General's account.

RECOMMENDATION

3.104 An explanation should be provided by the Ambassador for the difference of Bsf97,793.24 in the petty cash balances for the period 31st August, 2018 to 1st January, 2019.

CONCLUSION

3.105 Based on audit procedures, we concluded that the activities at the Embassy of SVG to the Bolivarian Republic of Venezuela, in all material respect, were not in compliance with the established criteria. The auditors were unable to determine (i) whether all monies disbursed to the Minister Counsellor were utilised for the purchase of US dollars and (ii) the correctness of the opening and closing balances for cash on hand, Current and US Accounts on the reconciliation statements, due to the following:

i. absence of the Receipt of Foreign Monies Sold from the Bank of St. Vincent and the Grenadines, to validate the amount of US dollars purchased from the Advances approved during the period December 2018 to June 2021;
ii. absence of a cash book to account for the receipt and disbursement of US cash, which contravenes section 12 of the Finance Regulation, 2009;
iii. the absence of rates for the conversion of Bolivars to US dollar, to facilitate computation of the EC amounts; and
iv. absence of documentations to substantiate some payments detailed on the bank statement for the Minister Counsellor's account at Creska International Bank, Panama.

3.106 Also, we concluded that since (i) all recurrent expenditure were not processed and charged to the relevant accounts; (ii) amounts in excess of the monthly expenditure submitted were charged to the accounts; (iii) expenses incurred for June 2019 and May 2020 were charged to the Advance Account of the Embassy of Cuba; and (iv) expenses related to the statutory payments for the housekeeper were defrayed from the Embassy's operating account, the actual expenditure reflected in the Embassy's Expenditure and Advance Accounts are inaccurate.

3.107 Further, an equipment ledger was not maintained to account for government's assets and there was no evidence that a handover of the Government's assets for the Embassy and residence was conducted, prior to the Ambassador demitting office on the 31st January, 2022, which contravened Store Rule 51.

3.108 To prevent recurrence of the foregoing, it is incumbent on the Permanent Secretary/Ministry of Foreign Affairs etc. to ensure that:

i. there is strict compliance to the Finance Administration Act and Regulations, 2009 and Store Rules; and
ii. the audit recommendations are implemented to correct the deviations identified; thereby improving the accounting processes for the Embassy of SVG to the Bolivarian Republic of Venezuela.

CONTROL AND MANAGEMENT OF PUBLIC FINANCE

PART IV

Key Highlights

- Responsibility for the control and management of Public Finance

- General Observations
    - Arears of Revenue Returns
    - Special Warrants
    - Virement Warrants
    - Imprest Warrants
    - Surprise Surveys

PART IV

CONTROL AND MANAGEMENT OF PUBLIC FINANCE

Responsibility for the Control and Management of Public Finance

4.1 Section 4 (1), Part II of the Finance Administration Act CAP 252 confers responsibility for managing and controlling public money inter alia upon the Minister, the Director General and the Accountant General. Further, section 7 (6) of the said act allows the Accountant General to delegate any of his/her responsibilities except for issuing financial instructions to a Public Officer. A Public Officer is designated as an Accounting Officer pursuant to section 8 of the Finance Administration Act.

4.2 Critically, in the discharge of his/her duties, Accounting Officers are responsible for ensuring that adequate and effective internal control mechanisms are developed and implemented to ensure that the Government's assets and resources are protected against irregularities and fraud. Such responsibilities are not absolved by the proper discharge of duties by the Accountant General or by audits conducted by the Director of Audit.

General Observations

Arrears of Revenue Returns

4.3 Regulation 99 of the Finance Administration Regulations, 2009 states:-

99 (1) A collector of revenue shall, in respect of revenue for whose collection he is responsible

(a) submit, not later than thirty days after the end of the reporting financial year, to the Accountant General in the form prescribed by the Accountant General, return of arrears of revenue for the reporting financial year and the previous six financial years; and

(b) submit, not later than seven days after the last day of the month, monthly reports of arrears of revenue from the reporting financial year and the previous six financial years that are recovered in the reporting month.

(2) If the day mentioned in sub-regulation (1) (a) or (b) is not a business day, then the return shall be filed on the next following business day.

(3) A nil annual return or a nil monthly report shall be submitted by each collector of revenue when no arrears of revenue have accrued in the financial year or there is no recovery of arrears in the month, as the case may be.

4.4 It was noted that the financial statements submitted by the Accountant General for the fiscal year 2023 lacked a Statement of Revenue Arrears by Detailed Object Code, as required by section 49 (4) (k) of the Finance Administration Act. The Treasury Department Circular (TR/12) dated November 27, 2023, issued to Permanent Secretaries and Heads of Departments, outlined matters consequent to the closure of the 2023 financial year, including the submission of Returns of Arrears of Revenue in accordance with Regulation 99. However, based on discussions with the Accountant General, the required returns were not received.

4.5 The statement of arrears of revenue holds considerable significance for the management of public revenue. Therefore, the failure of revenue collectors to comply with the filing requirement indicates a breakdown in accountability and transparency. The information regarding the total amounts owed to the state is critical to the Government to assess revenue performance, efficiencies in revenue collection, and arrears management. It is also fundamental to the overall fiscal planning and fiscal policy framework. Revenue performance and arrears management are also closely related to debt financing decisions and the ability to undertake government-planned expenditures.

4.6 Consequently, it is recommended that the Accountant General exercise her authority to ensure that the Accounting Officers responsible for revenue collection prepare and submit the monthly and annual reports on revenue arrears within the timeframe stipulated by the Regulation.

Special Warrants

4.7 Section 28 (1) of the Finance Administration Act confers upon the Minister of Finance the authority to approve special warrants that authorise disbursements from the Consolidated Fund. Such disbursements may be required to address unanticipated expenses that are either unallocated or insufficiently allocated, pending the authorisation of expenditures in a Supplementary Appropriation Act. Nonetheless, this section stipulates that the total amount of authorised spending through special warrants, which is not ratified by supplementary appropriation acts, shall not exceed the limit established by resolution of the House of Assembly.

4.8 Additionally, section 28 (2) stipulates that: "A special warrant may be issued provided that the amount in the Contingencies Fund does not exceed the amount established by resolution of the House of Assembly for the Contingencies Fund."

