



---

**REPORT OF THE AUDITOR GENERAL**

**ON THE**

**AUDIT OF THE PUBLIC ACCOUNTS OF  
MONTSERRAT, WEST INDIES  
and other selected activities**

**FOR THE**

**FISCAL YEAR ENDED 31 MARCH 2022**



## OFFICE OF THE AUDITOR GENERAL

Government Headquarters • P.O. Box 23 • Brades • Montserrat

Tel. 664-491-3460/4569 Fax: 664-491-2460

Email: [audit@gov.ms](mailto:audit@gov.ms)

4 August 2023

AUD 7/24

Honourable Minister of Finance  
Ministry of Finance and Economic Management  
Government Headquarters  
Brades  
Montserrat

Sir,

In accordance with Sections 100 and 103 (2) of the Montserrat Constitution Order 2010 and Section 42(2) of the Public Finance (Management and Accountability) Act 2008, I forward, for laying before the Legislative Assembly, my Report on the examination of the Public Accounts of Montserrat, and of other financial statements and accounts required to be audited by me in respect of the financial year ending 31 March 2022.

Yours respectfully

Marsha V. E. Meade  
**AUDITOR-GENERAL (Ag)**

# TABLE OF CONTENTS

ABBREVIATIONS USED .....	iv
REPORT OF THE AUDITOR GENERAL .....	1
CHAPTER 1 GENERAL MATTERS .....	4
CHAPTER 2 TREASURY ACCOUNTS FOR FY 2021/2022 .....	13
CHAPTER 3 RETURNS BY ACCOUNTING OFFICERS FOR FY 2021/2022 ....	29
CHAPTER 4 OTHER FINANCIAL AUDITS.....	40
CHAPTER 5 PERFORMANCE/SPECIAL AUDITS.....	45
CHAPTER 6 IT AUDITS.....	56
CHAPTER 7 AUDITOR GENERAL'S OVERVIEW OF AUDIT OFFICE.....	60
APPENDICES.....	64

## ABBREVIATIONS USED

BOML	Bank of Montserrat Limited
BNTF	Basic Needs Trust Fund
CDB	Caribbean Development Bank
CAROSAI	Caribbean Organisation of Supreme Audit Institutions
DFID	Department for International Development
DITES	Department for Information and e-Government Services
ECCB	Eastern Caribbean Central Bank
EU	European Union
FCDO	Foreign and Commonwealth Development Office
FISCAM	Federal Information Systems Control Audit Manual
GOM	Government of Montserrat
GYFCE	Golden Years Foundation for Care of the Elderly
HRMU	Human Resource Management Unit
IDI	INTOSAI Development Initiative
INTOSAI	International Organisation of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
IRD	Inland Revenue Department
MATLHE	Ministry of Agriculture, Trade, Lands, Housing & the Environment
MCWEL	Ministry of Communication and Works, Energy and Labour
MOEYAS	Ministry of Education, Youth Affairs & Sports
MOFEM	Ministry of Finance and Economic Management
MOHSS	Ministry of Health and Social Services
MCSA	Montserrat Civil Service Association
MFSC	Montserrat Financial Services Commission
MICA	Montserrat Info-Communication Authority
MLDA	Montserrat Land Development Authority
MPA	Montserrat Port Authority
MPS	Montserrat Public Service
MSSF	Montserrat Social Security Fund
MVO	Montserrat Volcano Observatory
MUL	Montserrat Utilities Limited
OAG	Office of the Auditor General
PAC	Public Accounts Committee
PFMAA	Public Finance (Management and Accountability) Act
PFMAR	Public Finance (Management and Accountability) Regulations
RMPS	Royal Montserrat Police Service
SAI	Supreme Audit Institution

SPCCU  
SPDA  
UKOT

St Patrick's Co-operative Credit Union  
St Patrick's Day Association  
United Kingdom Overseas Territories

## **PREAMBLE**

### **Vision Statement**

The Office of the Auditor General (OAG) plays a crucial role in ensuring that public monies are spent wisely. Our vision is therefore



### **Mission Statement**

“The OAG is the national authority on public sector auditing issues and is focused on assessing performance and promoting accountability, transparency and improved stewardship in managing public resources by conducting independent and objective reviews of the accounts and operations of central government and statutory agencies; providing advice; and submitting timely Reports to Accounting Officers and the Legislative Assembly”.

### **The Goal**

Our goal is “to promote staff development, enhance productivity, and maintain a high standard of auditing and accounting in the public sector, thereby contributing to the general efficiency and effectiveness of public finance management”.



**REPORT OF THE AUDITOR GENERAL  
ON THE PUBLIC ACCOUNTS OF MONTSERRAT AND ON THE  
MINISTRIES, DEPARTMENTS AND STATUTORY AGENCIES  
FOR THE YEAR ENDING 31 MARCH 2022**

**QUALIFIED OPINION ON THE FINANCIAL STATEMENTS**

1. The Public Accounts of Montserrat for the financial year ended 31 March 2022 as defined by Schedule (Section 41) to the Public Finance (Management and Accountability) Act (herein after referred to as the PFMAA) have been audited. These Accounts comprise:

- Accounts to be submitted by the Accountant General;
- Accounts to be submitted by Accounting Officers.

2. In my opinion, except for the matters described in the Basis of Qualified Opinion paragraph, the accompanying financial statements referred to in paragraph one above present fairly, in all material respects, the financial assets and liabilities of the Government of Montserrat as at 31 March, 2022 and the revenue and expenditure of Government Ministries and Departments for the financial year ended 31 March, 2022 in accordance with the IPSAS cash basis of accounting.

**BASIS FOR QUALIFIED OPINION ON THE FINANCIAL STATEMENTS**

3. The 2021/22 Public Accounts were qualified for the following reasons:

- a) The fixed asset statement presented is materially misstated as not all transactions and assets were included, many of the Government-owned lands were not included in the assessment, other high value assets were omitted. Generally, the valuation report presented was inadequate as an assessment of the Government of Montserrat's properties;
- b) The arrears listing contains significant amounts that are deemed uncollectible for various reasons including that some of the entities no longer exist and some individuals have died. The figures thus presented in the statement provide an inaccurate picture of how much money can be collected;
- c) Expenditures incurred without the authorisation of a warrant provided by the Minister as mandated by Section 24 of the PFMAA.

4. The audit was conducted in accordance with accepted auditing standards, except for full independence of our Offices as required by ISSAI 10<sup>1</sup>. The Auditor General's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the above audit opinion.

---

<sup>1</sup> ISSAI 10 mandates that SAIs obtain full independence from the Executive Management of the Public Service. Our SAI has only partial independence as the budget for the Office of the Auditor General is controlled and managed by the Ministry of Finance and staff recruitment, management and dismissal are all managed by the Human Resource Management Unit.

## **RESPONSIBILITIES OF THE ACCOUNTANT GENERAL AND ACCOUNTING OFFICERS**

5. The Accountant General and Accounting Officers are responsible for the preparation and fair presentation of these financial statements in accordance with the accounting framework as prescribed by the Treasury, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
6. The Accountant General and Accounting Officers are also responsible for overseeing the financial reporting process of Ministries and Departments.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

7. The Auditor General's responsibility is to express an opinion on these financial statements based on the audit and to report thereon in accordance with section 103 of the Montserrat Constitution Order 2010 and section 42 (2) of the PFMAA.
8. The Auditor General's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes her opinion. Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with auditing standards 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 that users take on the basis of these financial statements.
9. As part of an audit in accordance with accepted auditing standards, the Auditor General exercises professional judgement and maintains professional skepticism throughout the audit. The Auditor General also:
  - Obtains an understanding of management's risk assessment processes for identifying and managing risks of material misstatements whether due to fraud or error, based on an understanding of the Government of Montserrat and its environment, including the internal controls.
  - Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud can involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
  - Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Evaluates the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. The Auditor General communicates with management and those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that were identified during the audit of the public accounts for the year ended 31 March, 2022.



## **SUBMISSION OF REPORT**

11. In accordance with Section 42 of the PFMAA, the Report is being submitted to the Minister of Finance for tabling in the Legislative Assembly.



**MARSHA V. E. MEADE  
AUDITOR-GENERAL (Ag)  
OFFICE OF THE AUDITOR-GENERAL  
MONTSERRAT  
4 AUGUST 2023**

## **CHAPTER 1 GENERAL MATTERS**

1.1 This chapter is intended to provide a broad overview of areas covered during the audit of the Public Accounts and the other audits undertaken. More detailed information, including control weaknesses and non-compliance with legal and other directives, can be found in Chapters 2 to 6. Chapter 7 will provide information on the operation of the Office of the Auditor General.

### **Constitutional and Legal Basis for the Audit**

1.2 The Auditor General has the responsibility of auditing the Public Accounts of Montserrat and of all public offices and public bodies established by an Act of Parliament and to provide a report on her findings to the Legislative Assembly as per Section 103 of the Montserrat Constitution Order<sup>2</sup> and Section 42(1) of the Public Finance (Management and Accountability) Act 2008.

### **Scope and Scale of the Audit**

1.3 This Report contains the findings of audits of the Statements mandated to be presented by the Accountant General and some of the accounts and transactions of Accounting Officers and Collectors of Revenue for the 2021/2022 fiscal year. These statements are for the central Government's Ministries and Departments only. Information of the audit status of statutory agencies and Government-owned companies is provided in Chapter 4.

### **Audit Objective**

1.4 The objective of the audit was to express an opinion as to whether:

- a) The financial statements presented by the Accountant General fairly present, in all material respects, the financial position of the Government of Montserrat.
- b) Appropriate internal controls systems existed and were adhered to, and
- c) Funds were expended in accordance with Legislative directives.

### **Criteria and Standards Used**

1.5 The Public Finance (Management and Accountability) Act (PFMAA), 2008, and the Public Finance (Management and Accountability) Regulations (PFMAR), 2009, were the main criteria used to conduct this audit. INTOSAI Auditing Standards and the IPSAS cash-modified basis of accounting were the main guidelines used to conduct the audit.

### **Audit Approach and Coverage**

1.6 In order to express a professional opinion on the public accounts of the Government of Montserrat, audits are carried out in accordance with the International Standards of

---

<sup>2</sup> See Appendix 2 for extract from Montserrat Constitution Order 2010

Supreme Audit Institutions (ISSAIs). Each audit is designed to provide assurance as to the propriety of the Government's financial transactions. Examinations of subsidiary books and records are conducted to determine the accuracy of the accounting records. The audit of all Ministries and Departments includes a general review of the accounting procedures and systems of internal control, together with such tests of the records and supporting documents as are considered necessary. Compliance with statutes, regulations, directives, and administrative requirements was also tested.

1.7 Sample testing, physical verification, cash surveys and site visits were employed as considered necessary within the constraints of available human resources.

1.8 We audited twenty-one statements that were prepared and presented in accordance with the PFMAA, with an additional two statements being prepared in line with IPSAS. At the audit planning stage, all 42 central government Ministries and Departments<sup>3</sup> were included in our sample. However, by adopting a risk-based approach, we focused the audit on those entities that had a performance materiality level<sup>4</sup> of 0.75% expenditure for the year<sup>5</sup>. As a result, Departments representing 98.9% of the GOM's total expenditures were subjected to substantive testing.

### **Summary of Significant Accounting Policies**

1.9 The Public Accounts are prepared on the modified cash basis of accounting. The cash method recognises income when it is received and expenses when they are paid. The recording of government transactions falls into three main categories: Recurrent Revenue, Recurrent Expenditure and Capital Expenditure. Liabilities are recognised in the form of Deposits and Special Funds.

### **Audit Findings**

1.10 Where possible, audit results have been discussed with relevant accounting personnel at the Treasury Department and with Accounting Officers within Ministries/Departments. In each case, audit findings have been discussed at audit closure meetings and communicated via either an audit report or memoranda addressed to the relevant officers.

### **Conclusions from the Audit of the 2021/2022 Accounts**

1.11 As outlined in the audit certificate, the audit opinion on the Public Accounts for the financial year ending 31 March 2022, was qualified for the following reasons:

---

<sup>3</sup> Ministries information would be included with their sub-units and presented at summary level for 14 Ministries and departments.

<sup>4</sup> Performance materiality level refers to 'the amount(s) set by the auditor to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements for the financial statements as a whole' does not lead to a material misstatement of the entire accounts.

<sup>5</sup> Any unit Ministry/Department with expenditure greater than \$1,018,390 was subjected to substantive testing.

- a) **Arrears of Revenue.** At the close of the fiscal year, Arrears of Revenue stood at \$34,051,005. We again highlight the fact that a number of these arrears are deemed uncollectible; that is, they have no real prospect of collection. Their inclusion materially overstates the collectible amounts. Action was taken to write off some amounts however, further effort is needed to present a more accurate statement.
- b) **Fixed Assets Statement misstated.** On examining the Statement of Fixed Assets, we noted that not all transactions and assets were included, and that many of the Government-owned lands and other high-value assets were not included in the Statement. Generally, the valuation report presented was inadequate as an assessment of the Government of Montserrat's properties. We are recommending continuous effort such as a general review of assets be conducted to ensure a more accurate reporting.
- c) **Over-expenditure.** Our review highlighted four instances where monies were expended in excess of that authorised for the line item. The amounts over-expended ranged from a low of \$2,356 to a high of \$90,584. This represents a breach of the financial regulations, which requires that all expenditures be authorised by warrant under the hand of the Minister, per Section 24 of the PFMAA. It is incumbent on Accounting Officers to regularly monitor their expenditure, and we recommend that timely reconciliations be undertaken to prevent these recurring over-expenditures.

## Analysis of financial Statements

1.12 **Revenue Collected.** The overall revenue for the year totaled \$136,775,116, which was \$5,809,486 less than the amount collected in the previous financial year. Taxes on International Trade & Transactions and Taxes on Arrears, Reimbursements and Hospital Receipts recorded the largest increases when actual collection was compared against budget.

1.13 **Summary of Recurrent Revenue.** A brief summary of recurrent Revenue is given below.

Recurrent Revenue for Fiscal Year 2021/2022				
	Approved Estimates \$	Actual Revenue 2021 \$	Actual Revenue 2022 \$	Increase (Decrease) \$
<b>Tax Revenue</b>	41,235,700	42,474,299	44,614,970	2,140,671
<b>Non-Tax Revenue</b>	6,966,300	6,502,720	7,625,273	1,122,553
<b>Special Budgetary Assistance</b>	86,140,000	93,607,582	84,534,872	(9,072,710)
<b>Total Revenue</b>	<b>134,342,000</b>	<b>142,584,601</b>	<b>136,775,116</b>	<b>(5,809,486)</b>

1.14 **Expenditure Control.** In addition to the Appropriation Act, three Supplementary Estimates and three Virement Warrants were issued to facilitate recurrent expenditure management.

1.15 **Recurrent Expenditure.** Total Recurrent Expenditure for the financial year was \$135,785,397. This was \$9,701,134 less than expenditure incurred in the prior financial year. Other Expenditure and Social Services had significant decreases of \$5.72M and \$4.41M respectively.

1.16 **Summary of Recurrent Expenditure.** A brief summary of the Recurrent Expenditure (by type of expenditure) is given below.

Recurrent Expenditure for Fiscal Year 2021/2022				
	Approved Estimate \$	Actual Expenditure 2021 \$	Actual Expenditure 2022 \$	Increase (Decrease) \$
Personal Emoluments	48,383,199	47,606,249	47,644,585	38,336
Pension & Gratuities	13,987,700	13,616,158	13,979,713	363,555
Goods & Services	45,413,400	42,558,260	42,839,231	280,971
Transfers & Subsidies	17,609,400	17,986,074	17,586,857	(399,217)
Social Services	4,655,400	9,051,834	4,633,935	(4,417,899)
Other Expenditure	8,060,000	13,594,293	7,869,933	(5,724,360)
Debt	1,232,900	1,073,663	1,231,143	157,480
<b>Total</b>	<b>139,341,999</b>	<b>145,486,531</b>	<b>135,785,397</b>	<b>(9,701,134)</b>

1.17 **Payment of Invoices.** We investigated a population of 22,344 invoices to determine whether payments were made within the policy deadline of 7 days. We found that 5,692 invoices were paid by the target deadline and 12,783 invoices were paid within eight to thirty days. However, 3,869 invoices remained outstanding after thirty days; this was an improvement (a reduction of 1,115 invoices) when compared to the prior financial year.

#### Summary of the Government's Financial Performance.

1.18 **Surplus.** For this financial year, a surplus of \$0.99M was reported. This was a \$4M improvement over the previous year. A summary of the GOM's financial performance over the 2020/21 and 2021/22 fiscal years is provided below.

	2020/2021 EC\$	2021/2022 EC\$
Revenue	142,584,601	136,775,116
Expenditure	145,486,531	135,785,397
Surplus/(Deficit)	(2,901,930)	989,719

## Summary of Government Financial Position

1.19 **Cash Position.** Details of cash available at the end of the fiscal year, together with the prior-year comparison, are provided below.

Description	Balances (EC\$) 31 March 2021	Balances (EC\$) 31 March 2022
Consolidated Fund	5,156,798	5,303,935
Development Capital Fund	26,633,557	34,693,686
Miscellaneous Funds	7,658,000	7,484,553
<b>TOTAL</b>	<b>39,448,355</b>	<b>47,482,174</b>

1.20 **Development (Project) Expenditure.** With respect to capital expenditure, the Appropriation Warrants authorised \$69,748,500 to be spent on project works undertaken during the fiscal year. Two Supplementary Estimates totaling \$688,000 and two reallocations totaling \$1,211,200 increased the amount to \$70,436,500. Actual expenditure was \$14,890,078, which was 21.1% of the amount allocated.

1.21 **Concerns over some Project Expenditure.** There were two instances where monies were expended in excess of that authorised. The amounts over-expended were \$369 for the Seabird Monitoring Project within the MAHLE and \$371,270 for the Protect and Enhance the Natural Environment Project within the Office of the Premier. Overall, the continued low utilization-rate is undermining the GOM's goal of implementing key infrastructure for our economic growth. Some projects' activities were finally completed, some are ongoing, whilst others are on hold or ceased.

1.22 **Arrears of Revenue.** At the close of the fiscal year, Arrears of Revenue stood at \$34,051,005. This has increased by \$3,781,932 when compared to the prior year's balance. We again highlight the fact that a number of these arrears are deemed uncollectible; that is, they seem to have no real prospect of collection. Their inclusion tends to distort collectible amounts. We note that some balances were written off, however further action is required to remove them from the arrears listing as these materially overstate the total amount.

1.23 **Public Debt.** This refers to payments for external and domestic debts with associated interest payments. For this fiscal year, a total of \$1.23M was paid as total debt. Balances for external and domestic debt are reported as \$8.36M and \$1.29M, respectively. Overall, public debt remains very low, both as a percentage of the annual budget, and as a percentage of Gross Domestic Product.

1.24 **Decrease in Outstanding Liabilities.** This Statement provides information on monies owed by the Government for goods and services procured, for outstanding contributions to regional and international organisations, and for monies owed to depositors of the now defunct Government Savings Bank. Amounts outstanding at the end of the reporting period totaled \$1,551,571. This has decreased by \$654,407 when compared to the prior year's balance.

1.25 **Contingent Liabilities.** These relate to possible outcomes of litigation charges brought against the Government and amounted to \$15.73M at the end of the reporting period. There are a number of cases for which estimates have not been provided and the possibility remains that the above total estimation may increase.

### Other Financial Audits

1.26 **Outstanding Audits.** The Government of Montserrat through the Ministry of Finance maintains oversight over twelve Government-owned companies and eight of which are statutory bodies. Their relevant legal environment requires them to have the accounts for the previous financial year prepared and audited within three months of the close of the financial year. Although there has been slight improvement in the finalisation of the audits, there are some entities that are too far behind in their reporting namely, the MAC, the MCC, the MPB, and the MVO.

1.27 The outstanding audits for Statutory Agencies and State-Owned Enterprises can be seen below.

#### Outstanding Audits for Statutory Bodies and State-Owned Enterprises

ENTITY	Year(s) Outstanding								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Financial Services Commission							√	√	√
Montserrat Arts Council				√	√	√	√	√	√
Montserrat Community College		√	√	√	√	√	√	√	√
Montserrat Info-Communication Authority								√	√
Montserrat Land Development Authority – Corporate							√	√	√
Montserrat Land Development Authority – Housing Stock									√
Montserrat National Trust								√	√
Montserrat Philatelic Bureau	√	√	√	√	√	√	√	√	√
Montserrat Port Authority									√
Montserrat Social Security Fund							√	√	√
Montserrat Utilities Limited									√
Montserrat Volcano Observatory		√	√	√	√	√	√	√	√
Bank of Montserrat Limited									

### Performance and Special Audits

1.28 **The Montserrat St Patrick’s Festival:** This study examined the governance, the efficiency and the effectiveness of the management of the St. Patrick’s Festival (hereinafter, the Festival). Overall, we found many weaknesses in governance and operations, especially in earlier years - 2012 to 2018. Since year 2018, this has improved, as the Office of the Premier (OP) and the Montserrat Arts Council (MAC) both provide direct oversight of all public funds that are spent by or for the St. Patrick Day Association (SPDA), which manages the Festival and co-ordinates its calendar with the many private promoters.

1.29 In terms of efficiency, transparency, and accountability, we found areas requiring immediate improvement: e.g., (1) some major gaps in, and losses of, the SPDA's records and accounting prior to year 2017; (2) the SPDA's years of not complying with its statutory requirements to report annually to the Registrar of Friendly Societies within the Financial Services Commission (FSC); and (3) the SPDA's failure, since its inception in year 2012, either to file audited financial statements with the FSC, or to publish annual reports.

1.30 As one measure of effectiveness, under the SPDA's tenure, the Festival has grown to become the highlight of the annual social and cultural calendar in Montserrat; correspondingly, March each year has become the month with the greatest number of visitors to the island. However, since the Montserrat Tourism Board was abolished, the GOM's direct funding for tourism has declined by a large amount, and the redevelopment of tourism and the regrowth of the economy have taken much longer than desired. Further improvements to access and to visitors' experience are needed. Since the SPDA's inception, the funding for the Festival has depended heavily on annual grants from the GOM. The SPDA itself has very little revenue: apart from public grants, it relies on sponsorship by local businesses and private donations. Without sustained funding, some earlier events were discontinued.

1.31 **The Montserrat Secondary School:** This study examined the efficiency and the effectiveness of the management of the Montserrat Secondary School (hereinafter, the MSS). Overall, the evidence that we gathered shows that, following some weaknesses in earlier years, there is now an adequate framework of oversight and accountability for the MSS's activities. The Ministry of Education, Youth Affairs, and Sports (MOEYAS) provides direct oversight of all public funds that are spent by the MSS.

1.32 However, in terms of compliance with governance and best practice, we found areas requiring immediate improvement: e.g., (1) the MSS's prolonged non-compliance with its statutory requirements to maintain adequate records of its stores of supplies received and issued; (2) timely submission of various reports; (3) timely re-ordering of text-books and supplies; and (4) the handling of communication with students, with parents, and with teachers.

1.33 The MSS itself has very little revenue: apart from very small fees for students' lunches and for school bus tickets, its annual budget is entirely financed from the Government of Montserrat's (GOM's) Consolidated Fund. From time to time, over the years, sales of agricultural goods grown by the students at the MSS, private donations, and various fundraising activities have supplemented the GOM's funding. The MSS operated a bank account for these activities, but without the authorisation of the Accountant General. Though it was well intentioned, this was a violation of the Public Finance (Management and Accountability) Act. Notably, in some areas, staffing, equipment, and other resources have been inadequate to meet the MSS's requests for continuing and/or expanding various programmes and activities. Without sustained funding and other support, several earlier events and initiatives have been interrupted or discontinued over the years.

For further details on the above Performance/Special Audits, see Chapter 5.



## Compliance Audit

1.34 **The Government of Montserrat 2010 Agreement with Delta Petroleum Ltd:** In year 2010, the Government of Montserrat and the Managing Director of Delta Petroleum Limited, signed an Agreement for the purchase and ownership of a 3,500-gallon Tank Wagon. This followed the Cabinet's Decision 150/10 dated 15th April, 2010, in which the Council agreed: [1] to the GOM's purchase of a tank wagon in partnership with Delta Petroleum Limited at a cost of approximately EC\$450,000, the GOM's share being fifty percent (50%) of the costs; and [2] that the GOM would settle the outstanding Liquid Petroleum Gas losses of approximately EC\$188,886.91 to Delta Petroleum (Montserrat) Limited. The Council also agreed the following: [1] that a cost of approximately EC\$0.06 per gallon be included in the pricing of diesel and gasoline over the next 5 years to finance those costs and [2] that the GOM should enter into an agreement with Delta Petroleum (Montserrat) Limited for 50% ownership of the tank wagon.

1.35 The Office of the Auditor General was unable to verify whether the amount paid for the truck cost more or less than the EC\$450,000.00 specified in the agreement as a receipt was not presented for review. Additionally, some source documents were not presented for review for varying reasons e.g. documents were damaged and subsequently discarded. There was a breach in the Agreement by exceeding the time-limit for charging the additional \$0.06 per gallon on the cost of Diesel and Gasoline for the purpose of the GOM's reimbursement. A statement of Excess Charge dated 9 March 2021, from the Department of Trade shows that there had been a cumulative overpayment to Delta Petroleum (Montserrat) Limited in excess of \$299,708.