4.9 Throughout the financial year 2023, 117 special warrants culminating in an aggregate value of $119,742,683.55, were issued and not approved in a supplementary appropriation act. Memorandum dated 30th March, 2026, from the House Assembly, indicated that based on their records, a resolution was not passed to establish the maximum aggregate amount for expenditures via special warrants for financial year 2023. The ceiling established for financial year 2022 was forty million dollars ($40,000,000.00).

4.10 The expenditures authorised via special warrants were distributed as $54,435,895.84 – Capital and $65, 306,787.71 - Recurrent. Special warrants issued exceeded the prior year's amount by $39,603,172.07 or 49.4%. The details of expenditures authorised by special warrants are shown in Appendix VI.

Virement Warrants

4.11 Section 30 of the Finance Administration Act, CAP 252, 2009 Revised Edition, states:

"…..if, in the opinion of the accounting officer, the exigencies of the service render it necessary or expedient to vary the amount assigned to any programme within an expenditure vote as shown in the annual or supplementary estimates of expenditure for a financial year, he may, subject to any order of the Minister under subsection (3), direct by means of a virement warrant under his hand that savings arising from an item of expenditure vote contained in the annual or supplementary estimates approved by appropriation Act or supplementary appropriation Act be applied in aid of another item in the expenditure vote contained in the annual or supplementary estimates if the amount of the appropriation is not thereby exceeded."

4.12 During the financial year 2023, 173 virement warrants were issued, amounting to $5,401,009.04. However, the total virement warrants processed in SmartStream amounted to $5,292,019.04 - $108,990.00 less than the warrants approved. The principal difference occurred from the omission of two (2) warrants totalling $109,000.00. The omission of one(1) virement warrant resulted in over expenditure in the accounts of $94,558.43, as highlighted in Appendix III.

Imprest Warrants

4.13 According to section 33 of the Finance Administration Act, the Accountant General, authorised by an imprest warrant from the Minister, can issue imprests from the consolidated fund to public officers for small payments that are impractical to process through the Treasury. However, any officer issued an imprest must retire it by the end of the financial year or any earlier date specified in the imprest warrant or by the Accountant General.

4.14 At the end of the financial year 2023, an outstanding amount of $7,77.71 was reflected on the imprest accounts.

4.15 In instances where a public officer neglects to retire an imprest as stipulated in subsection (2), such imprest shall be regarded as a liability of the public officer to the Government. Consequently, the Accountant General may invoke the right of set-off in accordance with section 37 of the aforementioned Act concerning the noted indebtedness.

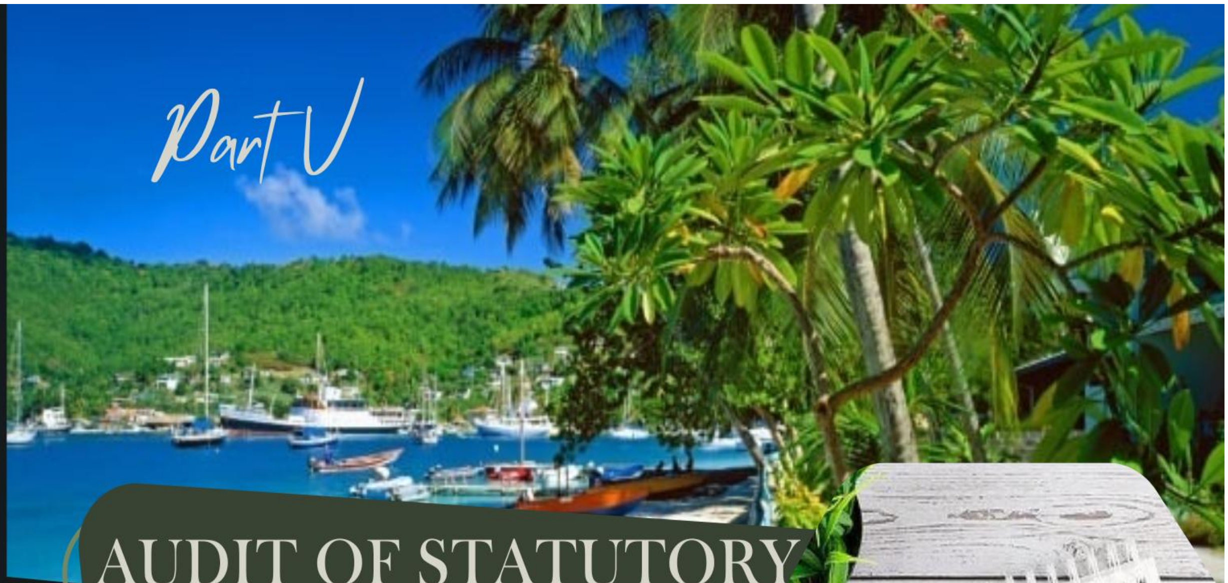
Surprise Surveys

4.16 The Audit Office employs surprise surveys as a key monitoring tool to ensure that adequate controls and governance structures are established to promote proper accountability and the management of the Government's financial resources. Surprise surveys are conducted spontaneously and periodically at revenue offices throughout St. Vincent and the Grenadines. A greater frequency of these surveys enhances the Audit Office's vigilance and is expected to improve compliance with financial rules and regulations while minimising instances of financial irregularities and mismanagement.

4.17 During the financial year 2023, eighty-five (85) surprise cash surveys were conducted. Overall, a satisfactory compliance level was observed among revenue collectors, with revenue collections properly brought to account in a timely manner. However, exceptions were noted at the Canouan Secondary School and the Stubbs Post Office, where deficiencies were identified, namely, the non-maintenance of a cash book for the recording of cash collections for the Book Loan Scheme, cash collections amounting to $11,560.00 not being brought to account in a cash book, and the non-recording of 29 five-dollar revenue stamps totalling $145.00 in the Revenue Stamps Register.

4.18 The results of the surprise surveys revealed no significant misconduct or mismanagement of financial resources.

Part V



AUDIT OF STATUTORY BODIES

Key Highlights

1. Audit of Statutory Bodies conducted by the Audit Office:-
   - Zero Hunger Trust Fund
   - SVG Community College
   - SVG Bureau of Standards
2. Audit of Statutory Bodies conducted by External Auditors:-
   - Financial Services Authority
   - SVG Postal Corporation
   - SVG Petrocaribe (Special Purpose) Fund
   - Roads Buildings and General Services Authority

PART V

AUDIT OF STATUTORY BODIES

5.1 The authority of the Director of Audit to conduct audits of the financial statements of statutory bodies is predicated upon:

- section 13 (1) of the Audit Act, chapter 245 of the Laws of St. Vincent and the Grenadines, Revised Edition, 2009; and
- the governing legislations of the respective statutory bodies

5.2 The audit universe of statutory bodies consists of thirty-five entities located in St. Vincent and the Grenadines. Of these, five audits are undertaken by the Audit Office, while an additional five are outsourced to external auditors, as permitted by Section 9 (1) (ii) of the Audit Act, Chapter 245 of the Laws of St. Vincent and the Grenadines, Revised Edition, 2009. The low percentage coverage ratio of 10% is attributable to the limited availability of trained officers in financial statement auditing.

Audit of Statutory Bodies Conducted by the Audit Office

5.3 During the financial year 2023, three (3) statutory body audits were conducted by the Audit Office and the reports submitted to the designated authority (see table 144 below).
presented
thereunder.

Table 1.44

Name of Statutory Body	Financial Year Audited	Report Issued to	Date Report Issued
Zero Hunger Trust Fund	2020	Minister of Tourism etc. & Board of Trustees	19-Mar-2023
St. Vincent & the Grenadines Community College	2017	Minister of Finance & Board of Trustees	21-Jun-2023
St. Vincent & the Grenadines Bureau of Standards	2018	Minister of Agriculture etc. & Board of Trustees	12-Jul-2023

Zero Hunger Trust Fund

5.4 The purpose of the Zero Hunger Trust Fund is to provide the resources necessary to finance the eradication of hunger in St. Vincent and the Grenadines. The Zero Hunger Trust Fund is primarily funded by the levy imposed on users of telecommunications services for all local and international telephone calls initiated from St. Vincent and the Grenadines. The audited financial statements of the Zero Hunger Trust Fund, for the year ended December 31, 2020, were issued on March 23, 2023.

5.5 The financial statements which were prepared under the Cash Basis of Accounting reported:

- Total Receipts: $2,888,150
- Total Payments: $3,964,957

5.6 The audit report expressed an unqualified opinion.

5.7 Internal control weaknesses identified during the audit primarily concerned payroll inconsistencies and delayed statutory remittances:

Payroll Discrepancies

5.8 The Project Coordinator was paid a salary in excess of her contract, while the Field Service Officer's salary was also inconsistent with the stipulated contract. Management indicated that employees' contracts were received subsequent to the commencement of their tenure.

Late NIS and PAYE Remittances

5.9 National Insurance Contributions and PAYE deductions were in some instances remitted past the legal deadlines. As per management's response, NIS records were received late.

St. Vincent and the Grenadines (SVG) Community College

5.10 St. Vincent and the Grenadines Community College plays a pivotal role in providing post-secondary and tertiary education in St. Vincent and the Grenadines, aiming to foster the holistic development of learners, enabling them to contribute proactively to a changing society, function effectively in the workplace and pursue further studies. The SVG Community College is an amalgamation of the following four existing Divisions:

- Arts, Science and General Studies;
- Teacher Education;
- Nursing Education; and
- Technical and Vocational Education.

5.11 The audited financial statements of the SVG Community College, for the year ended December 31, 2017, were issued on June 21, 2023, and reported:

- Total net assets: $47,889,524
- Total Income: $15,925,769
- Total Expenses: $16,178,865
- Deficit: $253,096

5.12 The audit report expressed an unqualified opinion.

5.13 During the audit, discrepancies related to missing documentation, statutory delinquencies, and revenue and human resources management were noted.

Missing Documentation

5.14 Management was unable to provide invoices to substantiate over $200,000 in expenditures (including repairs, supplies, and fixed assets) or several receipt books used for revenue collection. Based on management's response, mold remediation in 2017 resulted in the loss of some receipt books and other paper documents.

Tax and Other Statutory Obligations

5.15 PAYE deductions were not remitted on time, resulting in the Inland Revenue Department (IRD) garnishing $282,716.34 from the College. Management indicated that the subvention received for payment of salaries was inadequate to cover PAYE payments.

5.16 Furthermore, pension contributions for transferred officers transferred from the Central Government were not recorded or paid.

Revenue Controls

5.17 Amounts received for various fees were recorded as lump sum receipts without detailing individual fees collected. Thus, the accuracy of the fees collected could not be determined. In addition, user fees collected were not in accordance with the approved fee schedule in some instances.

HR Controls

5.18 Several lecturers were found to be working without formal letters of appointment

Reporting

5.19 The College did not submit an Annual Report for review as required by the SVG Community College Act.

St. Vincent and the Grenadines (SVG) Bureau of Standards

5.20 The principal activities of the Bureau of Standards involve promoting the widespread adoption and implementation of standards that align with national and internationally harmonised benchmarks, as well as fulfilling the obligations set out in the weights and measures legislation.

5.21 The audited financial statements of the Bureau of Standards, for the year ended 31st December, 2018, were issued on 12th July, 2023 and reported:

- Total net assets: $2,144,908
- Total Revenue: $1,161,657
- Total Expenses: $1,003,616
- Surplus: $158,041

5.22 The audit report expressed an unqualified opinion.

5.23 The audit identified lapses in governance, financial reporting, and administrative oversight:

Governance Failure

5.24 A National Standards Council meeting was held without a quorum, rendering its decisions null and void; however, directors still received attendance allowances.

Remuneration and Pension Obligations

5.25 The Deputy Chairman was paid allowances exceeding the rates approved by the Cabinet. Management indicated that it was unaware of the incorrectness of the paid amount, noting that it was consistent with the sum that had traditionally been paid while SVGBS operated as a department of a Ministry.

5.26 Additionally, there was no documentation to support salaries and allowances paid to an employee transferred from the Public Service, and some staff salaries did not align with the scales stated in their appointment letters.