1.36 The OAG recommended that the Government of Montserrat instruct the Delta Petroleum (Montserrat) Limited to cease charging the \$0.06 per gallon with immediate effect as the duration specified in the agreement has long expired, in excess of five (5) years [amended]. Secondly, the GOM must make the necessary arrangement to recoup the excess charges from the Delta Petroleum (Montserrat) Limited immediately.

## IT Audits

1.37 **COMSOFT's Aeronautical Data Access System:** This review sought to establish if the CADAS aeronautical and meteorological data are protected through measures and controls in the areas of Application Controls, Business Continuity and Disaster Recovery, and Information Security. As technology advances, the Government of Montserrat's Ministries and Departments have become increasingly dependent on computerised information systems to carry out their operations to process, to maintain, and/or to report essential information. The Frequentis Comsoft's Aeronautical Data Access System is one of the software applications currently being utilised at the John Alfred Osborne Airport's Air Traffic Control Tower. This software is widely used across the Caribbean and the Americas for aeronautical information and meteorological services and consists of various modules, 3 of which are currently in use in Montserrat.

1.38 Overall, the evidence that we gathered shows that the aeronautical data-access system application software is secure with stringent policies, procedures and controls that prevent unauthorised access to, and modification of, data. However, we found that non-active employees could still have access as a result of non-adherence to the standard process for the deactivation of such users' accounts. Management reported that the process has since been rectified to ensure the prompt removal of persons who have ceased employment at the Air Traffic Control Tower. The deteriorating conditions noted over several years at the Air Traffic Control Tower highlight the increasing risks to the working environment for Air Traffic Controllers and other staff. There is the need to put interim contingency plans in place to protect the Control Tower assets for the upcoming Hurricane Season. Considering our findings, we note the Government of Montserrat's recent project to erect a new Air Traffic Control Tower, which will be customised to address many of the health and safety issues highlighted in this report.

1.39 **Electronic Fuel Price Calculator:** This Information Technology audit was conducted to determine if the accuracy and consistency of the fuel prices computed by the Calculator are in accordance with the Laws of Montserrat.

1.40 Our review revealed that the benefits of the implementation of the fuel price calculator are governed by, and operate in accordance with, the Statutory Rules and Order's 53/2005 and 11/2009 as prescribed in the Distribution & Price of Goods Act to grant the Government of Montserrat more control of the fuel prices. The model is utilised to obtain the distribution, retail and duty-free prices of gasoline and diesel and records the movement and stock of fuel on island. The calculator's computations are very accurate, whether or not precise information is keyed into it.

1.41 Periodic confirmations of the dip stick measurements of retailer's storage tanks are not being executed due to the vacancy of the Trade and Quality Infrastructure Officer Post for a number of years. The Trade and Quality Infrastructure Division has been estimating the levels of fuel in the storage tanks at the two service stations. We have determined that the practice of estimation does not reflect an accurate quantity of petrol retailers' fuel stock or the cost of fuel. I was informed that the Division is taking steps to recruit an officer to fill the vacant post.

For further details on the above I.T. Audits, see Chapter 6.

## CHAPTER 2 TREASURY ACCOUNTS FOR FY 2021/2022

2.1. **PFMAA Mandate.** Section 41(1) of the PFMAA 2008 requires the Accountant General<sup>6</sup> within the Treasury Department to prepare several statements making up the Public Accounts and to submit them to the Auditor General for audit examination. As per the PFMAA, the accounts were to be submitted within 4 months of the financial year end. The first draft of the accounts was received on 28 July, 2022 (3 days before the deadline). A synopsis of the Statements received, and findings of our audit exercise will be highlighted throughout this Chapter.

2.2. **Timeliness and Usefulness of Public Accounts Information.** For accountability and decision-making purposes, it is important that financial information be accessible to key stakeholders and the general public in a timely manner. Further, for information to be useful, the International Public Sector Accounting Standards (IPSAS) state that it should be presented within 6 months of the financial year.

2.3. **Target Audit Completion Date Not Kept.** Given the extended vacant post of the Auditor General, coupled with circumstances beyond our control, we could not meet the target completion date of having audited accounts by the end of December, 2022.

### Basis of Accounts Preparation

2.4. The financial statements preparation is largely governed by the PFMAA. They are also compliant with the IPSAS – Cash Basis Part 1. The cash basis of accounting recognises revenues when they are received and expenditures when they are paid. For several years, the IPSAS Board has urged the adoption of accrual accounting by all Governments, as this basis provides more information to facilitate better decision-making. The current cash basis system used by the Government of Montserrat (GOM) does not allow the true financial position of the GOM to be reflected in a Statement of Financial Position. We have not seen any significant move to implement the accrual basis of accounting. This method allows an entity to recognise its assets in the accounts when they are owned, and liabilities recognised when they occur, whether or not cashflow has occurred.

### Primary Statements Received

2.5. Twenty-two statements were submitted for audit to meet the PFMAA's mandate and to produce the accounts to meet the IPSAS standards. Some statements are replicas of others but they are produced differently. At other times, the statements are produced at both summary and detailed levels. All the statements were audited. To minimise repetition, however, we will report only on those that we consider to be the primary statements.

---

<sup>6</sup> See Appendix 1 for accounts to be submitted by the Accountant General

*Statement of Assets and Liabilities of the Consolidated Fund*

2.6. Table 1 below highlights movements in financial assets and liabilities over the period 1 April 2021 – 31 March 2022.

**Table 1**  
**Consolidated Fund**  
**Statement of Assets and Liabilities**

	2021 \$	2022 \$	Increase/ (Decrease) \$
<b>Assets</b>			
Cash	39,448,355	47,482,174	8,033,819
Investments	17,691,192	23,655,510	5,964,318
Advances	474,084	455,193	(18,891)
<b>Total</b>	<b>57,613,631</b>	<b>71,592,877</b>	<b>13,979,246</b>
<b>Taxpayers' Equity</b>			
Deposits	25,532,280	30,950,328	5,418,047
Consolidated Fund	32,081,351	40,642,549	8,561,198
<b>Total</b>	<b>57,613,631</b>	<b>71,592,877</b>	<b>13,979,246</b>

2.7. **Investments.** The net increase in Investments of \$5,964,318 included an increase of shares and a reduction in the RAC investments. The Cabinet of Montserrat approved the transfer of shares previously owned by the long defunct Government Savings Bank. The number of beneficial shares held by the GOM now stands at 3,168,454 with a book value of \$7.28 per share as at 31 March 2022. The GOM also holds 53.26% of total shares in the Bank of Montserrat and occupies 5 seats on the Board of Directors.

2.8. We continue to highlight a savings account in the name of MDC Business Financing Facility held at the St Patrick's Co-operative Credit Union which reflects a fixed balance of \$218,098 as at 31 March, 2022. It is overdue for the GOM to have these funds transferred to its name and be included in the Public Accounts.

2.9. **Deposits.** At the close of the fiscal year, Miscellaneous Deposits stood at \$1,700,079. This has decreased by \$2,009,521 when compared to the prior year's balance. Included in this amount is the written off amount of \$1.5M which carried deposits that can no longer be regarded as liabilities.

2.10. **Consolidated Fund.** The Consolidated Fund is being presented here as there is no individual statement to reflect this. Table 2 below provides an overview of the Consolidated Fund.

**Table 2**  
**Consolidated Fund**

	2021 \$	2022 \$
Balance brought forward	33,609,713	32,081,351
Fund Adjustments	1,386,111	7,571,478
Recurrent Revenue	142,584,601	136,775,116
Recurrent Expenditure	(145,486,531)	(135,785,397)
Surplus/(Deficit)	(2,901,930)	989,719
Transfer of Local Costs	(12,543)	-
<b>Balance carried forward</b>	<b>32,081,351</b>	<b>40,642,549</b>

2.11. **Fund Adjustments.** These are adjustments made to the Consolidated Fund to allow underlying accounts to show a true and fair view. It is made up of the value of the Bank of Montserrat shares at the end of the financial year when compared to the prior year balance.

2.12. **Surplus/(Deficit).** Recurrent revenue collected was more than the recurrent expenditure collected resulting in a surplus of \$989,719 as is shown below.

	(EC\$)
Receipts	136,775,116
Less Expenditures	135,785,397
<b>Surplus/(Deficit)</b>	<b>989,719</b>

2.13. **Transfer of Local Costs.** This refers to a situation where the Government undertakes local projects, but has no external source of funding to finance their implementation and, therefore, the projects must be funded from the Consolidated Fund. For this fiscal year, there was no contribution to local projects.

*Statement of Cash Flows*

2.14. Total cash available at fiscal year-end amounted to \$39,448,355. Table 3 below provides an overview of the cash flows from the various activities undertaken by the Government. As it can be seen, the net cashflow for this fiscal year was positive \$8,033,819.

**Table 3**  
**Statement of Cash Flows**

Particulars	2021 Restated ECS	2022 ECS
Net Cash Outflows from Operating Activities	(6,097,255)	(1,487,959)
Net Cash Inflows from Investing Activities	17,400,883	9,974,560
Net Cash Inflows from Financing Activities	774,290	(452,782)
<b>Net Cash Inflows</b>	<b>12,077,919</b>	<b>8,033,819</b>
<b>Add: Balance brought forward at 1 April, 2021</b>	<b>27,370,436</b>	<b>39,448,355</b>
<b>Balance carried forward at 31 March, 2022</b>	<b>39,448,355</b>	<b>47,482,174</b>

## Statement of Cash Receipts and Payments

2.15. **Reconciliation of Accounts.** We continue to note a number of issues with the reconciliation of accounts for the Treasury Consolidated Fund. The Auditors were unable to verify unreconciled differences from FY 2021 and also noted instances of non-correction of inaccuracies in a timely manner, in some instances the posting of entries after 90 days.

2.16. Noteworthy, was the creation of a list containing credit-card payments in excess, which were included as unrepresented deposits on the reconciliation statements. It was also noted that the Treasury's bank reconciliation balanced at the end of each month, however, a journal voucher was included in an attempt to balance the statement at the end of the year. A number of bank advice slips were not submitted for audit examination when reviewing the Bank Reconciliation for the Development Capital Fund Account.

2.17. The cash can be further broken down into its sources and uses and compared with those of the last fiscal year as shown in Table 4 below.

**Table 4**  
**Statement of Cash Receipts and Payments**

Receipts (Sources)	2021 EC\$	2022 EC\$
Tax Revenue	42,474,299	44,614,970
Non-tax Revenue (Other)	5,432,508	6,749,210
External Assistance – Budgetary Aid	93,607,582	84,534,872
External Assistance – Development Grants	33,599,400	22,317,647
Capital Receipts	43,201	44,300
Receipts from Investments	1,096,323	901,077
Net Receipt Advances and Deposits	774,290	(399,014)
<b>Total Receipts</b>	<b>177,027,604</b>	<b>158,763,062</b>
<b>Payments (Uses)</b>		
Personal Emoluments	47,606,249	47,644,585
Pensions, Gratuities and Other Benefits	13,616,158	13,979,713
Goods & Services	42,558,260	42,839,231
Transfers and Subsidies	17,986,074	17,586,857
Social Services	9,051,834	4,633,935
Other Expenditure	13,594,293	7,869,933
Debt	1,073,663	1,231,143
Capital Expenditure – Development Fund	13,058,627	9,485,644
Revenue Expenditure – Development Fund	<u>6,404,529</u>	<u>5,404,434</u>
<b>Total Payments</b>	<b><u>164,949,686</u></b>	<b><u>150,675,475</u></b>
Cash flow Increase/(Decrease)	12,077,919	8,087,586

Exchange rate impact on Crown Agents a/c	0	(53,767)
<b>Net Cash flow Increase/(Decrease)</b>	<b>12,077,919</b>	<b>8,033,819</b>
<b>Add: Cash at beginning of the year</b>	<b>27,370,436</b>	<b>39,448,355</b>
<b>Cash at end of the year</b>	<b>39,448,355</b>	<b>47,482,174</b>

*Statement of Recurrent Revenue*

2.18. **Appropriated Revenue.** \$134,342,000 was allocated for Recurrent Revenue collection for fiscal year 2021/2022. Actual revenue collected amounted to \$136,775,116 giving a surplus of \$2,433,116. This increase was due primarily to the collection of BOM Dividend, Consumption Tax and Hospital Receipts. Diagram 1 below provides an insight into major revenue flows.



2.19. **Revenue Surpluses and Shortfalls.** Revenue collections showed an overall surplus of \$2,433,116 when actual collection is compared against budget. Table 5 below records surpluses or shortfalls in the various categories of revenue.

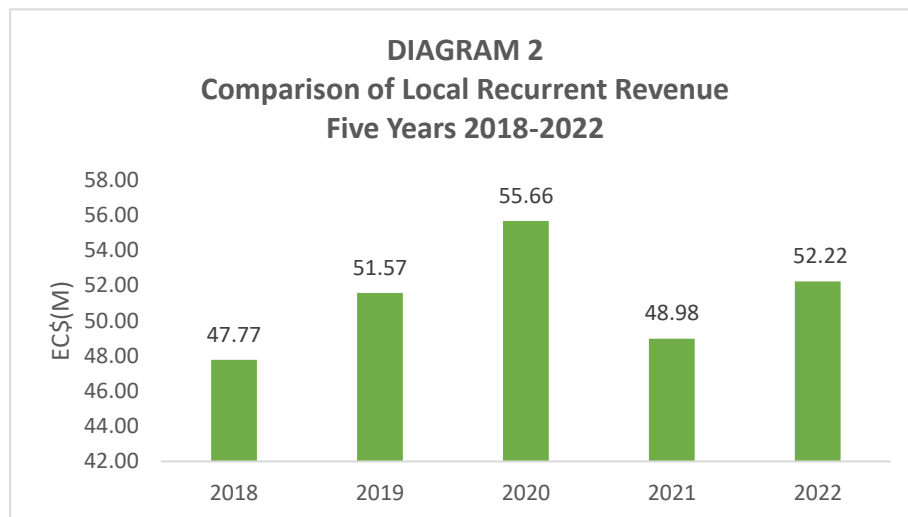
**Table 5**  
**Revenue Surpluses and Shortfalls**

SOURCE OF REVENUE	BUDGETED EC\$	ACTUAL EC\$	SURPLUS EC\$	SHORTFALL EC\$
Taxes on Income, Profit & Capital Gains	16,900,000	17,304,238	404,238	0
Taxes on Property	745,000	773,999	28,999	0
Taxes on Domestic Goods & Services	1,784,600	1,772,565	0	12,035
Licences	3,025,700	2,722,783	0	302,917

Taxes on International Trade & Transaction	18,000,000	20,558,722	2,558,722	0
Arrears of Taxes	780,400	1,482,664	702,264	0
Fees, Fines and Permits	1,786,000	1,874,608	88,608	0
Rents, Interest and Dividends	1,664,500	1822,901	158,401	0
Reimbursements	115,000	875,168	760,168	0
Other Revenue	3,400,800	3,052,596	0	348,204
Budgetary Aid and Grants	86,140,000	84,534,872	0	1,605,128
<b>TOTAL</b>	<b>134,342,000</b>	<b>136,775,116</b>	<b>4,701,400</b>	<b>2,268,284</b>
<b>Net Surplus/(Shortfall)</b>			<b>2,433,116</b>	

2.20. **Total Recurrent Local Revenue.** Projected Recurrent Local Revenue was \$48,202,000. Actual collection was \$52,240,244, resulting in a surplus of \$4,038,244 when compared to authorised collections for the year. Further analysis revealed an increased collection of \$3.26M, when compared to the prior fiscal year.

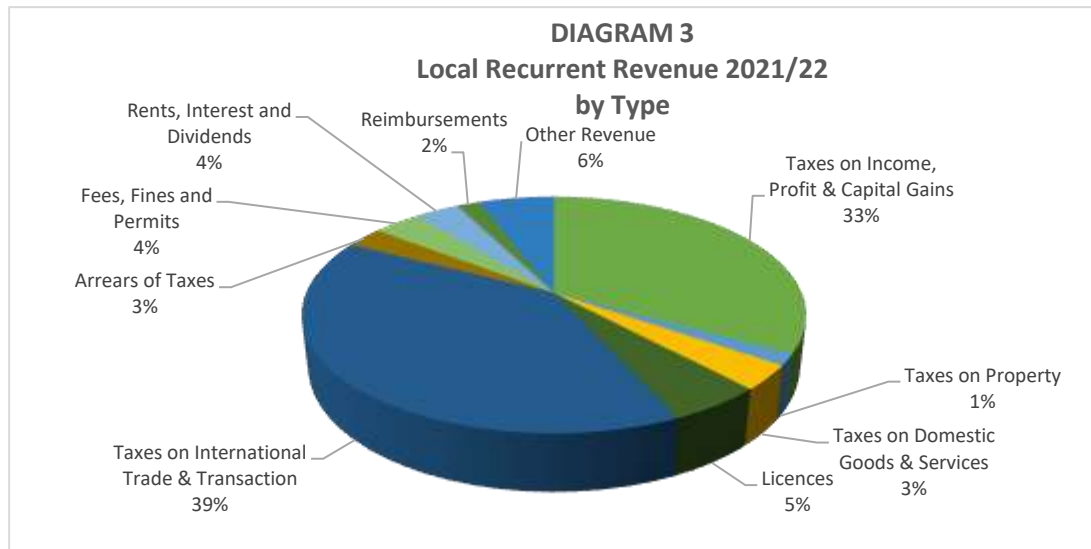
2.21. The collection of local tax has steadily increased from 2017/2018 to 2019/2020; followed by a reduction in 2020/2021 and an increase of \$3.24M in the reporting year 2021/2022. The trend in this collection can be seen by the movements outlined below.



2.22. Actual Local Recurrent Revenue collected can be split into Tax and Non-Tax elements. For this fiscal year, Tax Revenues collected were \$44.61M whilst Non-Tax Revenue amounted to \$7.63M.



2.23. Diagram 3 below shows local revenue collected by type of revenue stream, with percentages, for the 2021/2022 fiscal year.



2.24. **Special Budgetary Assistance.** Approved special budgetary assistance was projected to be \$86,140,000. Actual receipts totalled \$84,534,872, resulting in an increase of \$1,605,128.

2.25. Table 6 below is intended to show the pattern and the amounts received for budgetary assistance over the reporting period.

**Table 6**  
**Budgetary Aid 2021/22**

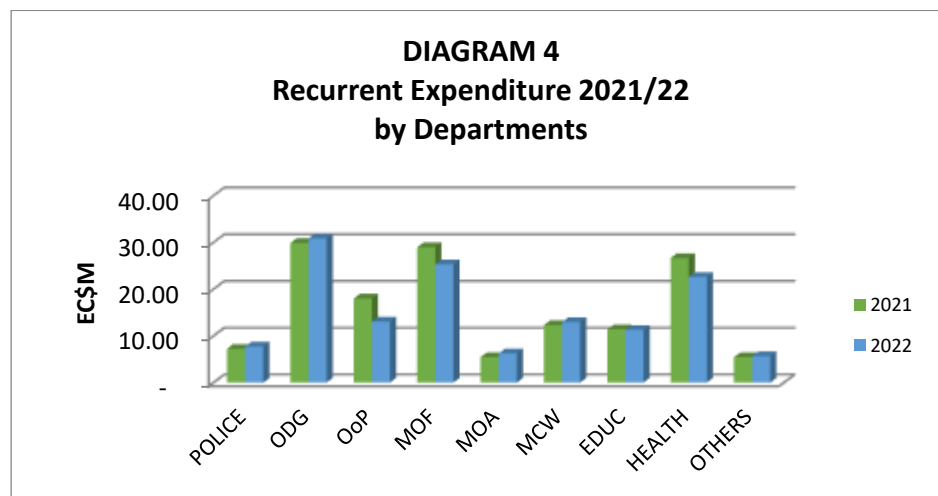
Date	Particulars	Receipt #	£	EC\$
05/31/2021	1 <sup>st</sup> Tranche 2021/22	054305	7,832,785	29,499,052
09/03/2021	2 <sup>nd</sup> Tranche 2021/22	055920	7,395,424	26,848,347
12/17/2021	3 <sup>rd</sup> Tranche 2021/22	059208	3,894,737	13,622,231
03/31/2022	4 <sup>th</sup> Tranche 2021/22	061795	<u>4,220,464</u>	<u>14,565,242</u>
	<b>Total Budgetary Aid</b>		<b><u>23,343,410</u></b>	<b><u>84,534,872</u></b>

*Statement of Recurrent Expenditure*

2.26. **Appropriation and Expenditure Control.** The Appropriation Bill 2021/2022 was passed by the Legislative Assembly on the 23<sup>rd</sup> day of June 2021 and the preceding provisional warrant authorised recurrent expenditure of \$136,342,000. Three Supplementary Estimates valuing \$3.0M were also passed, these bringing the Revised Authorised to \$139,342,000. Virement Warrants were also authorised to allow Accounting Officers to move monies between Subheads under their control.

2.27. **Actual Expenditure.** Monies spent to acquire goods and services over the reporting period amounted to \$135,785,397 leaving an unspent balance of \$3,556,603. However, when compared to monies actually spent for the previous fiscal year, we observed a 7% decrease.

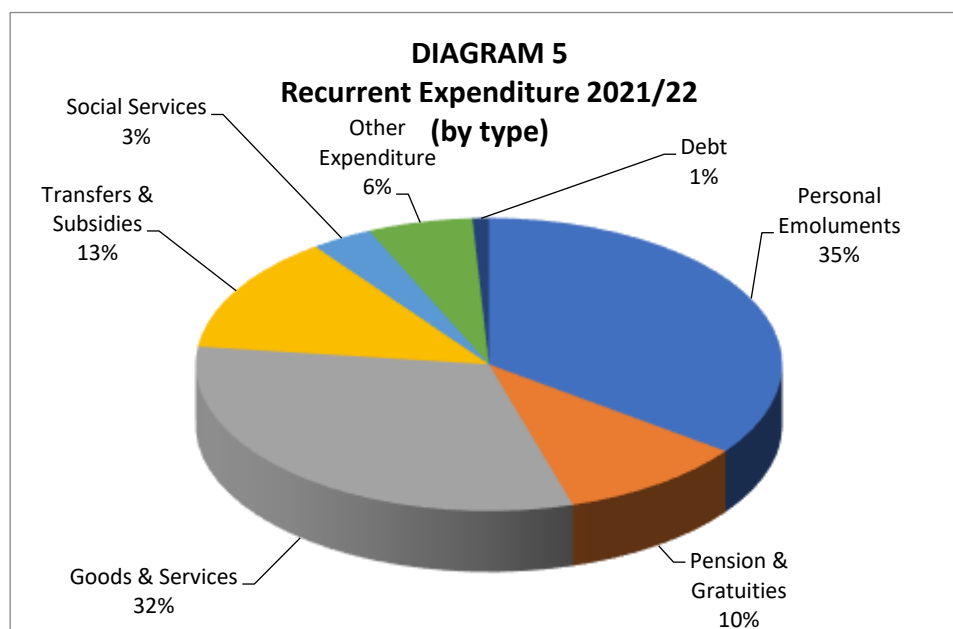
2.28. Diagram 4 below shows actual Recurrent Expenditure by Ministries and Departments. Those Departments that do not form part of any Ministry, except for Royal Montserrat Police Service, are grouped under Others<sup>7</sup>. They are primarily non-ministerial departments.



2.29. **Trend of Expenditure Usage.** Over the years, Personal Emoluments and Goods and Services were the major categories of expenditure, utilising over 30% of expenditure per category. A trend analysis has indicated that, for the year under review, Recurrent Expenditure continued to be utilised in a similar pattern.

<sup>7</sup> These departments include the Magistrate Court, Supreme Court, Legal Department, Legislature, Office of the Auditor General and the Office of the Director of Public Prosecution.

2.30. **Expenditure classified by type.** Diagram 5 below shows expenditure classified by type and gives relative percentages used per classification.



#### *Statement of Expenditures in Excess*

2.31. **Over-expenditure.** The Public Finance (Accountability and Management) Regulations, 2009, require Accounting Officers to ensure that the spending amounts that are provided in the Estimates are not exceeded. This directive has not been complied with, as expenditure lines have been exceeded across four Ministries/Departments resulting in overspending on line-items totaling \$140,780. This is, by nature, a material breach of the regulations as Section 17(1) of the PFMAA requires all withdrawals from the Consolidated Fund to be supported by a warrant signed by the Minister of Finance and forwarded to the Accountant General. The over-spent line-items are outlined in the Table below:

**Table 7**  
**Over Expenditures for Fiscal Year 2021/22**

Vote	Head	Sub-head	Particulars	Total Authorised EC\$	Actual Expenditure EC\$	Excess Spending EC\$
07	070	236	Professional and Other Fees	(28,500)	62,084	(90,584)
13	130	218	Gratuities, Pensions & Related Benefit Schemes	5,600	7,956	(2,356)
15	155	210	Personal Emoluments	470,300	480,054	(9,754)
35	352	210	Personal Emoluments	1,358,000	1,396,086	(38,086)

2.32. **Management controls not effectively applied.** Accounting Officers are required to put in place effective internal controls to ensure compliance with applicable laws, regulations, accounting controls and other government policies. Such controls include

reconciliation of account balances and ensuring that expenditure remained within the limits stipulated by the Appropriation Act. Addressing these in a timely manner will enable Accounting Officers to be in a position to make the relevant applications to avoid these over expenditures.