5.27 It was also noted that the Bureau failed to satisfy the pension contribution obligations for employees who were transferred from the public service (Sec 6, Public Officers (Transfer to Undertakings) Act, CAP 277 refers).

Statutory Non-Compliance

5.28 The Bureau failed to submit an Annual Report for audit review as required by the Standards Act.

Financial Control and Reporting Weaknesses

5.29 Accounts receivable schedules were not reconciled to the general ledger, and management did not assess the receivable balance for impairment to ensure its accuracy. Bank reconciliations also lacked evidence of independent review.

Administrative oversight:

5.30 Management was unable to provide a formal lease agreement for its rented premises, and the Fixed Asset Register included $22,914.60 in equipment without detailed descriptions.

Audit of Statutory Bodies Conducted by External Auditors

5.31 As outlined below, four (4) audits of statutory bodies as delegated under section 9 (1) (ii) of the Audit Act were performed by external auditors during the financial year 2023.

Financial Services Authority

5.32 The Financial Services Authority (FSA) has the responsibility for regulating, supervising and developing the international financial services and non- bank financial services sector in St. Vincent and the Grenadines.

5.33 The audit of the financial statements for the year ended December 31, 2022, was conducted by Grant Thornton Chartered Accountants.

5.34 An unqualified opinion was issued on June 29, 2023.

St. Vincent and the Grenadines (SVG) Postal Corporation

5.35 The St. Vincent and the Grenadines Postal Corporation primarily offers postal services, postal money order sales and encashment, the production and sale of both regular and commemorative stamps, and money transfer services through MoneyGram.

5.36 The financial statements for the year ended December 31, 2022, were audited by KDLT Chartered Certified Accountants.

5.37 An unqualified opinion was issued on November 15, 2023.

St. Vincent and the Grenadines (SVG) PETROCARIBE (Special Purpose) Fund

5.38 The purpose of the PETROCARIBE (Special Purpose) Fund is to provide the resources necessary to advance the social and economic programs of the public and private sector of St. Vincent and the Grenadines.

5.39 The financial statements for the year ended December 31, 2020, were audited by BDO Eastern Caribbean.

5.40 An unqualified opinion was issued on February 13, 2023.

Roads, Buildings and General Services Authority

5.41 The Roads Buildings and General Services Authority is responsible for the management and supervision of the construction and maintenance of roads and buildings, seawalls, jetties and similar public infrastructure, the maintenance of rivers, the stone crushing quarrying and construction operations and other related services of the Government of St. Vincent and the Grenadines.

5.42 The financial statements for the year ended December 31, 2020, were audited by BDO Eastern Caribbean.

5.43 An unqualified opinion was issued on October 19, 2023.

PART VI

APPENDICIES

APPENDIX I
LIST OF AUTHORITIES FOR EXPENDITURE 2023

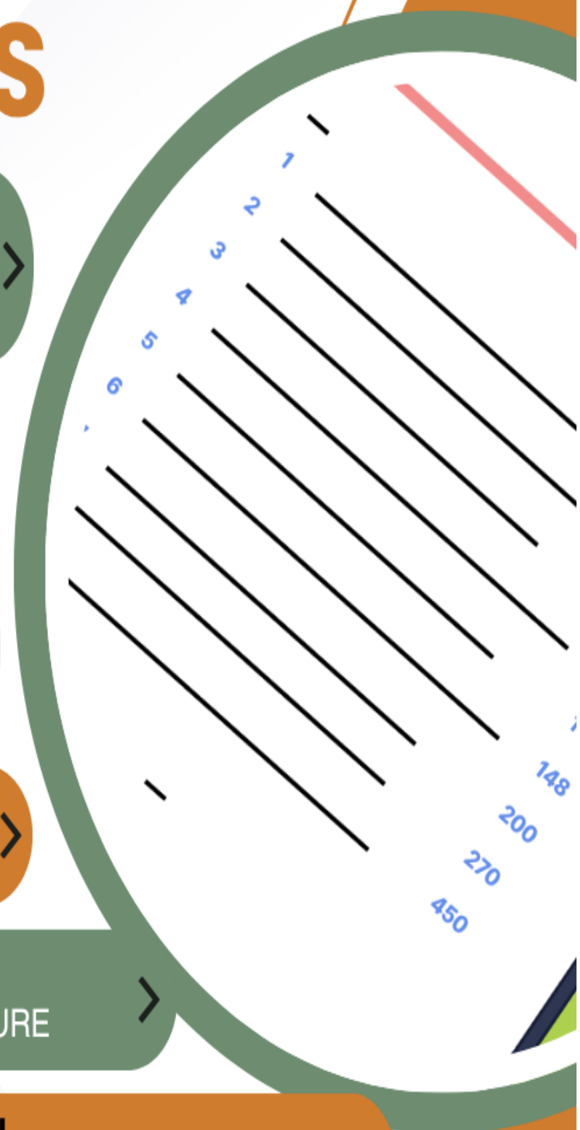
APPENDIX II
FINANCIAL STATEMENTS

APPENDIX III
EXCESS EXPENDITURE UNDER RECURRENT ACCOUNTS 2023

APPENDIX IV
REVISED CAPITAL EXPENDITURE SPENT

APPENDIX V
PUBLIC DEBT REPAYMENT STRUCTURE

APPENDIX VI
SPECIAL WARRANTS APPROVED FOR CAPITAL AND RECURRENT EXPENDITURE



APPENDIX I

LIST OF AUTHORITIES FOR EXPENDITURE 2023	
Authorities	**Details**
Estimates of Revenue & Expenditure	Passed in the House of Assembly on December 13, 2022.
Appropriation Act, 2023	Act #1/2023 of 12/01/2023
Provisional General Warrant	No. 1/2023 dated 20/12/2022
General Warrant	General Warrant 2023, signed by the Minister of Finance on 13/01/2023
Supplementary Appropriation Act, 2023	Act#24/2023 - $78,200,000.00 Act#25/2023 - $34,986,911.22 Act#26/2023 - $34,253,566.92 Act#27/2023 - $32,073,891.62 Act#28/2023 - $23,984,319.64
Special Warrants	117 - $119,742,683.55
Virement Warrants	
Approved	173- $5,410,009.04
Recorded in Smart Stream	171- $5,292,019.04

FINANCIAL STATEMENTS

APPENDIX III

EXCESS EXPENDITURE UNDER RECURRENT ACCOUNTS 2023

ACCOUNT	DESCRIPTION	ESTIMATES 2023 $	REVISED ESTIMATES 2023 $	ACTUAL EXPENDITURE 2023 $	MORE THAN REVISED ESTIMATES $
EXCESS EXPENDITURE WITHOUT THE APPOPRIATE AUTHORITY					
MINISTRY OF FINANCE					
21113	Policy Planning and Administration - Allowances	50,463.00	55,463.00	57,884.89	2,421.89
	SUB TOTAL	**50,463.00**	**55,463.00**	**57,884.89**	**2,421.89**
MINISTRY OF EDUCATION, ETC.					
21111	Special Education Services - Personal Emoluments	2,137,056.00	2,137,056.00	2,162,719.06	25,663.06
21113	Special Education Services - Allowances	21,260.00	21,260.00	27,975.69	6,715.69
21113	Adult and Continuing Education - Allowances	233,392.00	233,392.00	235,828.65	2,436.65
21113	Pre-Primary and Primary Education - Allowances	708,440.00	708,440.00	720,529.43	12,089.43
21111	Secondary Education- Personal Emoluments	42,641,916.00	43,152,392.00	43,818,033.73	665,641.73
21113	Secondary Education - Allowances	691,677.00	691,677.00	762,889.68	71,212.68
	SUB TOTAL	**46,433,741.00**	**46,944,217.00**	**47,727,976.24**	**783,759.24**
TOTAL					**786,181.13**
EXCESS EXPENDITURE DUE TO ERRORS					
MINISTRY OF FINANCE					
22321	Policy Planning and Administration - International Travel Charges	200,000.00	257,308.34	351,866.77	94,558.43
	SUB TOTAL	**200,000.00**	**257,308.34**	**351,866.77**	**94,558.43**
MINISTRY OF AGRICULTURE, FORESTRY AND FISHERIES					
28212	Fisheries Services- Contribution - Foreign Organization	150,000.00	150,000.00	226,605.00	76,605.00
	SUB TOTAL	**150,000.00**	**150,000.00**	**226,605.00**	**76,605.00**
TOTAL					**171,163.43**
Total Excess Expenditure					**957,344.56**

APPENDIX IV

REVISED CAPITAL EXPENDITURE SPENT

Project Title	Estimates 2023 $	Revised Estimates 2023 $	Actual Expenditure 2023 $	Revised Spent (excess of actual over estimates) $
Autonomous Departments				
Purchase of Vehicle Audit Department	123,700.00	175,546.26	151,332.99	27,632.99
	123,700.00	**175,546.26**	**151,332.99**	**27,632.99**
Office of the Prime Minister				
Refurbishment of the Office of the Prime Minister	60,000.00	200,000.00	199,999.20	139,999.20
Purchase of Furniture and Equipment II	1,200,000.00	1,335,000.00	1,332,784.56	132,784.56
	1,260,000.00	**1,535,000.00**	**1,532,783.76**	**272,783.76**
Ministry of Public Service, etc.				
Improvement to Arnos Vale Sporting Complex	2,950,000.00	16,280,597.71	8,487,210.75	5,537,210.75
ICC/CWI T20 Tournament Bid Fee	-	1,225,000.00	1,222,605.00	1,222,605.00
	2,950,000.00	**17,505,597.71**	**9,709,815.75**	**6,759,815.75**
Ministry of Finance, etc.				
Human Development Service Delivery Project	6,140,500.00	8,813,724.29	8,793,724.29	2,653,224.29
Promoting Youth Micro Enterprises (PRYME)	600,000.00	780,000.00	710,675.92	110,675.92
Acquisition of Buccament Bay Resort	-	4,148,000.00	-	-
Relief and Recovery Coordination Unit	400,000.00	470,066.00	466,100.85	66,100.85
Volcanic Eruption Emergency Project (VEEP)	20,850,000.00	22,831,595.66	18,856,662.30	-
Offering National Support for Internship Training	1,390,000.00	2,230,918.00	1,933,754.78	543,754.78
Strengthening Health System Resilience	15,000,000.00	16,599,193.00	1,267,220.25	-
Purchase of BOSVG Building	-	7,400,000.00	7,400,000.00	7,400,000.00
Purchase of First St. Vincent Bank	-	4,200,000.00	4,200,000.00	4,200,000.00
Refurbishment of ITSD	-	190,000.00	-	-

Project Title	Estimates 2023 $	Revised Estimates 2023 $	Actual Expenditure 2023 $	Revised Spent (excess of actual over estimates) $
CDEMA- Post Volcanic Eruption Response	-	758,363.44	745,705.44	745,705.44
	44,380,500.00	**68,421,860.39**	**44,373,843.83**	**15,719,461.28**
Ministry of Mobilisation, etc.				
Housing Reconstruction Rehabilitation Project	5,500,000.00	12,238,044.02	9,191,180.87	3,691,180.87
Community Centre Development	3,376.00	5,884.00	-	-
Home Reconstruction Project - Phase II	7,250,000.00	7,283,314.38	2,790,230.25	-
	12,753,376.00	**19,527,242.40**	**11,981,411.12**	**3,691,180.87**
Ministry of Education, etc.				
Purchase of Furniture and Equipment Phase IV	850,000.00	1,212,015.00	1,193,975.76	343,975.76
	850,000.00	**1,212,015.00**	**1,193,975.76**	**343,975.76**
Ministry of Agriculture, etc.				
Conserving Biodiversity and Reducing Land Degradation	50,000.00	325,617.00	310,384.16	260,384.16
Rural Development -BNTF 10	7,353,200.00	7,419,496.86	5,811,809.65	-
Food Safety Certification System - Livestock Production and Trade	20.00	16,928.00	15,685.31	15,665.31
	7,403,220.00	**7,762,041.86**	**6,137,879.12**	**276,049.47**
Ministry of Transport, etc.				
National Disaster Management Rehabilitation	4,227,630.00	5,914,605.00	3,575,197.81	-
National Disaster Management Reconstruction	5,935,400.00	7,093,125.00	2,409,332.48	-
Project Mgt Implementation and Support	350,000.00	410,310.00	366,494.50	16,494.50
Construction of Secondary, Village and Feeder roads	7,850,800.00	10,408,781.90	9,197,592.25	1,346,792.25
Upgrading of School Premises	1,000,000.00	2,013,671.00	2,013,671.00	1,013,671.00
Sandy Bay Sea Defenses Resilience Project	8,071,200.00	8,856,666.07	2,929,178.06	-
Diamond and Brighton Footbridge	-	60,114.08	-	-
CDB Project Management Implementation Support Unit	1,161,500.00	1,217,685.71	1,109,762.41	-