*Statement of Assets and Liabilities of the Development Fund*

2.33. The assets and liabilities of the Development Fund are provided below in Table 8.

**Table 8**  
**Assets and Liabilities of the Development Fund**

ASSETS	2021 EC\$	2022 EC\$
British Development Aid Claims Outstanding (1)	5,447,661	
Donor Agencies Expenditure Outstanding (2)	103,332	
Consolidated Fund Receivable	<u>21,807,721</u>	<u>29,235,290</u>
<b>TOTAL ASSETS</b>	<b><u>27,358,714</u></b>	<b><u>29,235,290</u></b>
<b>LIABILITIES</b>		
Deposits Within the Development Fund (3)	35,446,312	39,304,246
Local Funds (4)	10,066	11,469
British Development Claim Deposits		17,238
Consolidated Capital Fund	(22,246,452)	(15,525,232)
Development Fund Adjustment		
Add Expenditure Over Revenue	<u>14,148,788</u>	<u>(8,097,664)</u> <u>7,427,569</u> <u>(8,097,664)</u>
<b>TOTAL LIABILITIES</b>	<b><u>27,358,714</u></b>	<b><u>29,235,290</u></b>

***Development Fund Revenue***

2.34. **Contributions toward capital development projects.** Various Agencies provided contributions to facilitate implementation of capital projects. These contributions are highlighted in Table 9 below.

**Table 9**  
**Development Fund Revenue: Fiscal Year 2021/22**

Agency	Amount Received EC\$
Government of Montserrat - LOCAL	44,718
Foreign and Commonwealth Development Office	14,780,242
Caribbean Development Bank	737,436
European Union	6,050,549
United Nations Development Programme	139,050
Foreign and Commonwealth Office	383,184
University of Liverpool	10,658
University of Exeter	66,445
Statistics Canada	91,122
Economics for the Environment Consultancy	14,243
<b>TOTAL</b>	<b>22,317,647</b>

*Statement of Development Fund Expenditure*

2.35. **Appropriation Accounts.** The Legislative Assembly, via the Appropriation Act No. 10 of 2021 authorised \$69,748,500 to allow expenditures on capital projects for the fiscal year. Supplementary Appropriations for a total of \$688,000 were added during the year bringing the Revised Appropriations to \$70,436,500. Actual spending for the year amounted to \$14,890,078 being only 21% of the authorised capital expenditure for the year.

2.36. **Development Expenditure by Ministries.** Development expenditure, for the reporting period, is presented by department in Table 10 below.

**Table 10**  
**Development Expenditure: Fiscal Year 2021/22 (by Ministries)**

Ministry/Department	Authorised EC\$	Actual EC\$	% Used
Office of the Deputy Governor	680,800	0	0
Office of the Premier	7,092,400	1,251,570	18
Ministry of Finance	4,037,200	328,842	8
Ministry of Agriculture	2,420,100	678,950	28
Ministry of Communications & Works	50,653,800	11,702,884	23
Ministry of Education	3,613,700	712,650	20
Ministry of Health	<u>1,938,500</u>	<u>215,182</u>	11
<b>TOTAL</b>	<b><u>70,436,500</u></b>	<b><u>14,890,078</u></b>	<b>21</b>

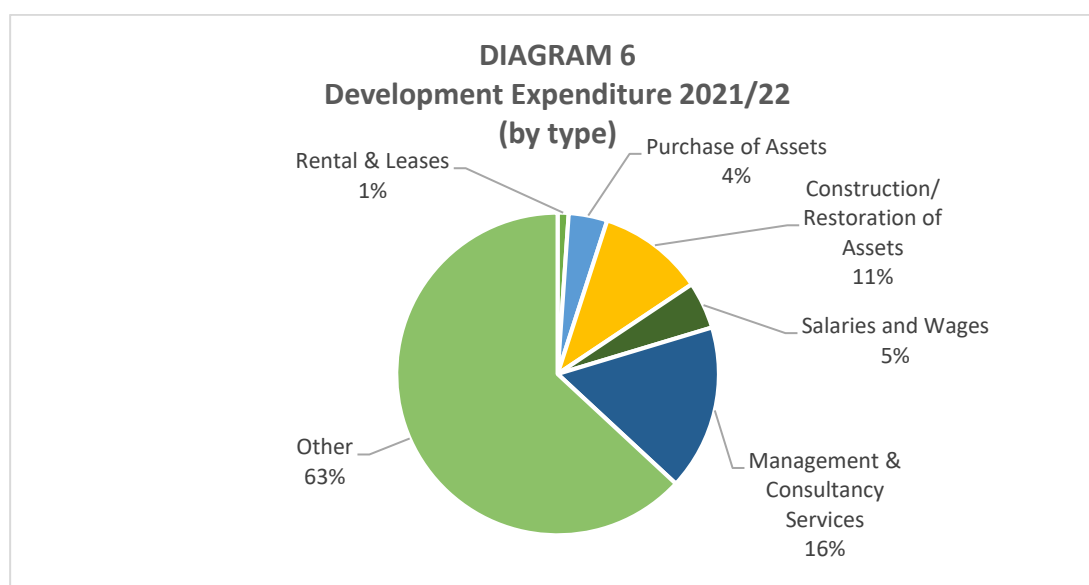
2.37. **Development Expenditure by Funding Agent.** Table 11 below provides a view of authorised expenditure and recorded results for the Development Fund, by funding agency. Reportedly, the severe underspend was due to disruptions caused by the Covid-19 pandemic and other issues such as the delayed procurement of the hot mix plant, which stymied capital projects for road works. There were two instances where monies were expended in excess of that authorised. The amounts over-expended were \$369 on the Seabird Monitoring Project within Ministry of Agriculture, Housing, Lands and the Environment and \$371,270 on the Protect and Enhance the Natural Environment Project within the Office of the Premier.

**Table 11**  
**Comparison of Development Fund Estimates and Results: Fiscal Year 2021/22**

Development Fund Expenditure	Authorised EC\$	Actual EC\$	Variance EC\$
FCDO	23,739,700	9,484,845	14,254,855
EU	25,912,300	4,561,000	21,351,300
LOCAL	252,700	43,316	209,384
CDB	20,000,000	482,269	19,517,731
DARWIN	19,300	5,361	13,939
OPEP	22,800		22,800
UoL	10,000	10,369	(369)
UNICEF	49,500	17,108	32,392
UoE	130,200	58,378	71,822

UNDP	149,500	139,050	10,450
CEFAS	18,100		18,100
EEC	15,300	7,347	7,953
SC	92,200	81,036	11,164
GOC-DoFOCCG	24,900		24,900
<b>TOTAL</b>	<b>70,436,500</b>	<b>14,890,078</b>	<b>55,546,422</b>

2.38. **Development Expenditure by Type.** Diagram 6 below provides an overview of how the monies were spent.



#### *Statement of Advances*

2.39. Advances are monies owed to the Government of Montserrat for various reasons. A decrease of \$18,891 is recognised when compared to the amount outstanding at the end of the prior reporting period. The categories of advances and their amounts are listed below.

Details	2021 EC\$	2022 EC\$	Increase/(Decrease) EC\$
Personal Advances	317,217	301,744	(15,473)
Outstanding Imprests	7,681	0	(7,681)
Other Gov't & Administrations	<u>149,186</u>	<u>153,449</u>	<u>4,263</u>
<b>TOTAL</b>	<b><u>474,084</u></b>	<b><u>455,193</u></b>	<b><u>(18,891)</u></b>

#### *Statement of Deposits*

2.40. Included under this heading is the Development Fund Receivable account, which has shown an increase of \$7,427,569. The Miscellaneous Deposits account registered a marked decrease of \$2,009,521 when compared to the prior year balance.

### *Statement of Public Debt*

2.41. **External Debt.** This statement focuses on guaranteed external obligations to the Caribbean Development Bank. At the close of the fiscal year, Total External Public Debt amounted to \$8,362,316.

2.42. Principal repayment on external debt was recorded as \$647,896, this being 1.24% of actual local recurrent revenue. This is well within the ECCB's debt sustainability threshold of 60% of the Government's revenues.

2.43. Interest payments for the year on external debt amounted to \$183,524, this being 0.40% of actual local recurrent revenue for the year.

2.44. There were no overdue and other interest charges for this reporting period.

2.45. No new external debt was undertaken, or loans guaranteed, during this reporting period.

2.46. **Domestic Debt** – These are monies owed to local institutions and repaid by the Ministry of Finance and Economic Management. At the end of the reporting period, the amount due to these institutions was \$1,297,313. Individual balances are shown in Table 12 below.

**TABLE 12**  
**Summary of Domestic Debt as at 31 March 2022**

<b>Institution</b>	<b>Particulars</b>	<b>Balance Owed as at 1 April 2021</b>	<b>Principal Paid during year</b>	<b>Interest Paid during year</b>	<b>Balance Owed as at 31 March 2022</b>
MSSF	Davy Hill Housing Project	788,855	157,771	25,539	631,084
MUL	MONLEC Generating Set	832,785	166,557	26,961	666,228
	<b>TOTAL</b>	<b>1,621,641</b>	<b>324,328</b>	<b>63,852</b>	<b>1,297,313</b>

### *Statement of Contingent Liabilities*

2.47. This refers to provisional estimates of the costs arising from possible litigation of activities brought against a few Ministries/Departments. Contingent Liabilities at the end of the fiscal year amounted to \$15,732,388.

### *Statement of Outstanding Liabilities*

2.48. At the end of the reporting period, Outstanding Liabilities for goods and services worth \$56,546 were reported. Outstanding contributions of \$342,177 were owed to seven regional entities whilst a further \$1,152,847 was owed to depositors of the now defunct Government Savings Bank. This brings the total of outstanding liabilities to \$1,551,571.

### *Statement of Arrears of Revenue*

2.49. **Arrears of Revenue Audited.** We are happy to report that we have received the relevant Arrears of Revenue Statements such that we were able to audit 98% of the total

value presented. Our audit covered balances that were 1%, or greater, of the total arrears' receivable.

2.50. **Stock of Arrears of Revenue.** Arrears of Revenue, as presented by the Treasury Department, stood at \$30,269,072 at the end of the fiscal year and are itemised as follows:

**Table 13**  
**Arrears of Revenue**

Subhead and Account Description	Mar-21	Mar-22
110-13005 Audit Fees	0	1,500
152-13001 Advertising and Broadcasting Fees	18,335	0
205-12210 Trade Licences	10,675	10,975
206-11001 Company Tax	11,075,719	14,681,527
206-11002 Income Tax – Personal	12,425,951	13,353,361
206-11501 Property Tax	3,502,740	3,023,303
206-12501 Import Duty	266,754	7,212
206-12505 Consumption Tax	243,504	10,701
206-12507 Customs Processing Fee	3,205	3,750
206-13011 Customs Officers Fees	18,985	7,635
207-16099 Money Order Reimbursements	590	590
221-53531 Emergency Fuel Supplies	90,429	90,429
300-13022 Real Estate Licences	1,500	1,500
300-16015 Fisheries Receipt	1,050	0
300-16038 Lease of Government Lands	0	129,755
350-12209 Telecom Licences	2,924	282,736
351-13032 Public Works Department's Laboratory	4,280	7,166
352-16039 Revenue - Re-Saleable Stock	19,477	25,727
352-16041 Revenue - Mechanical Spares	13,854	18,853
352-16042 Revenue - Plant & Workshop Operation	151,769	35,045
353-13032 Aircraft Landing Fees	5,114	6,745
353-13037 Scenic Flights	331,119	338,455
353-13502 Concessions Rental - Airport	5,050	6,260
353-16019 Navigational Charges	5,520	9,690
355-13027 Work Permit Fees	20,350	18,550
450-16018 Hospital Receipts	456,280	433,380
454-14505 Reimbursements	1,593,900	1,498,092
Other Customs Taxes		48,068
<b>TOTAL</b>	<b>30,269,072</b>	<b>34,051,005</b>

2.51. **Increasing Arrears.** When we compare the Arrears of Revenue balance for this reporting period with that of the previous year, we note a large increase of \$3,781,932 or 12.5%. Noteworthy, is that Company Tax Arrears have shown a marked increase by \$3,605,808.



2.52. **Write-off of Arrears.** The Resolution of the Legislative Assembly to Write Off Public Money S.R.O. 17 of 2022 authorised the write-off of \$592,140, which was for items that had been outstanding for a number of years and were deemed uncollectible.

2.53. **More Action Needed to Reduce Mounting Arrears.** A number of these statements contain sums that are no longer considered to be collectible for various reasons including that some of the entities or individuals are no longer in existence or alive. **For these, we are recommending that additional requests for write-off be made so that the GOM's receivables will no longer be materially overstated. Where amounts are still considered collectible, we recommend that all options be explored to have the amounts collected.**

#### *Statement of Assets*

2.54. **Statement of Fixed Assets Misstated.** On examining the presented Statement of Fixed Assets, we noted that not all transactions and assets were included. Many of the Government-owned lands and other high value assets were not included in the Statement. Generally, the valuation report presented was inadequate as an assessment of the Government of Montserrat's properties. We are recommending continuous effort such as a general review of assets be conducted by the Treasury Department and Ministries/Departments to include the issues highlighted by the OAG to ensure more accurate reporting of the GOM assets. The Statement of Fixed Assets is materially misstated.

2.55. **Statement of Net Worth of Statutory Bodies.** A Statement of Net Worth was submitted; however, some entities' accounts are not up-to-date and therefore the information included in the statement are misleading. The non-presentation of these financial reports poses a significant risk to the GOM especially where annual subventions must be given for continuity purposes with no regard for instituting sanctions.

2.56. There is a continuing moral hazard that entities can flout the laws and regulations without penalties or accountability for funds received. Long delays in reporting and accountability also increase to a high level the risks of large errors, material omissions, fraud, and/or corruption. Additionally, unaudited accounts can impact the decision making of the various Boards. **As the Ministry of Finance has ex-officio membership on many of the Boards of these entities, we urge that they use their good offices to get management of these entities to bring their accounts up to date.**

2.57. The GOM injected grants totaling \$9.9M into the operation of some of these entities for the fiscal year 2021/2022. In order to ensure good governance and greater accountability, it is important that these accounts be brought up to date and, thereafter, that they be kept current and compliant with applicable laws, regulations, policies, and standards.

**Table 14**  
**Grants to Statutory Organisations: Fiscal Year 2021/22**

Statutory Organisations	EC\$
Montserrat Volcano Observatory	6,643,764
Montserrat Land Development Authority	100,000
Montserrat National Trust	326,000
Financial Services Commission	619,200
Montserrat Arts Council	1,107,000
Montserrat Info Communication Authority	227,000
Montserrat Philatelic Bureau	155,000
Montserrat Community College	723,250
<b>Total</b>	<b>9,901,214</b>

2.58. Generally, the Government of Montserrat makes grant and subsidy payments to regional institutions, private sector and non-governmental organisations as well as some statutory bodies to deliver public services or to facilitate their delivery. These sums amounted to a total of \$17,586,857 during this fiscal year.

#### **Statement Mandated but not Received**

##### *Statement of Investments*

2.59. **Non-compliance.** The PFMAA requires the presentation of a statement detailing the Government's investments at the end of the fiscal year. This statement has not been presented for audit.

##### *Statement of Undrawn External Assistance*

2.60. **Non-compliance.** Accounting Officers are requested to provide information pertaining to the balance of any undrawn external assistance due, such as grants available at the end of the previous financial year to fund future operations. Although the accounts provide many instances where grant funding is provided, (for example, for project execution by many departments,) this statement was not presented for audit.

## CHAPTER 3 RETURNS BY ACCOUNTING OFFICERS FOR FY 2021/2022

3.1 **General Directive.** In accordance with Section 41 (b) of the PFMAA, Accounting Officers are required to submit the accounts set out in paragraph 2 of the Schedule to the Act<sup>8</sup>. It states that “each Accounting Officer shall within three months prepare and submit to the Minister and the Auditor General, with a copy to the Accountant General, in respect of the financial year and in respect of the votes, revenues, resources and monies for which the accounting officer is responsible, the accounts and information set out in paragraph 2 of the Schedule to this Act.”

3.2 Both Paragraph 2 of the Schedule, and the Accountant General’s directives require Accounting Officers to submit the following:

- a) An Appropriation Account showing services for which monies were expended;
- b) A Statement of Commitments Outstanding for the supply of goods and services;
- c) A Statement of Revenues Received for each source of revenue’
- d) A Statement of Arrears of Revenue
- e) A Statement of Performance providing each class of output
- f) A list of all outstanding commitments;
- g) Any other statements that the Accountant General may from time to time require, such as:
  - Statement of Fixed Assets
  - Statement of Inventory
  - Statement of Estimated Assistance and 3<sup>rd</sup> Party Settlements
  - Statement of Undrawn External Assistance
  - Statement of Contingent Liabilities.

3.3 In accordance with Section 8(2) of the PFMAA, the Accountant General has the responsibility for the compilation and management of the accounts of the Government. In keeping with that responsibility, the Accountant General gives general directives and instructions to Accounting Officers on which statements are to be submitted and on how the accounts/statements are to be prepared. He has opted to call the full suite of statements the Annual Returns. Thus, in addition to the statements above, he has requested the following:

- Statement of Fixed Assets
- Statement of Inventory
- Statement of Estimated Assistance and 3<sup>rd</sup> Party Settlements
- Statement of Undrawn External Assistance
- Statement of Contingent Liabilities.

---

<sup>8</sup> See Appendix 4 for submissions required from Accounting Officers.

## Submission of Annual Returns

3.4 The PFMAA requires that Annual Returns are to be submitted to the Accountant General with a copy to the Auditor General within 3 months after the end of the fiscal year. We received Annual Returns from most Accounting Officers within the stipulated deadline.

### Statement of Appropriation Accounts

3.5 In accordance with Paragraph 2 of the Schedule, Accounting Officers are charged with preparing an Appropriation Account to show how the monies granted to support the operations are expended.

3.6 **Recurrent Expenditure.** During the financial year 2021/2022, expenditure was incurred under 42 Heads of expenditure as outlined on the Statement of Detailed Expenditure included within the Treasury Department's Statements. Recurrent Expenditure incurred by Ministry/Department is shown in Table 13.

**Table 13**  
**Recurrent Expenditure for Fiscal Year 2021/2022**  
**(by Department)**

Vote	Details	Revised	Actual	Variance	Actual
		Estimate	Expenditure		Expenditure
		EC\$	EC\$	EC\$	%
05	Police	7,830,000	7,761,841	68,159	5.7
07	Legal	1,399,900	1,346,284	53,616	1.0
08	Magistrate's Court	204,600	180,098	24,502	0.1
09	Supreme Court	790,500	720,140	70,360	0.5
10	Legislature	1,681,300	1,615,660	65,640	1.2
11	Office of the Auditor General	1,223,000	1,190,999	32,001	0.9
12	Office of the Deputy Governor	31,184,500	30,840,582	343,918	22.7
13	Public Prosecution	638,300	608,885	29,415	0.4
15	Office of the Premier	13,460,200	13,067,897	392,303	9.6
20	Ministry of Finance & Economic Mgt.	27,324,000	25,325,608	1,998,392	18.7
30	Ministry of Agric., Housing, Lands & Env.	6,397,800	6,240,564	157,236	4.6
35	Ministry of Communications & Works	13,049,200	12,956,930	92,270	9.5
40	Ministry of Educ., Youth Affairs & Sports	11,479,800	11,291,134	188,666	8.3
45	Ministry of Health & Social Services	22,678,900	22,638,773	40,127	16.7
	<b>Total</b>	<b>139,342,000</b>	<b>135,785,397</b>	<b>3,556,603</b>	<b>100</b>

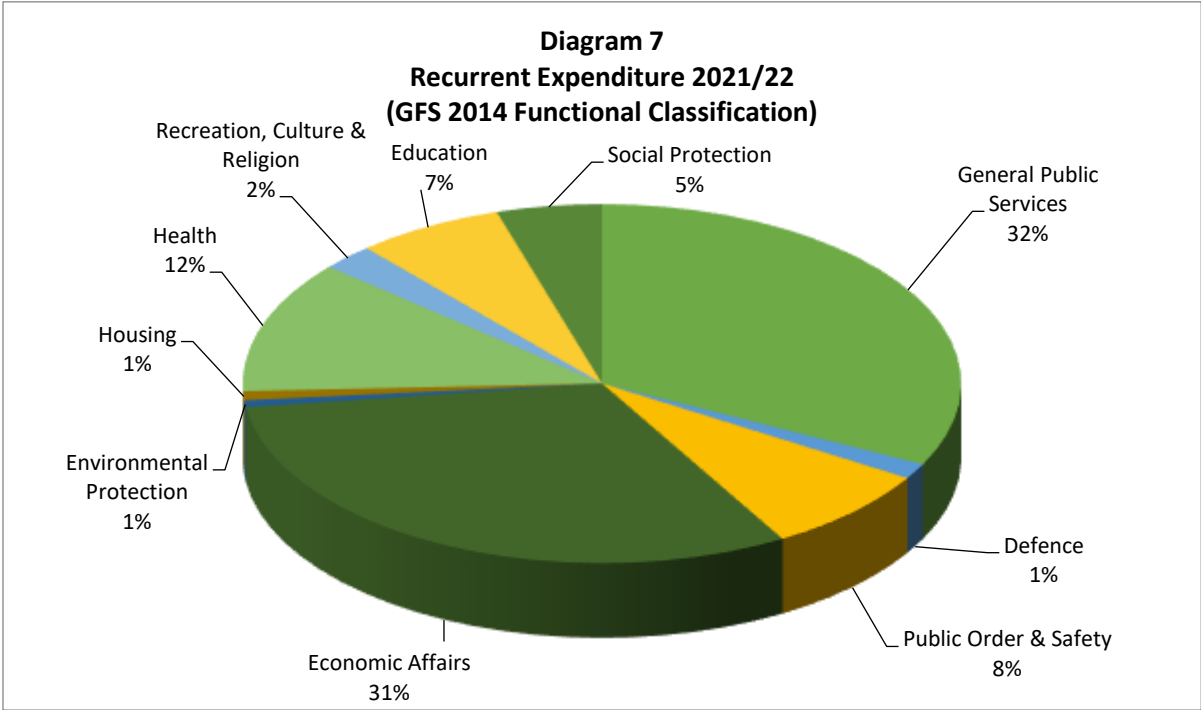
3.7 Recurrent Expenditure Variances, in summarised form, together with the prior year's comparatives, are detailed below:

	2021	2022	Increase/(Decrease)
	EC\$	EC\$	EC\$
Authorised Expenditure	154,842,500	139,342,000	(15,500,500)
Actual Expenditure	<u>145,486,531</u>	<u>135,785,397</u>	<u>(9,701,134)</u>
Unspent Balance	<u>9,355,969</u>	<u>3,556,603</u>	<u>(5,799,366)</u>

3.8 **Recurrent Expenditure Utilisation.** When reviewing the above, one will note that both the authorised spending and the actual expenditures decreased when compared with

the previous fiscal year's figures. However, in terms of expenditure utilisation, we note an increase of 3.5 percentage-points in the utilisation of budget allocation, with utilisation moving from 94.0% in fiscal year 2020/2021 to 97.5% in 2021/2022.

**3.9 Recurrent Expenditure by Functional Classification.** Diagram 7 below provides a further analysis of expenditure incurred by GFS functional classification. Expenditure was generally in line with projections at the beginning of the year as outlined on page 48 of the Budget Speech for the fiscal year 2021/2022.