Project Title	Estimates 2023 $	Revised Estimates 2023 $	Actual Expenditure 2023 $	Revised Spent (excess of actual over estimates) $
National Road Rehabilitation Project	27,000,000.00	30,812,934.35	28,933,482.38	1,933,482.38
	55,596,530.00	**66,787,893.11**	**50,534,710.89**	**4,310,440.13**
Ministry of Urban Development, etc.				
Geothermal Development Project	10.00	13,626.00	13,616.00	13,606.00
Port Redevelopment Project	89,525,200.00	163,525,200.00	162,728,549.27	73,203,349.27
	89,525,210.00	**163,538,826.00**	**162,742,165.27**	**73,216,955.27**
Ministry of Health, etc.				
PAHO/WHO Project II	600,000.00	620,480.64	88,515.32	-
Purchase of Vehicles Phase II	130,000.00	315,865.00	278,796.48	148,796.48
	730,000.00	**936,345.64**	**367,311.80**	**148,796.48**
Ministry of Foreign Affairs, Commerce and Trade				
Pro-Tempore - President of the Community For	10.00	543,748.00	537,300.12	537,290.12
	10.00	**543,748.00**	**537,300.12**	**537,290.12**
Ministry of Tourism, etc.				
Villa Beach Facility	46,200.00	107,318.48	45,044.73	-
Rehabilitation of Villa Board Walk	34,700.00	149,586.99	114,886.99	80,186.99
Brighton Salt Pond Beach Facility-Phase 11	-	45,000.00	27,509.13	27,509.13
UNDP MSMEs Tourism Project	-	41,310.00	41,310.00	41,310.00
	80,900.00	**343,215.47**	**228,750.85**	**149,006.12**
Total	**215,653,446.00**	**348,289,331.84**	**289,491,281.26**	**105,453,388.00**

APPENDIX V

PUBLIC DEBT REPAYMENT STRUCTURE

Maturity Year	Domestic Debt Obligations	External Debt Obligations	Total Debt Obligations	Percentage of Total Debt Maturing	Cumulative Percentage of Debt Maturing
2024	127,224,372.10	246,799.95	127,471,172.05	5.4%	5.4%
2025	41,529,542.51	11,200,688.13	52,730,230.64	2.2%	7.7%
2026	93,374,689.35	8,462,643.35	101,837,332.70	4.3%	12.0%
2027	83,715,433.50	15,611,231.23	102,326,664.73	4.4%	16.4%
2028	63,770,977.80	14,952,003.71	78,722,981.51	3.4%	19.7%
2029	74,710,179.23	18,062,223.81	92,772,403.04	4.0%	23.7%
2030	57,167,315.79	127,276,969.81	184,444,285.60	7.9%	31.5%
2031	11,000,000.00	44,663,685.28	55,663,685.28	2.4%	33.9%
2032	-	15,519,614.35	15,519,614.35	0.7%	34.6%
2033	34,977,625.50	17,221,506.50	52,199,132.00	2.2%	36.8%
2034	-	56,406,787.24	56,406,787.24	2.4%	39.2%
2035	10,250,000.00	9,529,408.00	19,779,408.00	0.8%	40.0%
2036	31,570,859.94	5,809,683.15	37,380,543.09	1.6%	41.6%
2037	25,000,000.00	50,197,274.12	75,197,274.12	3.2%	44.8%
2038	-	33,750,000.00	33,750,000.00	1.4%	46.3%
2039	-	11,518,946.18	11,518,946.18	0.5%	46.8%
2040	-	2,782,784.35	2,782,784.35	0.1%	46.9%
2041	-	4,907,561.85	4,907,561.85	0.2%	47.1%
2042	-	71,034,825.22	71,034,825.22	3.0%	50.1%
2043	-	54,912,494.48	54,912,494.48	2.3%	52.5%
2044	-	4,893,162.50	4,893,162.50	0.2%	52.7%
2045	-	290,689,174.56	290,689,174.56	12.4%	65.1%
2046	-	39,612,099.25	39,612,099.25	1.7%	66.7%
2047	-	126,811,395.86	126,811,395.86	5.4%	72.2%
2049	66,000,000.00	-	66,000,000.00	2.8%	75.0%
2050	-	326,447.63	326,447.63	0.0%	75.0%

Maturity Year	Domestic Debt Obligations	External Debt Obligations	Total Debt Obligations	Percentage of Total Debt Maturing	Cumulative Percentage of Debt Maturing
2051	-	3,999,550.77	3,999,550.77	0.2%	75.1%
2052	-	13,687,062.25	13,687,062.25	0.6%	75.7%
2054	-	78,800,802.34	78,800,802.34	3.4%	79.1%
2055	-	957,192.44	957,192.44	0.0%	79.1%
2057	-	35,843,540.34	35,843,540.34	1.5%	80.7%
2058	-	5,249,329.20	5,249,329.20	0.2%	80.9%
2059	-	82,950,216.43	82,950,216.43	3.5%	84.4%
2060	-	145,717,153.74	145,717,153.74	6.2%	90.6%
2061	-	178,801,869.23	178,801,869.23	7.6%	98.2%
2062	-	12,051,237.40	12,051,237.40	0.5%	98.8%
2064	-	5,858,794.50	5,858,794.50	0.2%	99.0%
2071	-	23,393,521.82	23,393,521.82	1.0%	100.0%
Total	**720,290,995.72**	**1,623,709,680.97**	**2,344,000,676.69**	**100.0%**	**-**