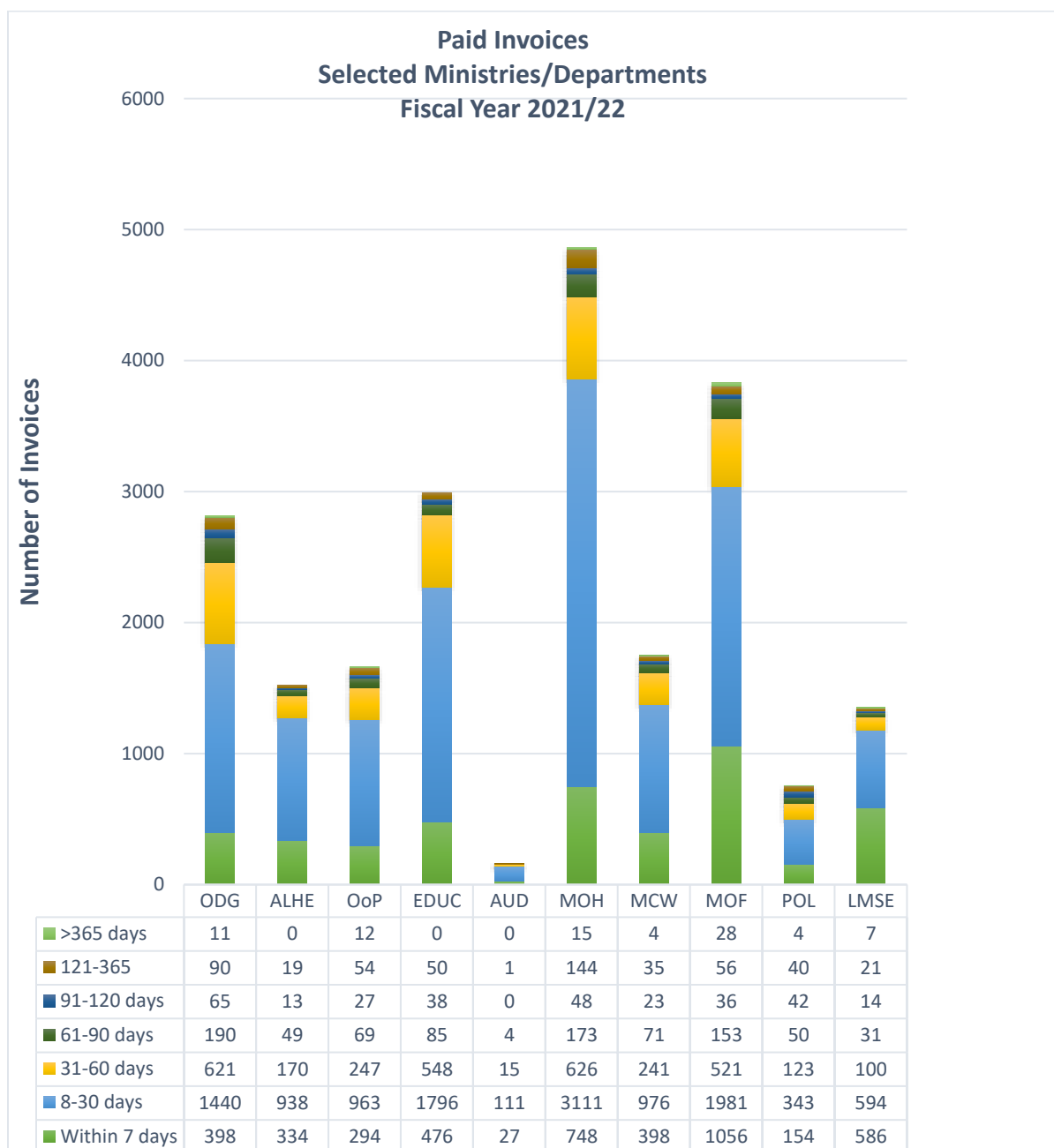


**3.10 Misclassification of Expenditure.** We have seen a vast reduction in the errors and failures of internal control. However, it is still an issue that impacts decision making although there is no impact to the overall financial statements. **Accounting Officers are reminded to pay attention to this control weakness and to adhere to the chart of accounts or to seek advice where there is uncertainty.**

**3.11 Payment of invoices.** An analysis was conducted of the Ministries and Department's payment of invoices over the reporting period to determine whether they were adhering to the GOM's payment policy. We investigated 22,344 invoices to determine when payments were made. We found that 5,692 were paid within 7 days, 12,783 were paid within 8 to 30 days, and 3,869 were paid after 30 days, a reduction of over 1,115 when compared to the prior fiscal year.

**3.12 Extended Payment to Suppliers.** Again, we are concerned that a total of 542 invoices remained unpaid for more than four months. **Accounting Officers are therefore encouraged to pay their invoices within the stipulated deadlines.**

3.13 The diagram below shows the payment pattern of invoices for selected Ministries/Departments.



#### *Statement of Outstanding Liabilities*

3.14 **Total Outstanding Liabilities.** These amounted to \$1,551,571 and represented a significant decrease of \$654,407 when compared with outstanding amounts at the end of the prior fiscal year.

3.15 **Outstanding liabilities for goods and services supplied.** These amounted to \$56,546 and represented a major decrease of \$453,559 when compared with the outstanding amounts at the end of the prior fiscal year.

3.16 Section 68(2) of the PFMAR states that “Expenditure properly chargeable to the account of a given year must, as far as possible, be met within that year and must not be deferred for the purpose of avoiding an excess on the amount provided in the estimates”.

3.17 We have seen a vast reduction in the outstanding liabilities for Ministries/Departments. Using a sample of entities that had outstanding bills amounting to more than one percent of total outstanding liabilities, the results of our investigation into the reasons for non-payment in the correct accounting year are detailed below.

Ministry/Department	Work completed late or bills received late for processing	Insufficient funds	Awaiting response from HRMU	Late reconciliation with entity	Invoices rejected by Treasury	Other	Total EC\$
AGC	120						120
MCRS	10,237						10,237
MHSS	3,890	20,415	8,226	413		2,000	34,944
MCW	3,699	3,440				269	7,408
HRMU						566	566
RMPS						800	800
MOE						970	970
MALHE		175					175
MOFEM	400				40	885	1,325
<b>TOTAL</b>	<b>18,346</b>	<b>24,030</b>	<b>8,226</b>	<b>413</b>	<b>40</b>	<b>5,490</b>	<b>56,546</b>

3.18 **Bills Outstanding for more than 6 months.** Although Accounting Officers were encouraged to pay bills on time by the Treasury Department, we found instances where bills remained outstanding for more than six months. This indicates weaknesses in the systems for the monitoring and payment of invoices.

3.19 **Bills Outstanding due to insufficient funds.** \$24,030 or 42.5% of the bills sampled were reported as outstanding due to insufficient funds.

3.20 **Outstanding Liability – GSB Unsettled Deposits.** Liabilities outstanding to the depositors of the now defunct Government Savings Bank amounted to \$1,152,847.

3.21 **Outstanding Liability – Regional Contributions.** These amounts owing for contributions to regional and international institutions totaled \$342,177 being 22.1% of the total. Further investigation into the reasons for the outstanding contributions revealed that all were as a result of late reconciliation of outstanding payments.

*Statement of Revenue Received*

3.22 **Local Recurrent Revenue.** Emphasis is placed here on the collection of local revenues that are within the control of Accounting Officers. Thus, revenues collected locally by Ministries/Departments and non-Ministerial Departments are presented in Table 14 below.

**Table 14**

**Local Revenue Collected by Ministry/Department Fiscal Year 2021/2022**

<b>Vote</b>	<b>Details</b>	<b>Budgeted Amount \$</b>	<b>Actual Collection \$</b>	<b>Variance \$</b>
05	Police	327,600	286,435	(41,165)
08	Magistrate Court Service	55,000	90,229	35,229
09	Supreme Court	23,500	63,236	39,736
10	Legislature	2,000	2,073	73
11	Audit Office	60,000	28,700	(31,300)
12	Office of the Deputy Governor	270,000	281,789	11,789
15	Office of the Premier	295,700	190,491	(105,209)
20	Min. of Finance & Econ. Mgt.	41,635,600	45,391,035	3,755,435
30	Min. of Agriculture	1,073,000	786,553	(286,447)
35	Min. of Communication & Works	3,506,300	3,260,923	(245,377)
40	Min. of Education, Youth Affairs & Sports	387,500	238,928	(148,572)
45	Min. of Health and Social Services	<u>565,800</u>	<u>1,619,852</u>	<u>1,054,052</u>
	<b>Total</b>	<b><u>48,202,000</u></b>	<b><u>52,240,244</u></b>	<b><u>4,038,244</u></b>

3.23 **Increased Collections.** When compared to collections of the prior fiscal year, we note an increase of \$3,263,226 in local revenues. Additionally, the table also shows that actual collections of local revenue well exceeded their budgeted amounts for this fiscal year.

*Statement of Arrears of Revenue*

3.24 **Increasing Arrears of Revenue.** These amounted to \$34,051,005 and represented a significant increase of \$3,781,932 when compared with outstanding amounts at the end of the prior fiscal year.

3.25 **Management and Collection of Arrears.** Section (52)(1)(c) of the PFMAR state that Accounting Officers are responsible for ensuring that “all persons liable to pay revenues are informed by bills, demand notes or other appropriate notices of debts due, and that they are reminded promptly and frequently of revenue which is in arrears.”

3.26 A number of Departments gained the Legislative Assembly’s approval for write-off of a part of their arrears. This Resolution to Write Off Public Money, S.R.O. 17 of 2022, authorised the write-off of \$592,140, which was for items that had been outstanding for a number of years and were deemed uncollectible.

3.27 **Removal of Uncollectible Arrears.** The Arrears listing still contains uncollectible amounts for entities that no longer exist or for individuals who have died. Their inclusion materially overstates the overall balance. **For these, we are recommending that continuing efforts be made to write-off and for the required processes and supporting infrastructure and staffing of compliance, of enforcement and of debt collection be implemented to assist Ministries and Departments with the timely and better collection of outstanding amounts.**



### *Statement of Development Expenditure*

3.28 **Capital Expenditure Utilised.** The Appropriation Warrants authorised spending of \$70,436,500. Actual expenditure was \$14,890,078, this being 21% of the amount allocated. Expenditure utilisation ranged from a high of 28% in the Ministry of Agriculture to no capital expenditure being recorded in the Office of the Deputy Governor. The overall utilisation is far less than that obtained in prior fiscal years. This trend raises major concerns about the adequacy of strategic planning and also about the effectiveness of project management, procurement, and relations with suppliers.

### *Statement of Fixed Assets*

3.29 Subsection 2(e) of Section 41 of the PFMAA mandates that each Accounting Officer prepare and submit to the Accountant General, “a statement of assets signed by the accounting officer containing details and values of all unallocated stores under his or her control at the end of the financial year, together with the details and values of any other classes of assets under the control of the accounting officer as the Accountant General may from time to time determine”. The Accountant General has asked each Accounting Officer for the submission of a Fixed Asset Statement.

3.30 **Fixed Asset Registers are Materially Misstated.** On examining the Statement of Fixed Assets, we noted that not all transactions and assets were included, and that many of the Government-owned lands and other high-value assets were not included in the Statement. Generally, the valuation report presented was incomplete, out of date, and otherwise inadequate as a suitable description and assessment of the Government of Montserrat’s properties. We are recommending continuous effort such as a general review of assets be conducted by the Treasury Department and Ministries/Departments to include the issues highlighted by the OAG to ensure more accurate reporting of the GOM assets.

3.31 For lands and buildings, the Value of GOM Asset Stock Sheet that is attached in the Wasp Asset Mobile System and other supporting documentation presented are inadequate as an assessment of the Government of Montserrat’s Properties. It is vital to have these assets valued if a true and fair view of the accounts on an accrual basis, is to be shown. The full introduction of the accrual basis of accounting was earlier raised as an important issue in the financial year 2017. The former Financial Secretary stated that they have adopted an accrual basis of accounting in line with IPSAS as a policy priority and aiming for its implementation in 2021. We have not seen any further progress to implement this.

3.32 **Cross-Cutting Issues.** Our fieldwork focused on material items within the Fixed Asset Statement and other assets below the related threshold amount. Land values were not included for some Ministries and therefore the valuation sheet presented is materially misstated. In addition, a number of assets, across Ministries and Departments were not tagged. This made it difficult to track and to trace some assets.

3.33 The salient points from our review are provided below:

**(i) Royal Montserrat Police Service**

- There are 530 assets recorded in the fixed assets register for the RMPS. Of this amount 203 assets, which represent 39% of the total, did not have a purchase value entered in the fixed assets register.
- Valuations for buildings were conducted in 2002 and, therefore, do not reflect the true value of the properties as at the reporting period (20 years later).
- Our examination revealed that the Fire and Rescue Services has a total of 4 Fire Tenders. We found that, three out of the four, although entered into the Wasp Mobile Asset System, did not have a recorded purchase value. As a result, the figure on the financial statement for Heavy Equipment is materially misstated.
- The purchase value for Vehicles on the financial statement is \$731,300; however, our examination revealed that auctioned vehicles are included in the amount.
- Five vehicles do not have a purchase value entered in the system including the Ambulance, and a Toyota Hilux D-40 Tanker, and are, therefore, not included in the total recorded on the financial statement.

**(ii) Office of the Deputy Governor and Related Departments**

- There are 444 assets with a purchase value of \$10, 211,489 and book value of \$6,942,652. Of this amount, 276 assets or 60% did not have a recorded purchase price or value.
- There were no land values recorded for the HMP, for the HRMU, nor for the new land at (Look Out) gifted to the RMDF.
- Some items of Office Equipment that were classified as class “A” items on the fixed asset register were not disclosed in the Fixed Assets Statement.
- None of the assets that were purchased for the DMCA during the 2021-2022 financial year are on WASP; hence they were not tagged.
- All of the assets matching the descriptions in the audit sample at the HRMU, at the HMP and at the Governor’s Office (for the GOM’s portion) were seen, but were not tagged for the verification process.
- No assets were seen in the asset register for the Royal Montserrat Defence Force. We are aware that RMDF owns assets such as vehicles that are over the threshold amount of \$25,000. Given the fact that the Force does possess assets, it is unclear why none was represented in the fixed asset register nor included in the financial statements. It is evident that the financial statements are understated.

**(iii) Office of the Premier and Related Departments**

- Examination of the OP's fixed asset register showed a total of 387 assets costing \$6,774,203 and having a total book value of \$5,772,888. Of this amount, 228 assets or 59% did not have a stated purchase price or value.
- Land values were not included and, therefore, the valuation sheet presented is materially misstated.
- The OP Headquarters did not produce for audit evidence, a record of assets assigned or reassigned to different departments. This coupled with the fact that the assets were not tagged increases the risk of loss and or theft.
- We noted differences in the values recorded in the fixed asset register versus the values in the Statement of Fixed Assets for class "A" items.
- All of the assets matching the descriptions in the audit sample at the DITES were seen, were tagged, and were recorded in the WASP.
- However, a key weakness is that the DITES does not keep a log of assets that were collected from other Ministries and Departments for repair. Such a log should be maintained in tandem with up-to-date entries in the asset-management software, which has features allowing for the tracking of items' physical locations (e.g., for repairs, for outdoor uses, for mobile assets, for inter-Departmental loans or sharing, and for temporary reassignments of assets).

**(iv) Ministry of Finance and Related Departments**

- Examination of the Fixed Asset Register at the Ministry of Finance showed a total of 921 assets with purchase value of \$3,845,694. Of that amount, 400 or 43% of assets did not have assigned values.
- Land values were not included and, therefore, the valuation sheet presented is materially misstated.
- According to the Notes to the Financial Statements, the threshold for inclusion of Office Equipment and Machinery and Tools in the financial statement is \$25,000 and qualifying items are therefore categorised as class "A" assets. There were 3 printers (1 each at the IRD, at the MCRS, and at the GPO) that were wrongly categorised as class "B" despite exceeding the \$25,000 threshold and were, therefore, not capitalised. This resulted in the understatement of the fixed assets statement.
- Assets at the Internal Audit Unit were fully accounted.

**(v) Ministry of Agriculture and Related Departments**

- A total of 831 assets were recorded in the fixed asset register. Of that amount, 239 or 29% did not have recorded purchase values.
- An Epson Ds-320 Scanner bearing tag # 15811 is missing from the Lands and Survey Department.

- According to the Notes to the Financial Statements, the threshold for inclusion of Office Equipment and Machinery and Tools in the financial statement is \$25,000 and qualifying items are therefore categorised as class “A” assets. There were 3 printers (1 at the Headquarters, 1 at the Department of the Environment and 1 at the Lands and Survey Department) that were wrongly categorised as class “B” despite exceeding the \$25,000 threshold and were, therefore, incorrectly not capitalised. This resulted in the understatement of fixed assets statement.
- Land values were not included, and therefore, the valuation sheet presented is materially misstated.
- We noted differences in the values recorded in the fixed asset register versus the values in the Statement of Fixed Assets for class “A” items. For buildings, the differences totalled \$4,039,977 and \$197,000 for heavy equipment.
- Assets at the MAHLE HQ were fully accounted.

**(vi) Ministry of Communication and Works and Related Departments**

- Examination of the Fixed Asset Register for this Ministry revealed a total of 1,106 assets with a purchase value of \$12,138,476.26 and a book value of \$6,044,285.65. Of that amount, 604 assets or 55% did not have recorded purchase values.
- The value for the PWD Workshop’s building is listed as \$134,500 in the asset register. However, on the supporting spreadsheet document "Value of Government of Montserrat Asset Stock," it is listed at a value of \$1,345,000. This is an unacceptable level of error.
- We noted differences in the values recorded in the fixed asset register versus those in the Statement of Fixed Assets for class “A” items. For heavy equipment, the differences totalled \$394,622 and \$156,000 for machinery and tools.

**(vii) Ministry of Education and Related Departments**

- The Fixed Asset Register at this Ministry showed a total of 320 assets, 39 of these or 13% did not have recorded purchase values or serial numbers.
- Valuations for some buildings were conducted in 2002 and have not been updated since. Values were not included for the lands on which the said buildings are located and, therefore, the valuation is materially misstated.
- Also included with buildings are the valuations for lands that are being depreciated. IPSAS 17 – Property, Plant and Equipment, subsection 74,

provides guidance on when assets could be depreciated. In the case of land, it has an unlimited useful life and therefore is never depreciated. This was previously highlighted in our findings report in 2021.

- The Lookout Tennis Court, playing fields at Little Bay and at Salem, the Lookout Primary School's playing field, and the Multi-Purpose Centre/Little Bay Auditorium (land and building) were not recorded in the WASP Mobile System. Therefore, they were not included in the amounts for lands and buildings on the Treasury Department's Statement of Fixed Assets. As a result of these exclusions, lands and buildings are materially misstated (understated) for the financial period.

**(viii) Ministry of Health and Related Departments**

- Of the 1,623 assets listed on the Asset Register, 1,065 or 65% did not have any purchase value listed in the Asset Register.
- Generally, buildings and land valuations were done in 2002; however, where valuation forms existed, valuations were missing pertinent information such as the name of the person who conducted the valuation, who verified this work, and the date that it was done.
- Differences were noted in the values of items in the fixed asset register versus those stated in the Statement of Fixed Assets for class "A" items. For machinery and tools, the differences totalled \$372,677 and \$11,000 for buildings.
- According to the Notes to the Financial Statements, the threshold for inclusion of Office Equipment and Machinery and Tools in the financial statement is \$25,000 and qualifying items are, therefore, categorised as class "A" assets. There were 6 items of equipment totalling \$1,550,872 at various locations that were wrongly categorised as class "B" despite each exceeding the \$25,000 threshold and were, therefore incorrectly not capitalised. This resulted in the understatement of the fixed assets statement.
- At the time of the review, clerical officers were not assigned to the Clinics.

**3.34 Fixed Asset Registers are Materially Misstated.** Considering all the issues highlighted, we conclude that the Ministries'/Departments' Fixed Asset Registers and the Government's overall Statement of Fixed Assets are materially misstated as not all transactions and assets were included, and many were not reported at their correct economic values.

## **CHAPTER 4 OTHER FINANCIAL AUDITS**

4.1 This Chapter will provide an update on the status of financial audits of the Public Accounts, of Government-owned Companies, and of Statutory Agencies. An update will also be given on the status of other financial audits undertaken by the Office of the Auditor General and private audit firms along with audits of some entities receiving significant sums from the public purse.

4.2 Financial audits are undertaken to provide an independent opinion on whether the financial statements prepared and presented by management are free from material misstatements and whether they are presented in accordance with the applicable financial reporting framework.

4.3 Our primary focus here is to report on the status of financial audits at the end of the reporting period. However, we will also report on audits that were undertaken, finalised, and tabled after that date, but before our Report on the Public Accounts for fiscal year 2021/2022 was completed.

### **Public Accounts of Montserrat**

4.4 The Report on the Public Accounts for the fiscal year ending 31 March, 2021 was completed and tabled in the Legislative Assembly on the 26 July, 2022. The audit opinion was qualified for material misstatements.

### **Montserrat Land Development Authority (MLDA)**

4.5 The audited Financial Statements (Corporate) for the year ended 31 March 2019 were tabled in the Legislative Assembly on 26 July 2022. The audit of the 2020 Financial Statements is nearing completion and therefore this entity's status represents 2 years of arrears.

4.6 The audited Financial Statements (Housing Stock) for the year ended 31 March 2019 and 2020 were tabled on 26 July 2022. The statements for years ending 2021 and 2022 will be tabled at the next sitting of the Legislative Assembly.

### **Montserrat Social Security Fund (MSSF)**

4.7 The audited Financial Statements for the financial year ending 31 March 2019 were tabled in the Legislative Assembly on 22 November 2022. This entity's status represents 3 years of arrears and requires urgent attention, given its scale of assets, its scope of operations, its social and economic impact, and its overall national importance.

### **The Montserrat Port Authority (MPA)**

4.8 The audited Financial Statements for the financial years ending 31 March 2020 and 2021 were tabled in the Legislative Assembly on 27 September 2022. This entity's status represents 1 year of arrears.

### **Montserrat Financial Services Commission (MFSC)**

4.9 The Financial Statements for the financial year ending 31 December 2020 and three months from 1 January to 31 March 2021 were completed and will be submitted to the Legislative Assembly. This entity's status represents 1 year of arrears.

### **Montserrat Utilities Limited (MUL)**

4.10 The audited Financial Statements for the financial year ending 31 March 2021 were tabled in the Legislative Assembly on 20 December 2022. This entity's status represents 1 year of arrears.

### **Montserrat Info-Communication Authority (MICA)**

4.11 The audit of the MICA's Financial Statements for the financial year ending 31 March 2020 was completed and is being finalised for tabling. This entity's status represents 2 years of arrears.

### **Montserrat Volcano Observatory (MVO)**

4.12 We are finalising the audit of the MVO's Financial Statements for 2015 and it is expected that the audited statements will be tabled in September 2023. This entity's status represents 7 years of arrears and requires urgent attention. The remaining years will be outsourced to a private audit firm in an effort for the accounts to be brought up-to-date within 18 months.

### **Bank of Montserrat Limited (BOML)**

4.13 The Bank Management has provided us with published copies of the audited Financial Statements for the fiscal year ending 30 September 2022. This entity's status represents fully current compliance.

### **Montserrat Arts Council (MAC)**

4.14 We were informed that the Financial Statements for the financial year ending 31 March 2017 are ready for audit. This audit will commence in October 2023. This entity's status represents 6 years of arrears and requires urgent attention to be brought up-to-date.

#### **Montserrat Community College (MCC)**

4.15 We are awaiting the submission of the draft Financial Statements for the financial year ending 31 March 2016 for audit. This entity's status represents 7 years of arrears and requires urgent attention.

#### **Montserrat National Trust (MNT)**

4.16 The Montserrat National Trust's Statements of Financial Position for the financial years ended 31 March 2021, 2022 and 2023 are currently being audited. This entity's status represents 2 years of arrears.

#### **Montserrat Philatelic Bureau (MPB)**

4.17 We are awaiting the Financial Statements for 2014 and the remaining years for audit. This entity's status represents 9 years of arrears and requires most urgent attention.

#### **Basic Needs Trust Fund (BNTF)**

4.18 The Financial Statements for the fiscal years 2019 and 2020 were submitted for audit review. This entity's status represents 4 years of arrears and requires urgent attention

#### **Montserrat Civil Service Association (MCSA)**

4.19 We are nearing the completion of the audit of the 2016 Financial Statements and it is expected that the audited statements will be tabled in September 2023. This entity's status represents 7 years of arrears and requires urgent attention to be brought up-to-date.

#### **Golden Years Foundation for Care of Elderly (GYFCE)**

4.20 The Financial Statements for the fiscal year ending 31 December 2022 are being finalised. This entity's status represents 1 year of arrears.

#### **Montserrat Girl Guides Association (MGGA)**

4.21 The audited Financial Statements for two fiscal years ending 31 December 2019 and 2020 were tabled in the Legislative Assembly on 17 April 2023. This entity's status represents 2 years of arrears.

#### **St. Augustine Primary School (SAPS)**

4.22 We are awaiting the submission of the draft Financial Statements for the financial year ending 31 August 2015 for audit. This entity's status represents 8 years of arrears and requires urgent attention to be brought up-to-date.



## Cross Cutting Issues

4.23 **Lateness in compilation and provision of accounts for audit.** Statutory Agencies and Government-owned companies are required to compile their financial statements and to submit them for audit within 3 months of the close each fiscal year. Perusal of the information above will show that almost all of these entities are still not adhering to this statutory requirement. This intimates that Accounting Officers are not effectively carrying out their fiduciary responsibilities for reducing risk of fraud, and ensuring transparency, accountability, and overall good governance over these entities.

4.24 **High Risks from Non-Compliance.** Years-long gaps between periods of operations and subsequent audits increase the risks that major errors and omissions will be undetected, that fraud and corruption could occur, and that responsible offices will have retired, resigned or left the service by the time that audits related to their periods of stewardship would be eventually undertaken. This creates moral hazards as well as high financial and political risks, including undermining governance and public confidence in national institutions. **Urgent attention is needed to correct these serious and prolonged breaches of the PFMAA and other regulatory and statutory requirements.**

4.25 The status of audits for Statutory Agencies and State-Owned Enterprises as of 31 March, 2022 can be seen below. All agencies (except Bank of Montserrat Limited) are behind in their required audits.

**Table 15**  
**Outstanding Audits for Statutory Bodies and State-Owned Enterprises**

ENTITY	Year(s) Outstanding								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Financial Services Commission								√	√
Montserrat Arts Council				√	√	√	√	√	√
Montserrat Community College		√	√	√	√	√	√	√	√
Montserrat Info-Communication Authority								√	√
Montserrat Land Development Authority – Corporate							√	√	√
Montserrat Land Development Authority – Housing Stock									√
Montserrat National Trust								√	√
Montserrat Philatelic Bureau	√	√	√	√	√	√	√	√	√
Montserrat Port Authority									√
Montserrat Social Security Fund							√	√	√
Montserrat Utilities Limited									√
Montserrat Volcano Observatory		√	√	√	√	√	√	√	√
Bank of Montserrat Limited									

4.26 **Slow responses to queries and/or requests for adjustments.** We have noted a number of occasions where responses to queries or requests for adjustments to the accounts take an inordinately long time in coming. It is management’s responsibility to ensure that

they make timely responses to auditors' queries and to make requested changes promptly, thus ensuring that audits are concluded in a timely manner.

## **CHAPTER 5 PERFORMANCE/COMPLIANCE AUDITS**

5.1 Performance Audits review matters of (1) efficiency and effectiveness; (2) governance; (3) value for money; (4) quality of service to the public; (5) waste; (6) probity; (7) financial prudence; and (8) project management practices. The resulting reports are submitted to Accounting Officers and are intended to identify good practices; to raise issues and concerns; and to make recommendations for improvements where necessary. They are then sent to the Legislative Assembly to facilitate general oversight of public entities. They are subsequently published via multiple channels to allow the public and all other stakeholders to be informed and to hold the Government accountable for its use of public funds and for the satisfactory delivery of public projects, goods and services.

5.2 This Chapter provides a synopsis of the performance audits undertaken during the reporting period. The audit topics were influenced by stakeholders' concerns raised in the news, on social media; or directly with us.

### **Standards used**

5.3 The standards and guidelines used to guide work in this area were developed by the International Organisation of Supreme Audit Institutions (INTOSAI). These were supported by the Performance Audit Manual for United Kingdom Overseas Territories (UKOTs) developed and provided by the United Kingdom National Audit Office (UKNAO).

### **Performance Audit of the Montserrat St Patrick's Festival**

#### **Background**

5.4 The St. Patrick Day Association (SPDA) is a registered Friendly Society that is directly responsible for the management and the growth of the St. Patrick's Festival and for the co-ordination of the overall calendar of events. Regulatory oversight is provided by the Financial Services Commission (FSC). Key operational oversight and funding for the SPDA and, hence, for the Festival are provided by the Office of the Premier (OP) via the Montserrat Arts Council (MAC). The Festival has a long history, but it grew rapidly since year 2015 (from 1 public holiday of celebration to 2 weeks of public and private events), becoming Montserrat's largest festival, the primary pillar for tourism, and the biggest item on the island's social and cultural calendar.

#### **Scope of Performance Audit**

5.5 The scope of this performance audit was a review to examine the SPDA's governance, operations, and performance since its inception in year 2012: i.e., during the fiscal years 2012/2013 to 2019/2020. Where we received information subsequent to our fieldwork, more recent updates are provided in some parts of the report. We interviewed officers from the SPDA and from several of the GOM's Departments (e.g., the OP, the MAC, the Tourism Division, and the Access Division) in order to obtain their perspectives and experiences in working with the SPDA directly and/or in relation to tourism and festivals more broadly.

## Objectives of the Audit

5.6 This audit sought to examine the management of the Festival, including the level of governance, the quality of the processes of planning and budgeting, the use of people and assets, and overall performance. The overall objective of the audit was to assess whether the SPDA, along with related Departments, is performing efficiently and effectively. To answer this overarching question, we considered 4 issues:

- [a] Mandates: Are the objectives of the SPDA and the St. Patrick's Festival clear?
- [b] Governance: Does the SPDA have the governance and organisational structures in place to deliver its objectives?
- [c] Efficiency: Has the SPDA applied good practices in the use of its resources to meet its objectives?
- [d] Effectiveness: How is the SPDA performing against its objectives/metrics?

## Main Findings

5.7 **The SPDA's performance has improved, but there is still much scope to improve its performance, recordkeeping, and reporting.** Overall, the SPDA has objectives that are relevant to the GOM's Policy Agenda and to the Sustainable Development Plan 2008 to 2020 (SDP). Since the SPDA's formation in March 2012, the Festival has grown from one day to about two weeks in March each year, the annual total of tourist arrivals doubled (years 2011 to 2019), and the number of tourists in March nearly tripled (years 2015 to 2019). (See Chapter 4.) However, patrons and stakeholders have reported many complaints about limited access to Montserrat, passengers' unpleasant travel-experiences to and from the island, inadequate service and amenities at ports/airport, and inadequate amenities and infrastructure at the Festival's venues. No performance reports were made available to us for the fiscal years 2012/2013 or 2013/2014; hence, we could not make detailed assessment for those financial years. The SPDA also advised us that several years of its Minutes and other records were lost.

5.8 **Since its inception, the SPDA has repeatedly failed to comply with its statutory obligations.** The Financial Services Commission, through its Registrar of Friendly Societies, has written to the SPDA about its non-compliance every year since it was registered in March, 2012. The SPDA repeatedly failed to submit Annual Returns of its membership, of its assets, and of its performance. (See Chapter 2.) Despite receiving large public grants each year, the SPDA never hired an external auditor, thus failing to meet the FSC's requirement of audited annual financial statements. The public has great interest in the Festival, but the SPDA has not published annual reports to account for its stewardship of the Festival on the GOM's behalf.

**5.9 The SPDA uses volunteers to fill critical posts and has several gaps in the process for appointment and management of officers.** The SPDA's Management Committee comprises 5 volunteers, who receive a stipend for their 3 to 4 months of work prior to the Festival. Unpaid volunteers comprise all other committees and sub-committees. Historically, most persons were political appointees. We found no documented policy for the appointment or assessment of members of committees or the Management Committee, nor evidence of oversight by the Trustees or by the GOM to ensure that [a] appointments were based and kept on merit, [b] term-limits were in place, and [c] roles and/or members were rotated within a reasonable number of years.

**5.10 The SPDA depends almost entirely on public grants and private sponsorship.** Despite nearly a decade of existence, the SPDA earns very little revenue from its activities. Several of the Festival's events and activities are free of charge to the public. The GOM is the biggest source of the SPDA's funding: a grant of at least EC\$200,000 per year since year 2016. Almost all of the Festival's revenues go to private promoters, who are the risk-takers in developing, in promoting, and in delivering most of the island's events during the two-week Festival Calendar.

**5.11 The GOM has oversight of the SPDA's budget and annual spending, but the SPDA has incurred deficits.** Since 2018, the OP, through the MAC, reviews the SPDA's budgetary requests yearly and controls disbursements of the GOM's grants for the SPDA. Financial performance for the SPDA has varied widely since year 2013 as the Festival grew: for example, its activities incurred expenses of (a) \$80,000 for fiscal year 2013/2014 (Festival 2014), (b) \$111,847 (\$74,963 paid plus \$36,884 owing) for fiscal year 2014/2015 (Festival 2015), and (c) \$367,140 (\$301,416 paid plus \$65,724 owing) for fiscal year 2015/2016 (Festival 2016). The GOM's annual grant to the SPDA increased to \$200,000 in year 2016, but the SPDA's actual receipts have often been less than its budgeted revenues, and the SPDA's actual expenses for continuing and/or expanding the various Festival events have regularly exceeded its actual revenues/grants. The net result was a deficit each year.

### **Key Recommendations**

**5.12 Improve the SPDA's coordination with other partners in the marketing and growth of the St. Patrick's Festival as the main pillar in Montserrat's tourism calendar.** The SPDA should work more closely with other stakeholders (e.g., Access Division, Tourism Division, Ministry of Health, Private Promoters) to ensure better alignment of their plans and activities, and more effective use of their collective resources. For example, to achieve the SDP Goals #1 & #4, improved access and passenger experience, as well as maintenance and upgrades to the infrastructure, to the public venues, and to other items used in the Festival, are essential. This supports both [1] the health and safety of participants (especially in a

pandemic environment), and [2] the infrastructure for high standards of service and quality of experience for tourists and local patrons. Also important is effective local, regional, and global marketing of the Festival and its events, alongside tourism. Better engagement of the private sector can further these goals, including funding them.

**5.13 Ensure that the SPDA meets all of its statutory obligations.** Given its unacceptably long history of non-compliance, the SPDA should urgently reform its planning, its budgeting, and its operations so that it can meet all of its statutory obligations, including these:

[a] Complete and submit all required Annual Returns to the Registrar of Friendly Societies (within the FSC), along with the required fees (which must be included in all budgets);

[b] Appoint and budget for an appropriate external auditor who meets the FSC's criteria; and

[c] Appoint and budget for an accountant to prepare the accounts and to submit for audit each year.

[d] To avoid the continuing accumulation of overdue filing fees and the penalties for non-compliance (including suspension and de-registration by the FSC), the SPDA must eliminate the backlog of legally required filings and unpaid fees, and it must start to submit all of its current obligations before their regulatory deadlines.

**5.14 Strengthen strategic planning, measurement, and reporting of performance.** The SPDA should ensure that all aspects of its strategic plans and budgets clearly relate to the GOM's Policy Agenda and serve the national interest. With the OP's oversight and with the MAC's support, recommended improvements for the SPDA include:

[a] Each objective should have clear, appropriate, and measurable Key Performance Indicators,

[b] Each reported KPI should support achievement of at least one identified part of the Policy Agenda, and

[c] Each KPI should be included in the SPDA's and the MAC's annual reports of the Festival to OP.

[d] Also important is to develop the SPDA's planning, budgeting, and reporting into a robust framework that integrates GOM's related policies and plans, including the national Tourism Strategy, the Montserrat Energy Policy, and the Montserrat Economic Growth Strategy.

[e] The SPDA should publish an annual report of its activities for the public and all stakeholders.

**5.15 Strengthen the oversight of the SPDA's officers.** On behalf of the GOM, the main funder of the SPDA, the OP (the relevant Accounting Officer) should urgently review the

SPDA's existing practices and performance, and hence develop and document suitable policies to ensure that best practices of governance and approved processes are consistently followed, including:

[a] Stating clear criteria for the eligibility of candidates for positions in any of the committees or sub-committees, and ensure that all selected candidates are appropriately vetted and briefed;

[b] Obtaining and documenting the OP's/Cabinet's approval of all appointments to these posts;

[c] Ensuring that the Trustees are meeting regularly and actively hold the SPDA accountable;

[d] Reviewing the performance of all committees and of each of their members at least annually;

[e] Setting reasonable term-limits for key positions, while permitting some rotation of roles, and

[f] Proper induction and ongoing training and development of officers and volunteers in line with their roles and to keep them abreast of relevant regulations, policies, and trends.

This approach will strengthen governance, expand the pool of candidates, and build local capacity so that the intended benefits of the SPDA and of the Festival will be sustained for the long term.

**5.16 Strengthen the SPDA's record keeping and reporting for decision making.** [1] The SPDA should ensure that records are consistently kept for management meetings and for other important activities to document decisions, actions, and progress. [2] As key stakeholders and funders of the SPDA and the Festival, the OP and \*the MAC should assist the SPDA in improving the management of its records and reporting by [a] having a dedicated workstation and filing cabinets for the SPDA within the MAC Office, [b] maintaining data for business continuity, for annual audits, and for timely and complete statutory compliance, and [c] Safeguarding and organising of documents to facilitate effective succession planning, including ensuring that persons appointed to posts, or acting temporarily, can easily locate necessary information from predecessors, while leaving a clear trail for those coming after them to follow.

### **Audit Conclusion**

5.17 Overall, the SPDA has functions and objectives that contribute to the GOM's Policy Agenda and the SDP, and particularly the focus on tourism and economic growth. However, despite a strong regulatory framework, the SPDA has habitually failed to meet its statutory obligations, including submitting Annual Returns to the FSC, appointing external auditors, and providing audited financial statements each year. It operates through a Management

Committee comprising a few compensated part-time officers and through ad hoc subcommittees of unpaid volunteers. Some persons, including the Trustees, have not met the responsibilities of their assigned roles; some positions remain vacant.

5.18 Since the Montserrat Tourism Board was abolished, GOM's funding for tourism plummeted; likewise, after increasing during years 2015/2016 to 2017/2018, the GOM's yearly grant to the SPDA fell sharply in fiscal years 2018/2019 and 2019/2020. Neither the SPDA nor the GOM has published formal policies governing festivals or cohesive strategic plans for their funding and development. Meanwhile, both the Festival and tourist arrivals have grown rapidly since year 2017. However, too much is left to informal processes and to ad hoc private initiatives. Regrettably, since March 2020, the GOM's strict public health measures against COVID-19 have shut down the entire sector of tourism indefinitely, cancelled the year 2020 edition of the Festival while it was in progress, and have also created much uncertainty about whether or when tourism and festivals will resume, far less recover. Hence, a new Festival strategy will be necessary for the coming years.

## **The Montserrat Secondary School**

### **Background**

5.19 The Montserrat Secondary School (MSS) is a public school that serves as the sole provider of secondary education on the island. Key operational oversight and funding for the MSS are provided by the Ministry of Education, Youth Affairs and Sports (MOEYAS). The MSS has a long history and the majority of residents have passed through it in their youth.

### **Scope of Performance Audit**

5.20 The scope of this performance audit was a review to examine the MSS's planning, budgeting, use of resources, and performance over the past five years: i.e., during the fiscal years 2015/2016 to 2019/2020. Where we received information subsequent to our fieldwork, more recent updates are provided in some parts of the report. We interviewed teachers, students, and parents from the MSS and several officials from the MOEYAS in order to obtain their perspectives and experiences in working with the MSS directly and in relation to educational policies and youth development more broadly.

### **Objectives of the Audit**

5.21 This audit sought to examine the management of the MSS, including the level of governance, the quality of the processes of planning and budgeting, the use of people and assets, and overall performance. The overall objective of the audit was to assess whether the MSS is providing value for money. To answer this overarching question, we considered 4 issues:

[a] Mandates: Does the MSS have clear objectives?



[b] Governance: Does the MSS have the governance and organisational structures that are needed to deliver its objectives?

[c] Efficiency: Is the MSS being efficient in the management of its resources to meet its objectives?

[d] Effectiveness: Is there effective management of the MSS's performance?

## **Main Findings**

**5.22 The MSS's performance framework has improved, but there were shortfalls in performance, recordkeeping, and reporting.** Overall, the MSS has clear objectives that are relevant to the GOM's Policy Agenda and to the Sustainable Development Plan. Several goals were not achieved. (See Chapter 3.) Each year, formal assessments were completed for only a small percentage of teachers and other employees. Some records were not kept or were not available upon request from the Ministry of Education or from the MSS during this audit.

**5.23 Over the years, the MSS has repeatedly failed to comply with some statutory obligations.** The Public Finance (Management and Accountability) Act, 2008, states the record-keeping and reporting responsibilities of Accounting Officers in all public Departments. These include duties of care in recording receipts and issuances of items from storerooms; however, the MSS has a history of stores records that are missing, incomplete, inaccurate, and/or not up to date. The MSS also operated a bank account for sundry items, such as fundraising activities and private donations, but without the authorisation of the Ministry of Finance.

**5.24 The MSS has had relatively low rates of satisfactory graduation.** Prior to year 2020, the available statistics show that, on average, the achievement of students in external examinations was below expectations. The annual logical framework agreed between the GOM and the FCDO (previously DFID) has also shown that educational outcomes were among the weakest performance indicators for Montserrat.

**5.25 The MSS depends almost entirely on public grants.** The GOM is the biggest source of the MSS's funding each year. MSS earns little direct revenue from its activities. Public education is provided at no charge to students and fees below cost are charged for books, for school meals, and for the school bus service. Over the years, donations, corporate support, sale of produce, and fundraising activities have been helpful, but are small and inconsistent.

**5.26 The GOM has good oversight of the MSS's budget and annual spending, but the MSS lacks resources in some areas.** The MOEYAS reviews the MSS's budgetary requests yearly

and controls disbursements of the GOM's grants for the MSS. Financial performance for the MSS has been relatively stable, with total spending kept within its budgets. However, in some areas, staffing, equipment, and other resources have been inadequate to meet the MSS's requests for continuing and/or expanding various programmes and activities. The MSS relies on donations and corporate sponsorship to fill some of these gaps.

### **Key Recommendations**

**5.27 Maintain and upgrade the MSS's aging infrastructure.** To achieve the SDP Goals #1 & #4, the MOEYAS and the MSS should plan and implement timely replacement of old assets, and adequate maintenance and upgrades to the infrastructure and to other items used in the educational setting. This supports both [1] the health and safety of the staff and the students (especially in a pandemic environment), and [2] the infrastructure for high standards of service and quality of experience for employees and for students. Improvements to the teaching and learning environment will contribute to better outcomes, addressing many of the students', parents', and teachers' complaints, while boosting goodwill, and improving the MSS's public image.

**5.28 Ensure that the MSS meets all of its reporting and statutory obligations.** These include [a] maintaining satisfactory records of assets and control of inventories in storerooms, [b] assessing and reporting of all employees' performance each year, and [c] timely reports and re-orders for books, for supplies, for equipment, and for furniture to meet the needs of teachers and of students. This will help to achieve the Policy Agenda items 4.1 and 4.2.

**5.29 Improve communication and better address complaints.** The MSS should review and improve its practices for handling stakeholders' feedback, requests, and complaints. E.g., Document verbal queries/complaints; log all inquiries/complaints; give timely acknowledgement of all inquiries/complaints; assign responsibility for verification and resolution of each matter; provide regular feedback to stakeholders on the status and the progress of their inquiries/complaints; track matters from receipt to conclusion. Communicate more frequently with parents and students; give earlier notice of events and changes; use digital channels more.

**5.30 Strengthen the assessment and development of teachers and other employees.** The MOEYAS should urgently review the existing practices and performance at the MSS to improve compliance with the GOM's Performance & Development framework and H.R. policies to ensure that best practices of governance and approved processes are consistently followed, including:

[a] Reviewing the performance of all teachers and other employees least once per School Term;

[b] Assessing, documenting and reporting each employee's performance and development at least once per year;

[c] Developing and monitoring a personalised plan for each employee's learning and growth.

**5.31 Strengthen the assessment, development, and employability of students.** The MOEYAS and the MSS should urgently review the existing teaching practices and students' performance to identify and to remove gaps/barriers to effective learning outcomes in each subject/programme. Much more needs to be done to track graduates, as well as to boost post-graduation employment. This will help to achieve the Policy Agenda items 2.4 and 2.8.

### **Audit Conclusion**

5.32 Overall, the MSS has clear objectives that contribute to the GOM's Policy Agenda and the SDP. Its value for money has been moderate as it has been very efficient in managing its total spending within its budgets, but it has had low effectiveness in outcomes for the majority of its graduating students. A strong regulatory framework is in place, but, in practice, the MSS's compliance with relevant laws, regulations, and policies has some gaps: e.g., the MSS has habitually failed to meet some of its statutory obligations, including maintaining adequate records of goods received and goods issued from its stores, and it has not regularly assessed, documented, and reported most employees' performance and development. Over the past several years, the number of graduate teachers has been rising, but the percentage of untrained teachers has remained high.

5.33 In our surveys, the average level of satisfaction with the MSS, both among students and among teachers, was medium to low. Most of their reported issues and complaints were minor individually, but, with a pattern of no/slow responses and/or long delays in addressing them, many matters of dissatisfaction have accumulated over time. Weaknesses in primary education are evident in some students entering the MSS; these require extra teaching time, intervention by specialists, dedicated teachers, and special remedial programmes. Students' performances in external tests have, on average, been below expectations and the majority of school-leavers have fewer than desired numbers of subjects passed at Grades 1, 2 and 3, or passed at all. This contributes to low value for money for the Government of Montserrat and reduces the numbers of students who successfully complete tertiary education and gain suitable, long-term employment.

5.34 **Subsequent events.** Since March, 2020, the GOM's strict public health measures against COVID-19 shut down the entire sector of education, including the MSS, for several

months. Teachers, students and parents all had to adapt quickly to a new online environment for virtual classes and remote learning. However, some teachers and many students did not have all the necessary equipment, reliable connectivity, and/or a suitable environment for continuing their education at home. These and other factors widened the gap between the highest performing students and the rest during the past year. Nevertheless, with the return to in person classes, along with additional support from the Ministry of Education, including the assignment of four Heads of Department at the School, and more training for employees (both at the School and at the Ministry), there are promising prospects for improved teaching and learning outcomes in the years to come.

## **Compliance Audit**

### **The Government of Montserrat 2010 Agreement with Delta Petroleum Ltd**

5.35. In 2010, the Government of Montserrat and the Managing Director of Delta Petroleum Limited, signed an Agreement for the purchase and ownership of a 3,500-gallon Tank Wagon. This followed the Cabinet's Decision 150/10 dated 15th April, 2010, in which the Council agreed: [1] the GOM's purchase of a tank wagon in partnership with Delta Petroleum Limited at a cost of approximately EC\$450,000, the GOM's share being fifty percent (50%) of the costs; and [2] that the GOM would settle the outstanding Liquid Petroleum Gas losses of approximately EC\$188,886.91 to Delta Petroleum (Montserrat) Limited. The Council also agreed the following: [1] that a cost of approximately EC\$0.06 per gallon be included in the pricing of diesel and gasoline over the next 5 years to finance those costs and [2] that the GOM should enter into an agreement with Delta Petroleum (Montserrat) Limited for 50% ownership of the tank wagon.

5.36. The Office of the Auditor General was unable to verify whether the amount paid for the truck cost more or less than the EC\$450,000.00 specified in the agreement as a receipt was not presented for review. Additionally, some source documents were not presented for review for varying reasons to include documents were damaged and subsequently discarded. There was a breached in the Agreement by exceeding the time-limit for charging the additional \$0.06 per gallon on the cost of Diesel and Gasoline for the purpose of the GOM's reimbursement. A statement of Excess Charge dated 9 March 2021, from the Department of Trade shows that there had been a cumulative overpayment to Delta Petroleum (Montserrat) Limited in excess of \$299,708.

5.37. The OAG recommended that the Government of Montserrat instruct the Delta Petroleum (Montserrat) Limited to cease charging the \$0.06 per gallon with immediate effect as the duration specified in the agreement has long expired, in excess of five (5) years

(amended). Secondly, the GOM must make the necessary arrangement to recoup the excess charges from the Delta Petroleum (Montserrat) Limited immediately.

5.38. For full details of these audits, please visit our website at <http://oag.gov.ms> under Publications or our Facebook page at Office of the Auditor General, Montserrat.

## CHAPTER 6 IT AUDITS

6.1. The objective of the IT Audit is to ensure that the government receives value from Information Technology (IT) investments and that the associated security risks are properly managed. This chapter will therefore provide a synopsis of the work undertaken by the IT Audit Unit during the reporting period.

### Standards Used

6.2. The standards and guidelines used for these audits include the use of applicable government auditing standards for IT audits, (ISSAIs), together with COBIT 4.1, FISCAM, NIST, and the IDI Handbook for IT Audits.

## Information Security Audit of John A. Osborne Airport Air Traffic Control Comsoft's Aeronautical Data Access System

### Overview

6.3 An Airport Traffic Control Tower provides for a safe, orderly, and expeditious flow of traffic in the vicinity of an airport. The AT Controllers at the John A. Osborne Airport utilise the aeronautical information and messaging system COMSOFT's Aeronautical Data Access System (CADAS). This system is used to communicate the pilot's flight plans and to send local weather-related information to the meteorological hub in Washington.

### Key Observations and Findings

6.4 **Very secure application software.** The CADAS application software is very secure and protects the integrity and confidentiality of the information contained within the sent and received messages, TTCAA client-server network, and database server.

6.5 **User account deactivation procedure not being performed correctly.** When an airport worker's job status has changed (resigned, retired, transferred or fired), the correct procedure for deactivation of user accounts is not being appropriately initiated by Airport Management. Job statuses are being reported to DITES over the telephone, instead of via DITES' standardised *User Request Form*.

6.7 **Fire extinguisher incorrectly placed.** The lone handheld fire extinguisher at the Control Tower is situated on the floor in a far corner, at the end of a narrow, tight, space. The placement of this active fire device is not ideal in the event of a small fire, as the canister is not within reach and it is obstructed by a sizeable piece of equipment.

**6.8 Irrelevant Information in the Hurricane Plan.** The airport's 2020 Hurricane Plan is updated annually however, it still contains procedures that are either irrelevant, or not observed. For instance, there are remnant provisions from previous aerodrome services; reference is made to the 'Heliport', which ceased operating in early 2000. Secondly, the ATC staff does not dismantle the ATC automated Meteorological Station, or disconnect and store the computers and other electronic devices in the ATC Equipment Room.

## **Recommendations**

**6.9 Observing user accounts deactivation protocols.** Airport Management should begin observing the protocol in place for requesting the deactivation of user accounts. Deactivation of user accounts can be requested by completing and submitting the standardised form provided by DITES, or specifying the user/(s) details in an email. Either method will create an archival paper trail beneficial for the Human Resource Management Unit, and other investigative purposes.

**6.10 Fire extinguisher must be unobstructed and secured.** We strongly recommend that the handheld fire extinguisher be strategically placed for easy access, that is, affixed to a wall and unobstructed.

**6.11 Improve the Hurricane Plan.** The John A. Osborne Airport Hurricane Plan requires revision that reflects the actual procedures implemented for preparation and restoration, before and after inclement weather.

## **Audit Conclusion**

**6.12** The Office of the Auditor General has determined that, overall, the majority of security measures and controls in place at the John A. Osborne Airport (JAO) and TTCAA / E/CAR network, are very robust. There is adequate safeguarding of the CADAS system infrastructure; transmission of the data across the client-server network; and storage of the data in the CADAS database servers.

**6.13** A key fact is that departed employees pose a significant risk to any organisation's data, applications and systems. We found that the software is suitable, vetted and supported internationally and allows for restrictive access according to levels of authorisation. However, of concern was the informal approach being utilised in requesting the removal of users who were no longer employees at the JAO Airport.