APPENDIX VI

SPECIAL WARRANTS APPROVED FOR CAPITAL AND RECURRENT EXPENDITURE

CAPITAL			
Warrant No.	**Source of Funds**	**Particulars**	**Amount**
Autonomous Departments			
53	1062	Procurement of Audit Office vehicle	**51,846.26**
Office of the Prime Minister			
4	1062	Retrofitting of offices for Department of Higher Education	90,000.00
20	1062	Refurbishment of the Office of the Prime Minister	50,000.00
25	1062	Replacement of Government Printery Air Conditioning Units	135,000.00
SUBTOTAL			**275,000.00**
Ministry of the Public Service, etc.			
66	1062	Arnos Vale Sporting Complex Upgrades (ICC 2024 T20 World Cup)	13,330,597.71
71	1062	Facilitate payment of 50% of ICC T20 bid	1,225,000.00
SUBTOTAL			**14,555,597.71**
Ministry of Finance, Economic Planning, etc.			
21	1062	Finalizing designs and ESIA for the Anos Vale Acute Care Hospital and advertising expense	1,599,193.00
39	1062	Purchase and retrofitting of the Egmont St. Building.	7,400,000.00
54	3604	Implementation Volcanic Eruption Emergency Project	1,981,595.66
58	3275	Journalize ON-SITE programme expenditure	840,918.00
70	1001	Compensate land owner and mortgage holder for land acquired at Buccament	4,148,000.00
73	1062	Salary payments for employees of the Relief, Recovery and Coordination Unit	70,066.00
88	1062	Repairs to the ITSD building	190,000.00
95	1062	Finance PRYME grants	180,000.00
112	3636	Journalise Human Development Service Delivery Project expenditure	2,673,224.29
116	2264	Payment of Post Volcanic Eruption Response Project expenditure	758,363.44
SUBTOTAL			**19,841,360.39**

CAPITAL			
Warrant No.	**Source of Funds**	**Particulars**	**Amount**
Ministry of Mobilisation, etc.			
11	1062	Electrification of houses constructed at Orange Hill	33,314.38
30	1062	Settle outstanding costs related to 2022 Housing Reconstruction and Rehabilitation project.	4,848,680.10
40	1062	Repairs of homes damaged during the eruption and tropical storm Brett	1,889,363.92
79	1062	Completion of works on Community Centre Development Project for 2023	2,508.00
			6,773,866.40
Ministry of Education and National Reconciliation			
44	1062	Acquiring furniture for various schools.	**362,015.00**
Ministry of Agriculture, Forestry, etc.			
36		Financing Conserving Biodiversity and Reducing Land Degradation GEF-6 activities	275,617.00
62	1062	Food Safety Certification System-Livestock Production and Trade Project expenditure	16,908.00
115	1062	Journalize the BNTF 10th programme accounts for the fiscal year 2023	66,296.86
SUBTOTAL			**358,821.86**
Ministry of Transport, Works, etc.			
26	1062	Building of road in Brighton Bay Area by BRAGSA	2,999,934.35
41	1062	Upgrading of various school premises.	1,013,671.00
45	1062	Construction of 5 houses to relocate 5 families and complete construction of 2 houses	785,466.07
49	1062	Acquiring land and relocating families to facilitate the reconstruction of the God save the Queen Bridge	1,157,725.00
75	1062	Payment of Project Management Implementation Support expenditure (Cuban professionals' salaries and airfare, salaries for clerk of works assigned to various projects)	60,310.00
77	1062	Payment for contractual works and variation orders for the Diamond footbridge	60,114.08
105	1062	Payment of Withholding and Value Added Tax payments under the Natural Disaster Management Rehabilitation and Reconstruction Project.	1,686,975.00
110	3556	Journalise payments for civil works under the Construction of Secondary, Village and Feeder Roads Project	1,221,973.41

CAPITAL			
Warrant No.	**Source of Funds**	**Particulars**	**Amount**
111	2146	Journalise salary paid to employees of the Natural Disaster Management, Project Implementation and Management Unit.	56,185.71
113	3556	Journalise payments for Civil works under he National Agricultural and Feeder Roads Project	1,336,008.49
106	3277	Finance National Road Rehabilitation Project expenditure	813,000.00
SUBTOTAL			**11,191,363.11**
Ministry of Urban Development, etc.			
90	1062	Payment of wages for employees under Geothermal Development Project.	**13,616.00**
Ministry of Health, Wellness and the Environment			
19	2164	Process expenditure for the implementation of Strengthening of COVID-19 Vaccine roll out	20,480.64
51	1062	Purchase of two (2) Nissan Urvan passenger vans for the Ministry of Health etc.	185,865.00
SUBTOTAL			**206,345.64**
Ministry of Foreign Affairs and Foreign Trade			
5	1062	Retrofitting space, purchase of equipment and furniture and salaries and allowances for CELAC Secretariat	**543,748.00**
Ministry of Tourism, etc.			
2	3524	Cash support to micro small and medium businesses affected by Covid 19	41,310.00
34	1062	Remaining payment to contractor Williams Electronic Services Limited	45,000.00
35	1062	Minor construction at the Villa Beach Facility	61,118.48
87	1062	Final payment for rehabilitation of Villa Board Walk.	114,886.99
SUBTOTAL			**262,315.47**
TOTAL			**54,435,895.84**

Source of Funds:

- ***1001***- *Government of SVG*
- ***1062***- *Local Loans*
- ***2146*** - *CDB*
- ***2164*** – *Pan American Health Organisation*
- ***2264*** – *Caribbean Disaster Management Agency*
- ***3275*** - *Republic of China on Taiwan*
- ***3556*** -*OFID-OPEC Fund for International*
- ***3604*** – *European Union*
- ***3636*** - *OPEC OFID-OPEC Fund for International Development*
- ***3524*** – *United Nations Development Programme*
- ***3277*** -*Republic of China on Taiwan*