6.14 Several other important deficiencies and risks in the physical and environmental contexts of the staff and the system itself were noted. These have implications for health and for safety as well as risks to the CADAS software and the relevant equipment and workspace to include flooding, cracked glass, dirt, dust and rust. The backup space to relocate equipment and other paraphernalia is also very hazardous. The reality is that the status quo remains and will likely continue for several more months within the spaces examined in the audit until the new Control Tower will be completed, tested and fully activated by the anticipated deadline of late 2021.

## **Information Technology Audit of the Trade and Quality Infrastructure**

### **Division: Electronic Fuel Price Calculators**

#### **Overview**

6.15 The Trade and Quality Infrastructure (TQI) Division designed an Excel spreadsheet tool called the Electronic Fuel Price Calculator to capture the basic formulae for the computation of the Prices of Goods (Petroleum Products) on Montserrat, stated within the *Statutory Rules and Orders 53/2005* (SR&O). This Information Technology audit was conducted to determine if the accuracy and consistency of the fuel prices computed by the Calculator are in accordance with the Laws of Montserrat.

#### **Key Observations**

6.16 The formulas and functions set up in the Excel Spreadsheet based Electronic Fuel Price Calculator, are in accordance with the *Montserrat Statutory Rules and Orders 53/2005*.

6.17 The fuel price calculations are consistent and accurate, whether or not precise information is keyed into the calculator.

6.18 The TQI Division had lacked the required staff, a TQI Officer, to perform the relevant fieldwork of capturing dip stick measurements of the fuel storage tanks. A critical responsibility of the TQI Officer is to monitor and report on local trade practices and fuel supply to ensure customers are not misled and to ensure the adherence to the pricing mechanisms established by the Government of Montserrat. The Division has been averaging the levels of fuel for over nine (9) years. Subsequent to this review, we were informed that a TQI Officer was appointed and would be trained to perform the technical requirements of the post. However, to date, training of the TQI Officer has not been completed, nor has the Officer been conducting dip stick measurements.



6.19 A directive was issued by the Cabinet in June 2019 instructing the Ministry within which the Trade Division operates and the Ministry of Finance and Economic Management to review the accuracy of the fuel price calculations but this was not actioned. However, subsequent to this review, the Ministries finally commenced a collaborative assessment exercise in September 2021.

### **Audit Conclusion**

6.20 The Office of the Auditor General has determined that the EFP Calculator is in compliance with *SR&O 53/2005* and is consistent and accurate. The post of Trade and Quality Infrastructure Officer was recently filled, the employee has not conducted any physical tank dip measurements. Therefore, until the Officer is trained to execute this task, the current practice of estimation misrepresents the fuel stock of Petrol Retailers (positively/negatively) and ultimately affects the price of fuel. The inputs into the calculator are dependent on a process that is inherently subjected to error and is further compounded by the length of time that this situation has elapsed.

6.20 For full details of these audits, please visit our website at <http://oag.gov.ms> under Publications.

## CHAPTER 7 AUDITOR GENERAL'S OVERVIEW OF AUDIT OFFICE

### Strategic Assessment

7.1. This Chapter will highlight the work of our Office and matters affecting our operation during reporting year. It is included here to allow our stakeholders to get a better view of our operations thereby allowing for transparency and accountability.

### *Governance Arrangements*

7.2. Our preliminary work plans are usually shared with the Public Accounts Committee (PAC) and its input is sought for other areas that could be included. For audit work, I report to the Legislative Assembly, through the Ministry of Finance and the Clerk of the Legislative Assembly's Office. For administrative matters, I report to the Governor. Internally, the Audit Managers assisted the Auditor General (Ag) in managing the department where necessary. Of major concern is that the substantive post of Auditor General has remained vacant since May, 2021. This, together with some other vacancies and issues, posed continuing challenges in fulfilling our mandate in a timely way.

### *Legal Environment*

7.3. Sections 103 of the Montserrat Constitution Order 2010 provides guidance on the functions of the Auditor General and by extension that of her office. Perusal of this section will highlight that the Auditor General is mandated to audit and to report on the public accounts of Montserrat and of all public offices, including the Courts, the central and local government administrations, universities and higher education institutions, and any public corporations or other bodies established by an Act of Parliament. This is supported by the Public Finance (Management and Accountability) Act (PFMAA), 2008, which outlines the accounts to be audited by the Auditor General.

7.4. The Constitution Order, 2010, also allows the Auditor General to conduct value-for-money audits where the economy, the efficiency and the effectiveness of Government's systems, operations, and transactions are assessed.

7.5. We also operate in accordance with the Public Finance (Management and Accountability) Act, (PFMAA) 2008, and other laws and regulations that affect our work.

7.6. The Audit Bill remained in abeyance over the handling of the legacy employees (i.e., those in permanent posts). All other officers hired in the past several years have been disadvantaged by being offered only fixed-term one-year or two-year contracts, while the anticipated transition was supposed to be imminent. This is very disappointing since [1] this unsatisfactory situation has continued for more than 10 years, [2] there are well established procedures and norms for respecting and protecting the rights and tenure of employees in established posts, and [3] the remaining number of officers in permanent posts within the Department is now very small, and their legacy rights and benefits would be proportionately immaterial to the Government's budget.

## **Risk Assessment and Management**

7.7. The OAG manages risks to the achievement of both financial and operational objectives. The senior management team ensures that our risk register is kept under review and that there are appropriate management practices in place to mitigate the risks identified. We have identified our main risks and have grouped these under challenges. These risks are listed in the OAG's fiscal risk register. We endeavour to review the register semi-annually and amend it where necessary. It is important for risk assessment to be undertaken to assist us in achieving our objectives, while recognizing where we lack full capacity and resourcing.

## **Strategic Plan Progress**

7.8. Our Key Strategies for the 2021/22 financial year were:

- a) Performing requisite audits and report on the public accounts of Montserrat and of all public offices in accordance with the Montserrat Constitution 2010. This is an on-going activity and involves performing our core function as the External Auditors for the Government of Montserrat.
- b) Establishing the Montserrat National Audit Office to ensure an independent audit office that facilitates accountability and transparency. Again, this did not come to fruition in this reporting year.
- c) Delivering value to citizens through improved recommendations to Accounting Officers; improvement in staff capability and skills; and development of policies, procedures and guidelines that facilitate quality work and meet international audit standards/guidelines. This is an ongoing activity in which we continuously engage in various capacity-building activities to improve our audit skills.
- d) Facilitating a Supreme Audit Institution Performance Measurement Framework Review to assess our internal compliance with international audit standards and overall effectiveness of our operations.

7.9. The core activities of the OAG will continue to be the financial audits of the Government and its agencies; and performance audits reporting to the Legislative Assembly on the economy, the efficiency and the effectiveness of public spending. Holding the Government to account for its spending and for providing value for money in public services endures as our fundamental area of focus. Overall, we have had mixed results in accomplishing our strategic goals for the year. Some of the challenges we faced that impacted our achievement are highlighted below.

## **Challenges faced during the year**

7.10. We faced many challenges during the year. The most prominent of these were:

- Shortage of staff
- Untimely feedback from Auditees
- Ongoing accommodation Issues
- COVID-19 related work interruptions

## OAG's Financial Performance

7.11. Approved revenue amounted to \$30,000. Actual collection was \$28,700.

7.12. Our budgetary allocation for the fiscal year 2021/22 was \$1,223,000. Actual expenditure totalled \$1,190,999, leaving an unexpended amount of \$32,001.

7.13. As in prior years, material expenditures continue to be compensation of employees and acquisition of goods and services, utilising 65% and 18% of the budget, respectively.

## Human Resource Management and Development

7.14. The OAG employs 16 persons: 13 are auditors and 3 are supporting staff. The composition of our staff is outlined in Appendix 6.

7.15. With respect to performance management and succession planning, we continue to follow ISSAI 1220, to monitor the work of the staff, and to provide feedback on an assignment basis. We also continue to focus on our capacity development initiatives to enable staff skills to be continuously upgraded to meet the challenges of an ever-changing audit environment. To that end, 6 employees were engaged in various professional development programmes. Additionally, the staff participated in general public service in-service training; in-house training; and attendances at regional/international conferences, virtual meetings or workshops.

## Workforce Performance

7.16. The following table shows the work undertaken together with its state of completion during the fiscal year.

**Tabled Reports**

Type of Audit	Quantity
IT Audit	2
Performance Audit	2
Financial Audit	7 (covering 19 years)
• Statutory/Private	1
• Public Accounts	1
Compliance Audit	1
Special Audit	1

## Follow-Up on the Implementation of Prior Years' Audit Recommendations

7.17. As part of our audits, we provide recommendations that would aid Accounting Officers in improving their operations. It is our practice to see whether these recommendations are being implemented, or whether the issues identified in our audits have been otherwise addressed. In our review, we found that, as at 31 December 2022, 14% were

fully implemented, 2% were partially implemented, 71% were in progress, and 11% were not implemented, whilst we got no response for implementation for 2%. See Appendix 5 for the status of audit recommendations.

7.18. We, are urging Accounting Officers and Heads of Departments to take seriously this aspect of their responsibilities. This will allow them to fulfil the Cabinet’s Policy Agenda, as well as the full requirements of the PFMAA, 2008 and the related Regulations, 2009.

### **Acknowledgements and Appreciation**

7.19. I am grateful for all assistance provided to my staff during the conduct of the various audit assignments and thus extend heartfelt thanks to the staff of the Treasury Department, to all Accounting Officers and the staff of their Ministries/Departments, and to the staff of Statutory bodies and other organisations.

7.20. I extend sincere thanks to the various stakeholders who provided financial and other technical assistance that allowed us to undertake various capacity development initiatives. These initiatives were integral to the improving of our skills and allowed us to deliver higher quality of audit products. These stakeholders include the GOM, its Learning and Development Unit, FCDO, IDI, CAROSAI and its member organisations, the UK National Audit Office, and, by extension, the UK Overseas Territories Project.

7.21. None of the audit work could have been achieved without the indelible assistance of the members of staff, who are responsible for conducting many aspects of the audit assignments. I say thank you for your contribution despite the many challenges encountered during the fiscal year.



**MARSHA V. E. MEADE**  
**AUDITOR-GENERAL (Ag)**  
**OFFICE OF THE AUDITOR-GENERAL**  
**MONTSERRAT**  
**4 AUGUST 2023**

**APPENDICES**

Appendix 1	Consolidated Fund Financial Statements 2021/2022	65
Appendix 2	Audit provisions – Montserrat Constitution Order 2010	88
Appendix 3	Accounts to be submitted by the Accountant General	91
Appendix 4	Accounts to be submitted by Accounting Officers	93
Appendix 5	Status of Audit Recommendations	94
Appendix 6	Organisational Chart	154

**APPENDIX 1**  
**GOVERNMENT OF MONTSERRAT**  
**Consolidated Fund - Statement of Assets and Liabilities as at March 31, 2022**  
**(with comparative figures for March 31, 2021)**

<b>FINANCIAL ASSETS</b>	<b>Notes</b>	<b>2021</b>	<b>2022</b>
Consolidated Fund Accounts	2	5,156,798	5,303,935
Operating Account at ECCB	3	221,582	223,864
Development Capital Fund Account	4	26,633,557	34,693,686
Crown Agents # 2 Account	5	2,405,206	2,351,442
Fiscal Reserve - A/C # 1 Tranche ECCB	6	4,656,225	4,656,225
Volcano Relief Bank Accounts	7	253,022	253,022
EU Savings Account at RBC	8	121,965	-
Equity – Bank of Montserrat Limited	9	17,032,715	23,066,345
RAC Grenada Bond	10	658,478	589,165
Personal Advances	11	317,217	301,744
Outstanding Imprest	12	7,681	-
Advances to Other Governments & Administration	13	149,186	153,449
<b>TOTAL ASSETS</b>		<b><u>57,613,631</u></b>	<b><u>71,592,877</u></b>

**CONSOLIDATED REVENUE FUND**  
**Statements of Assets and Liabilities as at March 31, 2022**  
**(with comparative figures for March 31, 2021)**

	Notes	2021	2022
<b>LIABILITIES</b>			
Miscellaneous Deposits	14	3,709,600	1,700,079
Development Fund Payable	15	21,807,721	29,235,290
Special Funds	16	<u>14,959</u>	<u>14,959</u>
<b>TOTAL LIABILITIES</b>		<b>25,532,280</b>	<b>30,950,328</b>
 <b>THE CONSOLIDATED FUND</b>			
Balance at the start of the Year		33,609,713	32,081,351
Fund Adjustments	17	1,386,111	7,571,478
Revenue (recurrent) for the Year		142,584,601	136,775,116
Expenditure (recurrent) for the Year		<u>(145,486,531)</u>	<u>(135,785,397)</u>
Surplus/(Deficit)		(2,901,930)	989,720
Transfer to Local Costs	18	<u>(12,543)</u>	<u>-</u>
<b>TOTAL CONSOLIDATED FUND</b>		<u>32,081,351</u>	<u>40,642,549</u>
<b>TOTAL</b>		<b><u>57,613,631</u></b>	<b><u>71,592,877</u></b>

The notes to the Public Accounts form an integral part of these accounts.

*Accountant General, Montserrat*



**CASH FLOW STATEMENT as at March 31, 2022**  
**(with comparative figures for March 31, 2021)**

<b>Cash Flows from Operating Activities</b>	<b>Notes</b>	<b>2021</b>	<b>2022</b>
<b>Cash Receipts for:</b>			
Tax Revenues	19	42,474,299	44,617,970
Non-Tax Revenues	20	5,432,508	6,749,210
Budgetary Aid and Grants	21	93,607,582	84,534,872
Revenue Receipts Development Projects		3,361,475	2,627,108
<b>Cash Paid for:</b>			
Recurrent Expenditure (Excluding SCAF)	22	(144,568,592)	(134,609,685)
Revenue Expenditure Projects		(6,404,529)	(5,404,434)
<b>Net Cash flows from Operating Activities</b>		<u>(6,097,255)</u>	<u>(1,487,959)</u>
<b>Cash Flows from Investing Activities</b>	23		
<b>Cash Receipts for:</b>			
Capital Project Receipts		30,237,925	19,690,540
Receipts for Sale of Tangible Assets		43,201	44,300
Investing Receipts Financial Assets		1,096,323	901,077
<b>Cash Paid for:</b>			
Capital Projects		(13,058,627)	(9,485,644)
Other Fixed Assets (SCAF)		(917,939)	(1,175,712)
<b>Net cash flows from Investing activities</b>		<u>17,400,883</u>	<u>9,974,560</u>
<b>Cash Flows from Financing Activities</b>	24		
(Increase)/Decrease in Advances		170,705	15,556
Increase/(Decrease) in Deposits		603,586	(414,571)
Effect of exchange rate changes on cash and cash equivalents	17		(53,767)
<b>Net Cash flows from financing activities</b>		<u>774,290</u>	<u>(452,782)</u>
<b>Net cash flows</b>		12,077,919	8,033,820
<b>Cash and cash equivalents at the beginning of the period</b>		<u>27,370,436</u>	<u>39,448,355</u>
<b>Cash and cash equivalents at the end of the period</b>		<u><b>39,448,355</b></u>	<u><b>47,482,174</b></u>

*Accountant General, Montserrat*

**Statement of Cash Receipts and Payments for the Government of Montserrat  
as at March 31, 2022**

Receipts	Notes	2021	2022
<b>Tax Revenue</b>			
Taxes on Income, Profits and Capital Gains		19,342,615	18,628,556
Taxes on Property		850,296	932,344
Taxes on Domestic Goods & Services		1,666,411	1,772,565
Licences		2,944,855	2,722,783
Taxes on International Trade & Transactions		17,670,122	20,558,722
<b>Total Tax Revenue</b>	19	<b>42,474,299</b>	<b>44,614,970</b>
<b>Non-Tax Revenue</b>			
Rents and Interest and dividends	20	713,852	991,137
External Assistance - Budgetary Aid	21	93,607,582	84,534,872
External Assistance – Development Grants	21	33,599,400	22,317,647
Fees, Fines and Permits	20	1,922,278	1,874,608
Reimbursements	20	432,722	875,168
Other Receipts Recurrent	20	2,363,655	3,008,296
Capital Receipts	23	43,201	44,300
Receipt from Investment	23	1,096,323	901,077
Net Receipt Advances and Deposits	27	774,290	(399,014)
<b>Total Non-Tax Revenue</b>		<b>134,553,305</b>	<b>114,148,091</b>
<b>Total Receipts</b>		<b>177,027,604</b>	<b>158,763,062</b>
<b>Payments</b>			
Personal Emoluments	22	47,606,249	47,644,585
Pension, Gratuities and Other Benefits	22	13,616,158	13,979,713
Goods & Services	22	42,558,260	42,839,231
Transfers and Subsidies	22	17,986,074	17,586,857
Social Services	22	9,051,834	4,633,935
Other Expenditure	22	13,594,293	7,869,933
Debt	22	1,073,663	1,231,143
Capital Expenditure (Development Fund)	26	13,058,627	9,485,644
Revenue Expenditure (Development Fund)	26	6,404,529	5,404,434
<b>Total Payments</b>		<b>164,949,686</b>	<b>150,675,475</b>
Cash flow Increase/(Decrease)		12,077,918	8,087,587
Adjustments for: Crown Agents Sterling A/c	17	-	(53,767)
Total Adjustments		<b>12,077,919</b>	<b>8,033,820</b>
<b>Cash at the Beginning of the Year</b>		<b>27,370,436</b>	<b>39,448,355</b>
<b>Cash at the end of the year</b>		<b>39,448,355</b>	<b>47,482,174</b>

**Consolidated Statement of Comparison of Budget and Actual Amounts as at March 31, 2022**  
**(Budget Approved on a Cash Basis)**  
**(Economic Classification of Payments)**

	Notes	Original Budget	Final Budget	Actual 2022	Budget Variance	Actual 2021
<b>Cash Inflows</b>						
Taxation	19	41,235,700	41,235,700	44,614,970	(3,379,270)	42,474,299
Non-Tax	20	3,565,500	3,565,500	4,572,677	(1,007,177)	4,095,863
Other receipts	20	3,400,800	3,400,800	3,052,596	348,204	2,406,856
<b>Grants:</b>						
Budgetary Aid	21	86,140,000	86,140,000	84,534,872	1,605,128	93,607,582
Development Grants	21	69,748,500	70,436,500	22,317,647	48,118,853	19,461,365
<b>Total Inflows</b>		<b>204,090,500</b>	<b>204,778,500</b>	<b>159,092,763</b>	<b>(45,685,737)</b>	<b>162,045,965</b>
<b>Cash Outflows</b>						
Personal Emoluments	22	51,541,400	48,377,900	47,644,585	733,315	47,606,249
Pensions, Gratuities & Other Benefits	22	13,056,600	13,987,700	13,979,713	7,987	13,616,158
Goods & Services	22	42,633,300	45,430,900	42,839,231	2,591,669	42,558,260
Transfers and Subsidies	22	17,725,000	17,609,400	17,586,857	22,543	17,986,074
Social Services	22	4,259,200	4,655,400	4,633,935	21,465	9,051,834
Other Expenditure	22	5,765,900	8,047,800	7,869,933	177,867	13,594,293
Debt	22	1,360,600	1,232,900	1,231,143	1,757	1,073,663
Capital Expenditures	26	69,748,500	70,436,500	14,890,078	55,546,422	19,459,574
<b>Total Outflows</b>		<b>206,090,500</b>	<b>209,778,500</b>	<b>150,675,475</b>	<b>59,103,025</b>	<b>164,946,105</b>

## CONSOLIDATED FUND - April 2021 to March 2022

### Annual Abstract of Receipts and Payments

	ESTIMATE	TOTAL AUTHORISED	ACTUAL REVENUE	SURPLUS (SHORT FALL)
<b>1A - Tax Revenue</b>				
110: Taxes on Income, Profits and Capital Gains	16,900,000	16,900,000	17,304,238	404,238
115: Taxes on Property	745,000	745,000	773,999	28,999
120: Taxes on Domestic Goods & Services	1,784,600	1,784,600	1,772,565	(12,035)
122: Licences	3,025,700	3,025,700	2,722,783	(302,917)
125: Taxes on Int'l Trade & Transactions	18,000,000	18,000,000	20,558,722	2,558,722
129: Arrears of Taxes	780,400	780,400	1,482,664	702,264
<b>Total Tax Revenue</b>	<b>41,235,700</b>	<b>41,235,700</b>	<b>44,614,970</b>	<b>3,379,270</b>
<b>1B - Non-Tax Revenue</b>				
130: Fees, Fines and Permits	1,980,500	1,980,500	1,874,608	(105,892)
135: Rents, Interest and Dividends	1,470,000	1,470,000	1,822,901	352,901
140: ECCB Profits	-	-	-	-
145: Reimbursements	115,000	115,000	875,168	760,168
150: Budget and Grants	86,140,000	86,140,000	84,534,872	(1,605,128)
160: Other Revenue	3,400,800	3,400,800	3,052,596	(348,204)
<b>Total Non-Tax Revenue</b>	<b>93,106,300</b>	<b>93,106,300</b>	<b>92,160,146</b>	<b>(946,154)</b>
<b>TOTAL RECURRENT REVENUE</b>	<b>134,342,000</b>	<b>134,342,000</b>	<b>136,775,116</b>	<b>2,433,116</b>
<b>Development Revenue:-</b>				
02. British Dev. Aid Grants - Local	22,708,200		14,780,242	(7,927,958)
07. CDB	20,000,000		737,436	(19,262,564)
10. Local	252,700		44,718	(207,982)
12. UNDP			139,050	139,050
14. FCO	647,700		383,184	(264,516)
17. UNICEF	49,500		-	(49,500)
25. European Union	25,908,100		6,050,549	(19,857,551)
30. OTEP	22,800		-	(22,800)
31. DARWIN	19,300		-	(19,300)
37. UoL	10,000		10,658	658
38. UoE	130,200		66,445	(63,755)
39. EFTEC			14,243	14,243
40. SC			91,122	91,122
<b>TOTAL DEVELOPMENT REVENUE</b>	<b>69,748,500</b>		<b>22,317,647</b>	<b>(47,430,853)</b>

*Accountant General, Montserrat*

## CONSOLIDATED FUND - April 2021 to March 2022

### Annual Abstract of Receipts and Payments

	ESTIMATE	TOTAL AUTHORISED	ACTUAL EXPENDITURE	SAVINGS/ (EXCESS)
<b>CONSOLIDATED FUND EXPENDITURE:-</b>				
05 Police & Fire	7,556,500	7,830,000	7,761,841	68,159
07 Legal	1,789,100	1,399,900	1,346,284	53,616
08 Magistrates Court	204,600	204,600	180,098	24,502
09 Supreme Court	804,700	790,500	720,140	70,360
10 Legislature	1,681,300	1,681,300	1,615,660	65,640
11 Office of the Auditor General	1,223,000	1,223,000	1,190,999	32,001
12 Office of the Deputy Governor	31,245,500	31,184,500	30,840,582	343,918
13 Department of Public Prosecution	849,700	638,300	608,885	29,415
15 Office of The Premier	14,152,300	13,460,200	13,067,897	392,303
20 Min. of Finance and Economic Mgt	24,229,600	27,324,000	25,325,608	1,998,392
30 Min. of Agriculture, Lands, Housing, Environ.	6,658,800	6,397,800	6,240,564	157,236
35 Min. of Communications & Works	12,788,200	13,049,200	12,956,930	92,270
40 Min. of Education, Youth Affairs, Sports	11,579,800	11,479,800	11,291,134	188,666
45 Min. of Health & Community Services	21,578,900	22,678,900	22,638,773	40,127
<b>TOTAL CONS. FUND EXPENDITURE</b>	<b>136,342,000</b>	<b>139,342,000</b>	<b>135,785,397</b>	<b>3,556,603</b>
<b>DEVELOPMENT EXPENDITURE:-</b>				
12 Office of the Deputy Governor	680,800	680,800	-	680,800
15 Office of the Premier	6,942,900	7,092,400	1,251,570	5,840,830
20 Min. of Finance & Economic Management	4,445,000	4,037,200	328,842	3,708,358
30 Min. of Agriculture, Lands, Housing, Environ.	2,107,800	2,420,100	678,950	1,741,150
35 Min. of Communications & Works	50,519,800	50,653,800	11,702,884	38,950,916
40 Min. of Education, Youth Affairs, Sports	3,113,700	3,613,700	712,650	2,901,050
45 Min. of Health, Community Services	1,938,500	1,938,500	215,182	1,723,318
<b>TOTAL DEVELOPMENT EXPENDITURE</b>	<b>69,748,500</b>	<b>70,436,500</b>	<b>14,890,078</b>	<b>55,546,422</b>

**GOVERNMENT OF MONTSERRART**  
**DEVELOPMENT FUND**  
**STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2022**  
**(with comparative figures as at March 31, 2021)**

<b>ASSETS</b>	<b>Notes</b>	<b>2021</b>	<b>2022</b>
BRITISH DEVELOPMENT CLAIMS OUTSTDG	1	5,447,661	
DONOR AGENCIES EXPENDITURE OUTSTD	2	103,332	
CONSOLIDATED FUND RECEIVABLE		<u>21,807,721</u>	<u>29,235,290</u>
<b>TOTAL ASSETS</b>		<b><u>27,358,714</u></b>	<b><u>29,235,290</u></b>
<b>LIABILITIES</b>			
DEPOSITS WITHIN THE DEVELOPMENT FUND	3	35,446,312	37,304,246
LOCAL FUNDS	4	10,066	11,469
BRITISH DEVELOPMENT CLAIMS DEPOSITS	1		17,238
CONSOLIDATED CAPITAL FUND		(22,246,452)	(15,525,232)
ADD: REVENUE OVER EXPENDITURE		14,148,788	7,427,569
<b>TOTAL LIABILITIES</b>		<b><u>(8,097,664)</u></b>	<b><u>(8,097,664)</u></b>
		<b><u>27,358,714</u></b>	<b><u>29,235,290</u></b>

NOTES TO THE BALANCE SHEET:

- (1) SUM OF THE BALANCES FOR BDD AND WISTS
- (2) SUM OF ALL DEBIT BALANCES EXCEPT BDD AND WISTS
- (3) SUM OF ALL CREDIT BALANCES EXCEPT BDD, WISTS & LOCAL
- (4) SEE DETAILS

**GOVERNMENT OF MONTSERRAT**  
**CONSOLIDATED REVENUE FUND**  
**Notes to the Financial Statements**  
**Financial Year Ending March 31, 2022**

*The notes to the Financial Statements form an integral part to understanding the Statements and should be read in conjunction with the Statements. The accounting policies have been applied consistently throughout the period.*

## **Note 1. Accounting Policies**

### **BASIS OF PREPARATION**

*The basis of preparation of the Financial Statements is largely governed by the provisions of the PFMAA. These statements are also compliant with the Cash Basis of the International Public Sector Accounting Standards (IPSAS) Part 1. The consolidation of the Financial Statements of other entities controlled by the GoM, in particular Statutory Bodies is no longer a requirement under IPSAS.*

*The cash basis of accounting recognises transactions and events only when cash (including cash equivalents) is received or paid by the Consolidated Fund. Consideration is however given to the Government's legal and regulatory framework in relation to public finances.*

### **BUDGET**

*The approved budget was prepared on the same accounting basis (cash basis), same classification basis, and for the same fiscal period (from April 2021 to March 2022) as the Financial Statements.*

*The Appropriation Bill 2021/22 was passed on the 23<sup>rd</sup> of June 2021. The preceding Provisional General Warrant authorised expenditure out of the Consolidated fund from April 2021 until the Appropriation Bill was passed.*

*An Approved Budget for the fiscal year 2021-22 was \$206.09M - comprised of recurrent \$136.34M and capital \$69.74M). This is a decrease of \$21.58M compared the approved budget for the 2020/21 fiscal year.*

*On the revenue side, the budgeted revenue from local sources was \$48.20 million compared to \$36.99 million in the previous FY and an outturn of \$52.17m. Two main areas for the projected revenue were tax revenue and non-tax revenue; including fees, fines, permits, rents, interests and licenses. External support in the form of budgetary aid was projected as \$86.14m, contributing 64% to the aggregate recurrent revenue.*

*During the financial year, the Legislative Assembly passed three Supplementary Appropriation Bills which increased the total authorised expenditure by \$3.0m. The objective of the increase*

was to cover expenditure in relation to the RMDF's *Heliconia Star*, the procuring of goods and services for maintenance; including *inter alia*, *Bridget Plates* for the *St. Peters Road*, drainage improvement in *Judy Piece* and *Lawyers Mountain*. The increase also funded the purchase of medical supplies and provided for the extended medical support of the Cuban Brigade as well as social welfare commitments. The final supplementary was intended to provide funds for the purchase of a fire tender through the Ministry of Finance and Economic Management. However, procurement efforts were unsuccessful to the end of the reporting period causing the underspend to the budget estimate and contributing to the reported surplus of \$0.92m.

## **LIABILITIES**

### ***Outstanding Liabilities***

*Outstanding liabilities (short-term) as at March 31<sup>st</sup> accrued to \$1.5m. The total sum captures the \$0.342m that remains payable to Regional Institutions at the end of the reporting period, as well as \$1.15m in unsettled for deposits the now defunct Government Savings Bank.*

### ***Contingent Liabilities***

*Contingent Liabilities are expenses that may be incurred by a Ministry/Department depending on the outcome of an uncertain future event such as a court case. These contingent liabilities recognise that future expenditure may arise if certain conditions are met or certain events occur. That is, the risk of a call on the Consolidated Fund in the future will depend on the outcome of a future event that cannot be predetermined by GoM. The total estimate for GoM's quantifiable contingent liabilities at the end of the financial year was \$15.7m. There remains a number of cases for which an estimate has not yet been assigned.*

### ***Reporting Entity***

*The Government Reporting Entities covered in these Financial Statements comprise Ministries and Departments of Government controlled by Accounting Officers that are appointed under the provisions of the PFMAA.*

*The Annual Statements of the Public Accounts show the financial performance of the Government of Montserrat for the financial year ended 31st March, 2022 on the basis of monies held in, received by, or paid out of all public funds of the Government of Montserrat during the year under review.*

*The Government, through the Treasury Department, operates a centralised Treasury function that collects revenue, and administers payments on behalf of all Ministries and Departments of the Government.*

*A list of all the budgetary organisations is shown in the table below:*



## **Government Ministries and Departments**

<b>05 Police &amp; Fire</b>
<b>07 Legal</b>
<b>08 Magistrates Court</b>
<b>09 Supreme Court</b>
<b>10 Legislature</b>
<b>11 Office of the Auditor General</b>
<b>12. Office of the Deputy Governor</b>
<b>13 Department of Public Prosecution</b>
<b>15 Office of The Premier</b>
<b>20 Ministry of Finance and Economic Management</b>
<b>30 Ministry of Agriculture, Lands, Housing etc.</b>
<b>35 Ministry of Communication &amp; Works</b>
<b>40 Ministry of Education Youth Affairs and Sports</b>
<b>45 Min. of Health &amp; Community Services</b>

## **GoM's Statutory Bodies and State-Owned Entities (SOEs)**

The Government of Montserrat through the Ministry of Finance maintains oversight over the following Statutory Bodies and State-Owned Entities:

<b>Financial Services Commission</b>
<b>Montserrat Social Security Fund</b>
<b>Montserrat Land Development Authority</b>
<b>Montserrat Port Authority</b>
<b>Montserrat Philatelic Bureau</b>
<b>Montserrat Community College</b>
<b>Montserrat Utilities Limited</b>
<b>Montserrat Volcano Observatory</b>
<b>Bank of Montserrat Ltd.</b>
<b>Montserrat National Trust</b>
<b>Montserrat Info-Communication Authority</b>
<b>Montserrat Arts Council</b>

The accounts for these Statutory Bodies or SOEs are prepared separately and tabled before the Legislative Assembly, save for the Bank of Montserrat Ltd which is a limited liability company.

### **Reporting currency**

The reporting currency is Eastern Caribbean (EC) Dollar. Rounding is to the nearest dollar value.

### **Foreign Currency Transactions**

Transactions in foreign currency are recorded at the rates of exchange prevailing at the time of transactions. At the 31st March, 2022, monetary assets and liabilities that are denominated in other currencies are translated at the rates prevailing at that date. Foreign exchange gains resulting from the settlement of foreign currency transactions are treated as operating income in the year realised. Losses on exchange are treated as operating losses in the year realised. These are offset against the fund balance.

### **Refunds of Previous Year Expenditures**

Expenditures refunded to the Consolidated Fund from previous years are recorded as receipts in the current year.

### **Payments by Third Parties**

All payments made by Third Parties are made by third parties which are not part of this economic entity. The GoM benefits from goods and services purchased as a result of cash payments made by Third Parties during the reporting period. The payments made by the Third Parties do not constitute cash receipts. They are disclosed in the Third-Party Payments column in the Consolidated Statement of Cash Receipts and Payments pursuant to IPSAS 1.3.24. (See annex for purpose of settlement)

### **External Assistance**

External assistance was received in the form of grants from multilateral and bilateral donor agencies under agreements specifying the purposes for which the assistance will be utilized. The following amounts are presented in the local currency.

<b>MULTILATERAL AGENCIES</b>	<b>AMOUNT</b>
<b>BRITISH DEVELOPMENT AID/FCDO</b>	93,850,215
<b>EU</b>	6,050,549
<b>UNDP</b>	139,050
<b>CDB</b>	737,436
<b>UoL</b>	10,658
<b>TOTAL</b>	<b>100,787,908</b>

## **Fixed Assets**

*The fixed assets reported in the Statement of Fixed Assets relate to tangible items that are (a) held for the delivery of public goods and services, rental, or for administrative purposes: and (b) are expected to be used during more than one reporting period.*

*The following table represents the range of estimated useful economic lives of each class of asset disclosed in the Statement of Fixed Assets:*

<b>ASSET DESCRIPTION</b>	<b>Economic Life (Yrs.)</b>
<b>Building</b>	60
<b>Heavy Equipment</b>	20
<b>Land</b>	N/a
<b>Machinery &amp; Tools - A</b>	15
<b>Motor Vessel</b>	30
<b>Science &amp; Engineering/Lab Equip</b>	10
<b>Office Equipment - A</b>	10
<b>Vehicle</b>	10

*\*Asset descriptions with the suffix "A" represents items that cost \$25,000 and over.*

*The assets are initially recognised at their historical costs. The cost includes expenditures that are directly attributable to the acquisition of the asset and bringing the asset to a working condition for its intended use. The expenditure associated with the construction of a new asset and subsequent costs related to improving an existing asset is also recognised in the carrying amount, only if it is deemed to improve the useful life of the asset. Valuations apply to land and buildings only.*

## **Depreciation**

*Depreciation is calculated on a straight-line basis, based on the useful economic life of each asset.*

## **Note 2. The Consolidated Fund**

*This line item represents the balance of the Consolidated Fund (TCF) bank accounts held at the Bank of Montserrat and the Royal Bank of Canada. Funds are held in these accounts for the purpose of collecting revenue and making payments on behalf of all GoM Ministries and Departments. The balance also includes subsidiary accounts held at the Royal Bank of Canada and the Bank of Montserrat to facilitate online visa payments and the payment of property taxes. The sum of these accounts is netted against any balance held on GOM's Corporate Credit Card.*

### **Note 3. Operating Account - ECCB**

*Operating Account ECCB represent the balance on an account held at the Eastern Caribbean Central Bank (ECCB) on behalf of the GoM; used primarily for making disbursements to regional institutions. Reimbursement of this account is made with the use of funds from the Consolidated Fund Account.*

### **Note 4. Development Capital Fund**

*Development Capital Fund represents the balance on account held at the Bank of Montserrat to finance Development Programs funded mainly by the Department for International Development (DFID) (now FCDO) and the European Union. This account forms part of the Consolidated Fund as prescribed by the PFMAA.*

### **Note 5. Crown Agents #2 Account**

*The Government of Montserrat holds several accounts at Crown Agents in the UK in Pounds Sterling and in US dollars. The amounts in these accounts represent the value in the local currency at the end of the reporting period. GOM recorded a net gain of EC\$53,767, owing to the increase of the British Pound at the end of the 2022 fiscal year.*

### **Note 6. Fiscal Reserve - A/C 1 Tranche**

*Fiscal Reserve - A/C 1 Tranche East Caribbean Central Bank (ECCB) are the reserve funds held by ECCB on behalf of the Government of Montserrat. This account was set up following an agreement with ECCB and Participating Governments in order to encourage fiscal discipline among participating members. This account is also used to disburse or settle any profit or loss distribution. There has been no movement in this balance over the reporting period.*

### **Note 7. Volcano Relief Account**

*This bank account has been in existence for a number of years under the authority of the Volcano Relief Fund Act of 2003 to finance specific causes in an emergency triggered by volcanic events. This account represents an asset of the GOM which has now been brought on the ledger for purpose of reporting accounts held by GOM. There has been no movement in this account balance for a number of years.*

### **Note 8. EU Savings Account**

*This bank account has been active for a number of years and was intentionally set up to receive withholding tax receipts from EU countries on the basis of the Tax Information*

*Exchange Agreement. This account represents an asset of the GOM which was brought on the chart of accounts to enhance monitoring and reporting.*

### **Note 9. Equity BOM**

*The value represents Government owned shares held at the Bank of Montserrat Ltd. During the reporting period, the Cabinet approved the transfer of shares previously held in the name of the Government Savings Bank directly to the Government of Montserrat. This transfer increases the total shares held beneficially in the name of the Government of Montserrat to 3,168,454 shares.*

*The book value per share during the reporting period increased from \$7.25 to \$7.28 per share. The total value of BOM as reflected in the Statement of Assets and Liabilities is \$23.1m.*

### **Note 10. RAC Grenada Bonds**

*The amount in the financial statements is in reference to the principal balance remaining on an investment namely; Fixed Rate Non-Callable Bonds held with the Government of Grenada. The investment funds were derived from the now defunct Radio Antilles Corporation (RAC) as a donation to the Government of Montserrat. During the year GOM received \$69,314 in principal repayment and interest totaling \$35,904. The balance on this investment now stands at \$589,165.00*

### **Note 11. Personal Advances**

*Personal Advances represent advances granted to the GoM employees who are designated Traveling Officers for the purchase of motor vehicles to include an advance to cover the insurance premiums, salary advances, medical advances and any other advances approved in accordance with GOM's General Orders. The schedule in the annex provides details of the outstanding amounts as stipulated by the Public Finance (Management and Accountability) Act (PFMAA) of 2008*

### **Note 12. Impersonal Advances and Outstanding Imprests**

*The amount denotes outstanding travel and department imprests which should have been retired on or before the end of the financial year. The accounts show that the balance on impersonal advances and outstanding imprests has reduced significantly during the reporting period, owing mainly to the efforts made to clear outstanding balances and also because no further travel advances were issued due to the COVID-19 pandemic restrictions. The list of the Outstanding Advances is provided in the Statement of Advances accordance with the PFMAA.*

### **Note 13. Advances to Other Government Administrations**

*Advances to Other Government Administrations represent net transactions executed on behalf of Caribbean countries and other regional, British and international organizations. Reimbursement is intended to be monthly. The Statement of Advances to Other Governments and Administration attached to these accounts provides details of the movement of the balances to these accounts.*

### **Note 14. Miscellaneous Deposits**

*This represents money deposited by third parties with the Government of Montserrat and accordingly, is shown as a liability for the reporting entity. (See statement of Miscellaneous Deposits) During the reporting period a total of \$1.5m was written off against retained earnings, since for a number of years, the balance on this line item carried deposits that can no longer be substantiated as liabilities, as the Government of Montserrat does not owe these funds to a third party and funds have been subsequently utilised to fund recurrent expenditure and deficits with the legislative approval of supplementary appropriations.*

### **Note 15. Development Fund Receivable/Payable**

*This line item in the Statement of Assets and Liabilities represents the Consolidated Fund's holding as it relates to the Development Fund, which is accounted for separately in the Public Accounts in accordance with the PFMAA. The net position at the end of the fiscal year shows that deposits in the Development Fund exceeded project expenditure; hence, the reported amount is notionally due to the Development Fund.*

### **Note 16. Special Funds**

*These are accounts held and administered on behalf of Government organizations for the purpose of receiving and paying out funds. Currently, funds are held only for the Police Reward Fund under this line item.*

### **Note 17. Fund Adjustments**

*This line item in the Consolidated Fund shows net adjustment to the opening balance of the Consolidated Fund for adjustments made to account ledger balances that were previously overstated or understated; these adjustments are made in order to give a true and fair view of the accounts. Adjustments made during the financial year include:*

- (i) Adjustment of the value of shares held in the Bank of Montserrat owing to the increase of the book value of the shares during the reporting period. The Annual Report for 2020 for the Bank of Montserrat confirms an*

increase in the share price to \$7.28 per share thereby increasing the value of GOM's equity in the Bank by \$1.3m.

### **Note 18. Contribution to Local Projects**

This represents the amount expended on locally funded projects; projects are usually funded against the current or the previous year's surplus.

### **Note 19. Tax Revenues**

This line in the accounts represents tax revenues from various domestic sources (classified in the same form in the Annual Budget) collected on behalf of the GoM during the period and paid into the Consolidated Fund. A schedule is provided in the Detailed Statement of Recurrent Revenue.

#### **Schedule of Tax Revenues and Licences**

<b>TAX REVENUE</b>	<b>AMOUNT</b>
<i>Taxes on Income, Profits</i>	17,304,238
<i>Taxes on Property</i>	773,999
<i>Taxes on Goods and Services</i>	1,772,565
<i>Licences</i>	2,722,783
<i>Taxes on International Trade</i>	20,558,722
<i>Arrears of Taxes</i>	1,482,664
<b>TOTAL</b>	<b>44,614,970</b>

#### **Taxes on Income Profits and Capital Gains**

This is a broad category which generally describes the tax that is levied on wages, salaries, labour services and the profits of corporations or businesses. Currently, capital gains are not taxable in this jurisdiction. A more detailed schedule is provided in the Annual Abstract of Receipts and Payments.

#### **Taxes on property**

Taxes on property relate to the collection of Property Taxes. The amount shown excludes arrears, which are monitored separately as shown below. This revenue stream refers to taxes levied on an annual basis on the ownership of immovable property, which includes lands, buildings or other structures. This tax is usually a percentage of the assessed property value. Property Tax is administered by the Inland Revenue section of the Montserrat Customs and Revenue Services (MCRS).

### **Taxes on Domestic Goods and Services**

*This includes taxes levied on the production, sale, transfer, leasing or delivery of goods or rendering of services. This category of revenue also covers taxes on the use of goods and on permission to use goods or perform services. Taxes includes Insurance Company Levy, Bank Interest Levy etc. (See the Statement of Detailed Recurrent Revenue)*

### **Licences**

*This is essentially an extension of the above category of taxes. One of the regulatory functions of GoM is to forbid ownership or the use of certain goods or the pursuit of certain activities unless specific permission is granted by the issuing of a licence at which point a payment is made for the granting or application of such a licence. This revenue stream includes licences such as: Firearms Licences, Liquor and Still Licence, Trade Licence etc. (See the Statement of Detailed Recurrent Revenue)*

### **Taxes on International Trade**

*This covers revenue from all levies collected on goods that are imported as well as goods that are exported. The levy is usually determined on a specific or ad valorem basis. This tax is administered by the Customs Division of the MCRS.*

### **Note 20. Non-Tax Revenue**

*In the Cash Flow Statement “non-tax revenue” broadly refers to all other revenue streams that are locally generated but not deemed to be tax revenue as detailed in Note 23. (See Statement of Detailed Recurrent Revenue)*

### **Fees Fines and Permits**

*A sub-category of non-tax revenue is “fees and permits” which represents sales of services provided in the exercising of some regulatory function by a Ministry or Department; this may include some form of checking or verification for a mandatory licence etc. (Statement of Cash Receipts and Payments)*

### **Rents, Interests and Dividends and Receipts from Investments**

*Revenue received from the renting of the GoM properties or assets are accounted for under this line item. Dividends are also accounted for under this heading as a non-tax revenue. However, for the Statement of Cash Receipts and Payments, the dividends received from the Bank of Montserrat are reflected in Receipts from Investments.*



## **Other Receipts**

*Other receipts refer to various forms of reimbursement of Government funds (from a previous year) and other revenue from sales/services and miscellaneous revenue. (See the Statement of Cash Receipts and Payments excludes capital receipts)*

## **Note 21. Budgetary Aid and Development Grants**

*Budgetary Aid represents the income received from the FCDO (formerly the DFID), which makes up approximately 60% of the revenue component of the annual recurrent budget. Development Grants show the incoming receipts that support the capital budget for the GOM. The main benefactors for this revenue stream are the EU as well as FCDO as shown on the Statement of External Assistance.*

## **Note 22. Recurrent Expenditure**

*Recurrent expenditure refers to payments made by the Government of Montserrat for all purposes except development expenditure. Funds expended under recurrent expenditures are typically made more than once a year and may even be made on a scheduled basis. Recurrent expenditure includes the following:*

### **Personal Emoluments**

*Personal emoluments – refers to the total remuneration of public servants in return for work during the accounting period. This includes salaries, wages and other taxable and non-taxable allowances.*

### **Pensions, Gratuities and Other Benefits**

*Pensions include monthly payments made to pensioners; both local and overseas. Gratuities are made up of one-off lump-sum payments comprising: Commuted Gratuity Payments to new retirees; Early Exit Benefits to officers who resign with ten or more years of service; and Contract Gratuity. Social Security Contributions which form a part of this category, represent only the Employer's portion of Contributions paid to the Social Security Fund in respect of all employees and Contract Officers for the Fiscal Year. Benefits also encapsulate Death Benefits where an officer dies while working in the public service.*

### **Goods and Services**

*This generally refers to the goods and services consumed to meet operational requirements. This includes the maintenance of public sector buildings, maintenance of the road network, materials for schools and medicines, as well as administrative costs, such as rent and utilities. Goods and Services also include an element of capital assets. Particularly the Small Capital Asset Fund (SCAF) managed by the Ministry of Finance and Economic Management affords*

all Ministry's and Departments the opportunity to submit proposals for capital or fixed assets that cannot be funded through their recurrent or capital budget owing to the significant cost of the asset. The Cash Flow Statement specifically shows the total recurrent expenditure net of amounts expended under the SCAF. Expenditure for the SCAF is depicted as an outflow for investing activities.

### **Transfers and Subsidies**

The Government makes grant and subsidy payments to regional institutions, private-sector entities and non-governmental organisations, as well as some statutory bodies, to deliver public services or to facilitate their delivery. Payments of this nature are usually given to support on-going services; they can also be for the creation of new assets. The transfers and subsidies are essentially payments in return for the provision of a service mainly to compensate for any loss that would be incurred for charging a reduced fee for providing that service. The table below shows the payments made in the reporting period.

<b>TRANSFERS AND SUBSIDIES</b>	
<b>Subvention to:</b>	<b>AMOUNT</b>
<i>Montserrat Volcano Observatory</i>	6,643,764
<i>UK Overseas Mission</i>	403,267
<i>Montserrat Land Development Authority</i>	100,000
<i>Montserrat National Trust</i>	326,000
<i>Financial Services Commission</i>	619,200
<i>Montserrat Arts Council</i>	1,107,000
<i>Montserrat Info Communication Authority</i>	227,000
<i>Montserrat Philatelic Bureau</i>	155,000
<i>Montserrat Community College</i>	723,250
<i>Golden Years Foundation</i>	630,500
<i>Local Airlines</i>	432,000
<i>Other Subventions</i>	723,250
<b>Grants and Contributions to:</b>	
<i>Grants to Basic Needs Trust Fund</i>	340,000
<i>Grants to Schools – St. Augustine School</i>	220,000
<i>Other Local Institutions</i>	682,676
<i>Regional Institutions</i>	3,758,921
<i>International Institutions</i>	495,029
<b>TOTAL TRANSFERS AND SUBSIDIES</b>	<b>17,586,857</b>

## Debt

Debt refers to all liabilities that require payments of interest and a principal sum. The GOM's total debt stock stands at \$9.66 million and takes into account the GOM's external debts and two domestic debts as detailed below:

<b>Loan Reference</b>	<b>Description</b>
<i>Port Development Loan MOT1</i>	<i>Payable to the Caribbean Development Bank</i>
<i>Port Development Loan MOT2</i>	<i>Payable to the Caribbean Development Bank</i>
<i>Consolidated Line of credit</i>	<i>Payable to the Caribbean Development Bank (loan used to provide student loans and agricultural developments)</i>
<i>Second Power Project</i>	<i>Payable to Caribbean Development Bank</i>
<i>MSSF- Davy Hill Houses</i>	<i>Payable to the Montserrat Social Security Fund in relation to the Davy Hill Housing Regeneration Program. Original loan amount - \$1,577,711 payable at 3.5% p.a.</i>
<i>MUL (Generating Set)</i>	<i>Payable to MUL in relation to the purchase of a generating set. Original debt for \$1,665,571 was approved by Exec Council Decision 529/06</i>

(See the Statement of Public Debt).

## Total Recurrent Expenditure

<b>RECURRENT EXPENDITURE</b>	<b>AMOUNT</b>
<b>Personal Emoluments</b>	47,644,585
<b>Pension, Gratuities and Other Benefits</b>	13,979,713
<b>Goods &amp; Services</b>	42,839,231
<b>Transfers and Subsidies</b>	17,586,857
<b>Social Services</b>	4,633,935
<b>Other Expenditure</b>	7,869,933
<b>Debt</b>	1,231,143
<b>TOTAL RECURRENT EXPENDITURE</b>	<b>135,785,397</b>

### **Social Services Expenditure**

*This expenditure refers to the provision of benefits or programs intended to mitigate the risks associated with unemployment, ill health or other circumstances which adversely affect the welfare of an individual or household. A schedule of the type of benefits and the amount that was paid during the reporting period is as follows:*

<b>SOCIAL SERVICES EXPENDITURE</b>	
	<b>AMOUNT</b>
<b>OLD AGE BENEFIT</b>	2,847,637
<b>SICKNESS AND DISABILITY BENEFIT</b>	
<b>UNEMPLOYMENT BENEFIT</b>	158,563
<b>HOUSING BENEFIT</b>	335,161
<b>SOCIAL PROTECTION (OTHER)</b>	1,044,259
<b>LEGAL AID</b>	9,000
<b>CHILD HEALTH PROGRAMME</b>	
<b>NUTRITION &amp; HEALTH EDUCATION</b>	203,799
<b>HEALTH PROMOTION</b>	36,416
<b>TOTAL</b>	<b>4,634,835</b>

### **Other Expenditure**

*Other miscellaneous recurrent expenses or liabilities incurred that do not satisfy the aforementioned recurrent expenditure categories.*

### **Note 23. Investing Activities**

*This refers to funds received from investments held by the GoM. This includes receipts from the GOM's financial assets such as receipts from the RAC Grenada Bonds (See note 12), and dividends from the Bank of Montserrat. Additionally, funds received for Capital Projects geared to improving the physical infrastructure in Montserrat have been incorporated in the total net flow for Investing Activities. Conversely, receipts intended to support the local economic infrastructure have been categorised as Operating Activities.*

The schedule below provides a breakdown of the investment receipts from the GOM's financial assets for the 2022 FY.