RECURRENT		
Warrant No	**Particulars**	**Amount**
Autonomous Departments		
69	Tuition payments for Vincentian students at G.G Foster College, Jamaica	1,000,000.00
72	Creation of new Senior Magistrate post (effective December 1, 2023)	13,119.00
78	Governor General's Office operating expense.	8,500.00
82	Utilities expense for the High Court, Registry and the Judges quarters.	93,000.00
93	Tuition payments to UWI Cave Hill.	1,000,000.00
94	Payment to Jurors for September to December criminal Assizes 2023.	22,000.00
101	Augment Personal Emoluments account which was over expended.	540,000.00
SUBTOTAL		**2,676,619.00**
Office of the Prime Minister		
16	Social Assistance - benefit in kind	1,000,000.00
32	Rental expenses for CELAC Secretariat	97,384.00
43	Establish new post of Director of Communications.	41,200.00
68	Supplies and materials for Government Printery	380,000.00
89	Replace equipment at the National Broadcasting Corporation	410,000.00
102	Salaries and overtime allowances for staff at Public Information Service	250,000.00
103	Supplement International Travel and Subsistence account.	270,000.00
104	Medical assistance for several nationals.	100,000.00
SUBTOTAL		**2,548,584.00**
Ministry of the Public Service, etc.		
52	Supplement wages account for salary increases.	1,980.00
63	Inter Primary and Secondary School Athletics Championships expenses	84,352.00
64	Inter Primary and Secondary School Athletics Championships expenses	36,000.00
		122,332.00
Ministry of Finance, Economic Planning, etc.		
6	Rent/ Accommodation for customs officers stationed in Union Island	24,200.00

RECURRENT		
Warrant No	**Particulars**	**Amount**
59	VAT refunds	2,000,000.00
65	Vincy Expo 2023 expenses	490,000.00
100	Premium cost for disaster risk	673,896.59
107	Government's contribution to NIS for December 2023.	777,500.00
108	Retirement benefits for the December 2023.	5,056,124.00
114	Journalise bond issued to liquidate Government's liabilities	7,751,583.00
117	Refinance existing long-term loan and partially liquidate overdraft	26,319,438.99
SUBTOTAL		**43,092,742.58**
Ministry of Mobilisation, etc.		
3	Assistance to fisher folk affected by the Sandals Beach Front construction	44,200.00
7	Assistance to fisher folk affected by the Sandals Beach Front construction	13,800.00
22	Residential care services cost for elderly housed at private facilities	135,000.00
83	Public assistance and other assistances for November to December, 2023.	326,600.00
SUBTOTAL		**519,600.00**
Ministry of Education and National Reconciliation		
29	Access funds donated for Resilient School Feeding Program by the FAO	32,385.00
47	Reemploy teachers who were deemed to have abandoned their posts	510,476.00
48	Reemploy teachers who were deemed to have abandoned their posts	487,232.00
55	Wages for September to December 2023	572,412.10
80	Wages for November and December 2023 (Secondary Education Program)	200,000.00
81	Wages for November and December 2023 (Pre-Primary and Primary Education Program).	520,908.87
109	Payment of emoluments for last quarter of 2023.	144,059.59
SUBTOTAL		**2,467,473.56**
Ministry of National Security, etc.		
23	Payment of contribution due to International Organization for Migration	17,917.00
56	Finance Cost Guard operating expenses (fuel , uniform, etc.)	250,000.00

RECURRENT		
Warrant No	**Particulars**	**Amount**
		267,917.00
Ministry of Agriculture, Forestry, etc.		
8	Compensation for losses on investment at the Montreal Greenhouse Park	25,000.00
12	Payment for tractor services - Agriculture Product Support Program	127,400.00
13	Payment to farmers who supplied produce under the Love Box Program and purchase of feed from ECGC	110,842.60
14	Vincy Expo booth preparation and Beekeeping Congress advertising expenses	17,168.00
15	Wages for Labour Intensive/Love Box Program	74,330.00
17	Payment for transportation of fertilizer and love boxes, accommodation for Global Medic Staff and lighting Geese Shed.	97,478.00
18	Payment for offloading fertilizer and Vincy Expo 2022 meals.	17,088.30
28	Payment for offloading and distributing fertilizer	9,300.00
31	Payment for transportation for the distribution of produce to the public.	71,832.60
33	Compensation for reassembling of greenhouse removed for construction of Sandals Resort	2,856.54
37	Ex-gratia payment to fishers affected by dredging activities in Brighton and Argle.	474,000.00
60	Payment of wages	190,992.48
61	Payment of wages	559,209.83
84	Payment of wages	766,022.17
85	Payment of wages	333,164.40
86	Payment of wages	45,071.75
SUBTOTAL		**2,921,756.67**
Ministry of Transport, etc.		
91	December 2023 Road Cleaning Program expenses	**3,150,000.00**
Ministry of Urban Development		
24	Payment of salary and allowance for new post of Senior Project Officer	**65,196.00**
Ministry of Health, Wellness and the Environment		
9	Outstanding contribution to Caribbean Public Health Agency	218,150.00
42	Payments to Cuban Medical Brigade.	365,230.72
50	Creation of two (2) new posts of Driver.	27,864.00

RECURRENT		
Warrant No	**Particulars**	**Amount**
67	Cover supplies and material cost	4,619,000.34
96	Payment of utility expense	412,052.70
97	Cover maintenance expense	296,109.75
SUBTOTAL		**5,938,407.51**
Ministry of Legal Affairs		
27	Payment of legal services provided to the Government in Claim SVGHCV2021/0053	60,000.00
46	Payment for legal advisory services provided to the Government regarding appeal against Decision in the Judicial Review case.	176,635.00
74	Professional fees for reviewing and amending notice of appeal	60,000.00
SUBTOTAL		**296,635.00**
Ministry of Foreign Affairs and Foreign Trade		
1	Contribution to CELAC Disaster Fund.	27,169.00
57	Settle outstanding invoices and provide for upcoming commitments relating to hosting activities.	250,000.00
76	Payment of contribution to Phase 1 of the Caricom's Good Offices Fund.	71,630.36
98	Hosting of Presidential Meeting on Matters Consequential to the Border Controversy between Guyana and Venezuela	200,000.00
SUBTOTAL		**548,799.36**
Ministry of Tourism, etc.		
10	Monthly stipend for making and compiling The History of SVG	88,000.00
38	Department of Culture One Family Concert Expenditure	500,000.00
99	Department of Culture One Family Concert Expenditure	102,725.03
SUBTOTAL		**690,725.03**
TOTAL		**65,306,787.71**

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