<b>INVESTMENT RECEIPTS</b>	<b>AMOUNT (\$)</b>
<b>BOM DIVIDENDS</b>	<b>792,113.50</b>
<b>RAC: PRINCIPAL</b>	<b>69,313.00</b>
<b>INTEREST</b>	<b>35,904.43</b>
<b>EU SAVINGS INTEREST</b>	<b>3,745.92</b>
<b>TOTAL INVESTMENT RECEIPTS</b>	<b>901,076.85</b>

#### **Note 24. Financing Activities**

Financing activities refers to the flow of funds held for projects in the Development Fund and the payment and reimbursement of all advances as detailed in Notes 13 to 18.

#### **Note 25. Capital Receipts**

Capital receipts are captured under the recurrent income schedule as part of the broad "non-taxable income" nomenclature. This line item in the Statement of Cash Receipts and Payment fleshes out this sum to show the amount GoM received in relation to the sale of lands, the disposal of the GOM's vehicles, or from other fixed assets.

#### **Note 26. Capital and Revenue Expenditure/Development Grants Expenditure**

Capital and Revenue Expenditure refers to funds spent from the Development Fund. A separation in the development expense account was made to differentiate between the two types of expenditure from the various project heads.

Capital expenditure includes costs incurred on the acquisition of a fixed asset and any subsequent expenditure that increases the value of an existing fixed asset. Capital expenditures are expenditures that produce benefits across multiple time periods, such as the costs incurred for acquiring new accommodation for GoM, building of bridges and other long-term structures. In contrast, revenue expenditures are expenditures that produce benefits across one single time period such as funds expended for training from a project vote or the funding of technical assistance etc.

#### **Note 27. Deposits and Advances**

The amount represents the net outflow or inflow of advances and deposits (See Notes 11-18).

**APPENDIX 2**  
**(extract from)**

**2010 NO.2474**

**THE MONTSERRAT CONSTITUTION ORDER 2010**

**PART VIII**  
**FINANCE**

**Financial control and accounts**

shall provide the Legislative Assembly with such reports, information and accounts as may be necessary to ensure that the Assembly is kept fully informed at all times of the state of the economy of Montserrat and the finances of the Government.

(2) The Legislature shall make provision by law for the regular publication of accounts of the Consolidated Fund and any other public funds and for the laying of such accounts and any reports on them before the Legislative Assembly.

**Auditor-General**

101. (1) There shall be an Auditor General for Montserrat.

(2) Power to make appointments to the office of Auditor General is vested in the Governor, acting after consultation with the Public Accounts Committee of the Legislative Assembly.

(1) Power to remove the Auditor General from office is vested in the Governor, acting in accordance with subsections (4) to (6).

(2) The Governor shall remove the Auditor General from office if:

(a) The Auditor General violates any law concerning the ethics of public leaders; or

(b) The Auditor General becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with creditors, or otherwise makes an assignment of remuneration for the benefit of creditors.

(3) If the Legislative Assembly in a resolution addressed to the Governor resolves that the Auditor General is unable to perform the functions of his or her office due to misconduct, incapacity, or incompetence-

(a) The Governor shall appoint a special tribunal which shall consist of a Chairman and not less than two other members; but the Chairman and at least half of the other members shall be persons who hold or have held office as a judge of a court having unlimited jurisdiction in civil and criminal matters in any part of the Commonwealth or Ireland or a court having jurisdiction in appeals from such a court;

(b) The special tribunal shall inquire into the matter and report on the facts thereof to the Governor and recommend whether or not the Auditor General should be removed from office.

(4) If the special tribunal appointed in accordance with subsection (5) recommends to the Governor that the Auditor General should be removed from office then the Governor shall remove him or her from office.

(5) If the question of removing the Auditor General from office has been referred to a special tribunal under subsection (5), the Governor, acting in his or her discretion, may suspend the Auditor General from the exercise of the functions of that office and such suspension shall cease to have effect if the special tribunal recommends to the Governor that the Auditor General should not be removed.

(6) The Auditor General may resign his or her office by writing under his or her hand addressed to the Governor.

#### **Position and remuneration of Auditor General**

102. (1) The Auditor General shall by virtue of his or her office be an officer of the Legislative Assembly.

(2) The terms and conditions of employment including the remuneration and allowances of the Auditor General shall be set from time to time by a resolution of the Legislative Assembly proposed by the Chairman of the Public Accounts Committee of the Assembly, but any remuneration and allowances shall not be less than the average rate paid to the Financial Secretary'

(3) The remuneration and allowances of the Auditor General shall be charged on and paid out of the Consolidated Fund.

#### **Functions of Auditor General**

103. (1) The Auditor General shall audit and report on the public accounts of Montserrat and of all public offices, including the courts, the central and local government administrations, universities and higher education institutions, and any public corporations or other bodies or organisations established by an Act of the Legislature, and may conduct financial and value for money audits in respect of any project involving public funds.

(2) The Auditor General shall submit to the Legislative Assembly annually a report of the accounts audited by him or her under subsection (1) for the immediately preceding financial year.

(3) For purpose of subsection (2) the Auditor General and any person authorized by him or her shall have a right of access at all reasonable times to all such documents as appear to him or her to be necessary for the purposes of the audit, and shall be entitled to require from any person holding or accountable for any such documents such information and explanation as he or she thinks necessary for those purposes.

(4) In the exercise of his or her functions, the Auditor General shall not be subject to the direction or control of any other person or authority.

### **National Audit Office**

104 (1) The Legislature shall by law make provision for the establishment of an independent National Audit Office headed by the Auditor General.

(2) The budget for the National Audit Office shall be charged on and paid out of the Consolidated Fund, and must at all times be adequate to enable the full performance of the functions conferred on the Auditor General by the Constitution or any other law.

(3) The accounts of the National Audit Office shall be audited and reported on by an auditor appointed by the Legislative Assembly.

***Judith Simpson***  
**Clerk of the Privy Council**



**Appendix 3**  
**Accounts to be submitted by the Accountant General**  
(Extract from the Public Accounts Management and Accountability Act)

The following accounts shall be submitted to the Auditor General and the Minister by the Accountant General—

- (a) a balance sheet showing the consolidated assets and liabilities of all public funds and other entities wholly funded through the Consolidated Fund;
- (b) a consolidated statement of the cash flow for all public funds and other entities wholly funded through the Consolidated Fund showing the revenues, expenditures, and financing for the year;
- (c) a balance sheet showing the assets and liabilities of the Consolidated Fund;
- (d) a balance sheet showing the assets and liabilities of the Development Fund;
- (e) a statement of the cash flow for the Consolidated Fund showing the revenues, expenditures, and financing of the fund for the year;
- (f) a statement of cash flow for the Development Fund showing the revenues, expenditures, and financing of the fund for the year;
- (g) a summary statement of revenue and expenditure, being a summary of all the statements signed by accounting officers under paragraphs 2(a) and (c) of this Schedule;
- (h) a statement of the amounts outstanding at the end of the year in respect of the Public Debt;
- (i) a statement of the amounts guaranteed by the Government at the end of the financial year in respect of bank overdrafts, loans, public loan issues and other contingent liabilities;
- (j) a summary statement of revenue and expenditure of the Consolidated Fund and Development Fund, being a summary of all the statements signed by accounting officers under paragraphs 2(a) and (c) of this Schedule;
- (k) a statement of the amount outstanding at the end of the year in respect of loans issued by the Government;
- (l) a statement of investments held by the Government at the end of the year showing the original cost and current value;
- (m) a statement of the net worth of all statutory bodies as at the end of the financial year;
- (n) a statement of losses of public moneys and stores written-off and claims abandoned during the financial year and the authority for such write off or abandonment;
- (o) a statement of losses of public moneys and stores reported during the year whether written-off or not;
- (p) a summary statement of arrears of revenue for each revenue head, being a summary of the statements of arrears of revenue signed by accounting officers under paragraph 2(d) of this Schedule;
- (q) a summary statement of commitments outstanding for the supply of goods and services for each vote at the end of the financial year being a summary of the amount included for such commitments in the statement signed by accounting officers under paragraph 2(b) of this Schedule;

- (r) a summary statement of stores and other assets for each vote, being a summary of the statement of assets signed by accounting officers under paragraph 2(e) of this Schedule; and
- (s) any other statement and in the form the Legislative Assembly may from time to time require.

## Appendix 4

### Accounts to be submitted by accounting officers

(Extract from Public Finance Management and Accountability Act)

The following accounts shall be submitted to the Accountant General by accounting officers—

- (a) an appropriation account signed by the accounting officer showing the services for which the moneys expended were voted, the sums actually expended on each service, and the state of each vote compared with the amount appropriated for that vote by the Legislative Assembly;
- (b) a statement signed by the accounting officer and in the form the Accountant General may direct containing the amount of commitments outstanding for the supply, goods, and services at the end of the financial year and any other information the Minister may require;
- (c) a statement of revenues received signed by the accounting officer and in the form the Accountant General may direct showing the amount contained in the estimates of revenue for each source of revenue, the amount actually collected and containing an explanation for any variation between the revenues actually collected and the amount estimated;
- (d) a statement of arrears of revenue signed by the accounting officer showing the amount outstanding at the end of the financial year for each source of revenue and containing information in the form the Accountant General may direct; a nil return should be submitted if appropriate;
- (e) a statement of assets signed by the accounting officer containing details and values of all unallocated stores under his control at the end of the financial year, together with the details and values of any other classes of assets under the control of the accounting officer as the Accountant General may from time to time determine;
- (f) a statement of performance providing each class of outputs provided during the year signed by the accounting officer that— (i) compares that performance with the forecast of the performance contained in the estimates laid before the Legislative Assembly under section 19(1)(b)(iii); and (ii) gives particulars of the extent to which the performance criteria specified in that estimate in relation to the provision of those outputs was satisfied;
- (g) a list of all outstanding commitments or bills remaining unpaid at the end of a financial year; and
- (h) any other statements and in the form the Accountant General may from time to time require.

**APPENDIX 5**

**Status of Audit Recommendations as at December 31, 2022 (Reports Tabled by March 31, 2022)**

Reviews	Finding	Recommendation	Current Status (see above)	Actions Undertaken	Responsible Officer/Completed/Target Date
<p><b>Report of the Auditor General on the Audit of the Public Accounts 2020</b></p>	<p><b>Summary of the Government's Financial Performance.</b></p> <p><b>1.20. Deficit.</b> A deficit is realised where a country pays more for goods and services than what it collects from its revenue sources. For this financial year, a deficit of \$2.48M was reported. This is \$1.26M more than the deficit reported for the 2018/19 financial year.</p>		<p>Implemented, but it should be noted that the deficit in question, was a result of fiscal expansion to meet the economic impact of the Covid-19 crisis.</p>	<p>MoFEM has acted to ensure probability of deficits are reduced in the future, through proper budgetary controls and processes.</p>	<p>Financial Secretary</p>
	<p><i>Statement of Expenditure in Excess</i></p> <p><b>2.29. Over expenditure.</b> The Public Finance (Accountability and Management) Regulations 2009, require Accounting Officers to ensure that the spending amounts that are provided in the Estimates are not exceeded. This directive has not been complied with, as expenditure lines have been exceeded on eight subheads across six Ministries/Departments resulting in overspending on line-items totaling \$363,770.</p> <p><b>2.30. Management controls not effectively applied.</b> Accounting Officers are required to put in place effective internal controls to ensure compliance with applicable laws, regulations, accounting controls and other government policies. Such controls include reconciliation of account balances and ensuring that</p>	<p>Addressing these in a timely manner will enable Accounting Officers to be in a position to make the relevant applications to avoid these over expenditures.</p>	<p>In progress</p>	<p>MoFEM has restarted periodic Accounting Officers meeting where issues such as this are raised. Furthermore, the assignment of assigned Budget Analyst to work with Accounting Officers is an additional element of support to improve effective management controls.</p>	<p>Financial Secretary</p>

	<p>expenditure remained within the limits stipulated by the various Appropriation Acts.</p>				
	<p><i>Statement of Arrears of Revenue</i></p> <p>2.51. <b>Increasing Arrears.</b> When we compare the Arrears of Revenue balance for this reporting period with that of the previous year, we note a large increase of \$5.7M, or 25%.</p> <p>2.52. <b>Stock of Arrears over 12 months.</b> Aging of the arrears of revenue has shown that 73% of the stock is outstanding for more than 12 months.</p> <p>2.53. <b>Write-off of Arrears.</b> The Resolution to Write-off Public Money authorised the write-off of \$402,000, which was for items that had been outstanding for more than 20 years.</p> <p>2.54. <b>Action needed to reduce mounting arrears.</b> A number of these statements contain sums that are no longer considered to be collectible for various reasons including that some of the entities or individuals are no longer in existence or alive.</p>	<p>For these, we are recommending that the necessary requests for write-off be made so that the GOM's receivables will no longer be materially overstated. Where amounts are still considered collectible, we recommend that all options be explored to have the amounts collected.</p>	<p>In progress</p>	<p>Cabinet approved the write-off of Revenue Arrears for Hospital Receipts, Trade License and Social Welfare loans, Accounting Officers were encouraged to take necessary action to collect outstanding revenue to mitigate against the need to request a write off of revenue. Such a growing trend can serve as an incentive to default on their obligations to GOM.</p>	<p>Financial Secretary</p>
	<p><i>Statement of Stores and Other Assets</i></p> <p>2.57. <b>General Findings.</b> On examining the Statement of Fixed Assets, we found some items that could not be verified as they were not presented for verification. Some assets were on the Asset Registers, at Departments, but had no price or valuation. Asset values in the Public Accounts were not agreeing with the</p>		<p>Review of the database is ongoing to determine what improvements are necessary to maintain the highest level of accuracy of the assets held by GOM.</p>	<p>The Treasury was unable to reconcile most of these broad and vague findings. The Accounts only report on items in the database classified as "Class A" which are items of</p>	<p>Treasury</p>

	<p>values reported in individual Department's Asset Registers. Several listed Items were obsolete, used for parts, or otherwise impaired, and should be removed from the listing. Some items were included on the listing but reported to be missing. In some cases, more than one Department included the same item on its Asset register.</p> <p>2.58. In addition, the depreciation policy was not consistently applied. In some instances, we found that the rates prescribed for classes of assets were not applied in all situations.</p> <p><b>2.59. Overall View is that the Fixed Assets Statement is misstated.</b> Given the foregoing findings, it is our view that the Fixed Assets Schedule is materially misstated.</p>			<p>significant value and not merely inventory or small value non-current assets. These smaller items are listed on the database for tracking purposes by Ministries or Departments and not to be quantified in the Accounts. Class A items show the values on the database. The OAG needs to be specific with information regarding omissions under Class A to substantiate the veracity of declaration that the report is materially misstated.</p>	
	<p><i>Statement of Networth (Statutory Bodies)</i></p> <p><b>2.61.</b> Adherence to principles of good governance not followed. The GOM inject large sums of money into the operation of these entities each year. Moreover, these entities are mandated, by their governing legislation to provide audited accounts within three months of the close of each financial year. For good governance, it is important that these accounts be brought up to date and thereafter, kept current and compliant with applicable laws,</p>	<p>As the Ministry of Finance has ex-officio membership on many of the Boards of these entities, we urge that the Minister of Finance and Financial Secretary use their good offices to get management of these entities to bring their accounts up-to-date by the stipulated deadline.</p>	<p>In progress</p>	<p>The Ministry of Finance has restarted work, that previously stalled to improve reporting and adherence to sound policy and financial governance by statutory bodies. A team has been formed within MoFEM that has been tasked with</p>	<p>Financial Secretary</p>

	<p>regulations, policies, and standards. Importantly, these widespread patterns of long delays in accounting and/or audited reporting greatly increase the likelihood of errors, omissions, fraud, and of malfeasance, all ultimately at the tax-payers' expense. Having financial reports completed years after also increases the probability that relevant employees will not be available to assist with audits relating to their periods of tenure, that the persons responsible for any malfeasance will not be held accountable, and/or that they will no longer be in their posts by the time that subsequent audits would be completed.</p>			<p>propelling this action forward. This has been reflected in the Ministry's strategic plan and will be a key action in the next fiscal years.</p>	
	<p><i>Statement of Investments</i></p> <p><b>2.62.</b> Again, the statement detailing the Government's investments at the end of the fiscal year has not been presented for audit.</p>		In progress	<p>A statement will be provided with the 2023 accounts Treasury Department</p>	Treasury
	<p><i>Statement of Appropriation Accounts</i></p> <p><b>3.11 Late Payment are posing reputational and economic risks to the GOM.</b> We note, that some invoices remained unpaid for more than six-months. Most of these late payments were to small businesses, with limited capital and possible access to financial resources or the invoices were from overseas vendors. Not paying its bills on time poses a reputational risk to the GOM and can even attract a higher cost of doing business. These businesses may either charge interest on the outstanding payments or increase the quoted prices of</p>	<p>Accounting Officers are therefore encouraged to pay their invoices within the stipulated deadlines.</p>	In progress	<p>MOFEM will work with Accounting Officers to put systems in place to ensure payments are made as soon as feasible. It should be noted that several issues may affect the lateness of payments but it is the intention to work with Accounting Officers and the Treasury to</p>	Financial Secretary

	doing business in the future if the GOM persists in making late payments to them.			put a standard payment timeframe in place where feasible.	
	<p><i>Statement of Outstanding Liabilities</i></p> <p><b>3.13. Total Outstanding Liabilities</b> amounted to \$6,465,432 and represent an increase of \$1,637,036 or 34% when compared with outstanding amounts at the end of the prior fiscal year.</p> <p><b>3.17.</b> Bills Outstanding for more than 6 months. Although Accounting Officers were encouraged to pay bills on time, we found instances where bills remained outstanding for more than six months. This indicates weaknesses in the systems for the monitoring and payment of invoices.</p>	Accounting Officers are urged to ensure that expenditure is charged to the account of a given year and avoid deferring payments which will affect the next years' allocation.	In progress	Similar to the above, issue steps are being taken as Accounting Officers work with MoFEM through their analyst to ensure projections account for known liabilities in the appropriate financial year. This will also be flagged at Accounting Officers meetings, where the Office of the Auditor General can also highlight these issues. Furthermore, it should be highlighted that as it pertains to invoices from overseas vendors, while Ministries may follow up, there is very little they can to ensure these invoices are submitted on a timely basis.	Financial Secretary



Reviews	Finding	Recommendation	Current Status (see above)	Actions Undertaken	Responsible Officer/Completed/Target Date
<p><b>The Government of Montserrat 2010 Agreement with Delta Petroleum (Montserrat) Limited</b></p> <p>2021</p>	<p>It was determined, from the calculations received from the Department of Trade, that Delta Petroleum (Montserrat) Limited added EC\$0.06 charge per gallon to the costing of Diesel and Gasoline imported for reimbursement by GOM of 50% of the purchase price of the tank wagon and to cover the LPG losses of approximately EC\$188,886.91. The Agreement stated that the reimbursement should be paid over a period of five (5) years from the date of purchase of the Truck. It is evident, therefore, that the surcharge of \$0.06 per gallon that was instituted to recoup the outstanding payments by the GOM should have ceased by year 2015.</p>	<p><b>Updated Recommendation</b></p> <ul style="list-style-type: none"> <li>The Government of Montserrat cease charging the \$0.06 with immediate effect as the duration specified in the agreement has expired in excess of five (5) years.</li> <li>Furthermore, we recommend that the GOM recoup the excess charges from the Delta Petroleum (Montserrat) Limited.</li> </ul>	<p>Implemented</p> <p>In progress</p>	<p>Cabinet Decision 711/2021 sanctioned the removal of the \$0.06 cost item from the fuel pricing mechanism.</p> <p>Correspondences were shared with Delta informing of this.</p> <p>Subsequently, calculations were shared with Delta regarding the total amount owed to GoM. Calculations were reviewed and accepted by Delta at a round table discussion on 16 Nov. 2022.</p>	<p>Principal Trade and Quality Infrastructure Officer</p>
<p><b>Electronic Fuel Price Calculator</b></p> <p>2021</p>	<p><b>Lack of Error Detection and Notification.</b> The Excel spreadsheet EFP Calculator does not have controls in place to guard against errors; or protect the formulas and the integrity, validity, and reliability of the inserted data. It also cannot alert the user when incorrect information has been inserted, or ensure that the calculations are accurate.</p> <p><b>Risk of Unauthorized Access and Modification.</b> The EFP Calculator is not a secure program; access to the Excel workbook and the formulas and functions, is not password protected. However, the</p>	<p><b>Management Response</b></p> <p>Since the audit commenced in 2019, there have been structural changes which occurred within the staffing compliment in the Trade and QI Division. The Division now has a full staffing complement, and significant strides have been made in the development of a revised EFP Calculator, taking into account security risks and user error risks through cell protection and data validation features. A guiding document has been created which details the functionality of the</p>	<p>Partially implemented</p>	<p>A revised model was created and approved by Cabinet for use from 14<sup>th</sup> March 2022 as per Cabinet Decision 116/2022.</p> <p>Cells for protection have been identified and will be protected in the coming weeks.</p> <p>A detailed manual was developed highlighting the premise of the fuel calculator and how it is to be utilized. In addition, guidelines and requirements for Delta were also</p>	<p>Principal Trade and Quality Infrastructure Officer</p>

	<p>Principal TQI Officer is already aware of the issue and is currently working on the development of an improved version of the EFP Calculator, which will eliminate the above risks and to make it more secure. The department is in the process of incorporating certain Excel security features that will protect the data in all of the EFP Calculator work sheets. Specific cells and cell ranges will be locked to protect data and hide formulas from being modified or deleted.</p> <p><b>Cabinet directive not actioned.</b> A directive was issued by the Cabinet in June 2019 instructing the Ministry within which the Trade Division operates and the Ministry of Finance and Economic Management to review the accuracy of the fuel price calculations but this was not actioned for over two years.</p> <p><b>Subsequent Events – Action begun on the Cabinet decision.</b> The June 2019 Cabinet decision gave a directive for the Trade Division, in collaboration with the Ministry of Finance and Economic Management, to review the accuracy of the fuel price calculations. This collaborative assessment of the EFP Calculator between the Department of Trade and Quality Infrastructure and the Ministry of Finance and Economic Management &amp; Economic Management, only commenced in September 2021.</p>	<p>revised EFP Calculator. This was a new initiative to ensure continuity and knowledge preservation in the event of staff turnover.</p>		<p>created to aid in a more transparent and seamless pricing process.</p> <p>A verification system was also implemented to safeguard against human errors when calculating fuel prices, utilizing the revised model.</p>	
	<p><b>Inadequate TQI staffing and related issues.</b> The Dept. of TQI does not have the required staff to operate at its full capacity.</p>	<p><b>Management Response</b></p>	<p>Not implemented- N/a</p>	<p>The review of the fuel pricing calculator eliminated the need to carry out dips at the Petrol</p>	<p><b>Principal Trade and Quality Infrastructure Officer</b></p>

	<p>Their ideal staff complement is three (3), but currently, the unit is only comprised of the Principal TQI Officer and a Senior Clerical Officer. The remaining post of TQI Officer has been vacant for nearly 2 years. This vacancy is a very important one, as one of this officer's main duties is a technical one that entails going out into the field to test, record, and report dip measurements of the fuel storage tanks at Delta and both gas stations.</p> <p><b>Subsequent Event – TQI staffing and related issues.</b> Subsequent to the finalisation of this review, the post of the TQI Officer was filled in August 2020 and arrangements were made by the Division to train the new recruit to perform the physical responsibilities of the job to include dip stick measurements at Delta Petroleum Facility and both service stations. To date, the training of the TQI Officer is incomplete and the Officer has not been conducting the required dip stick measurements.</p>	<p>The on-boarding of a permanent TQI Officer would also see the re-emergence of regular dip measurement verification systems. Further, given the 50/50 likelihood of error when engaging in data entry, calculations are carried out by one officer and subsequently reviewed by another officer to ensure quality assurance and to further minimise the margin of error.</p>		<p>Stations because of the pricing arrangements between the retailers and Delta. Additionally, the fuel shipments on arrival are now signed off at the port of entry by a Customs Official. The Customs Officer oversees the before and after dips and that signed copy comes to the Trade Division as verification.</p> <p>Additionally, the Guideline document for Delta highlights, that regardless of a shipment, all tank dips should be shared with the Trade Division at the point of pricing.</p>	
--	--	--	--	---	--

Review	Finding	Recommendation	Management Response	Current Status (see above)	Actions Undertaken	Responsible Officer/Completed/Target Date
<p><b>Performance Audit of the St Patrick's Festival: Efficiency and</b></p>	<p>2.4 The SPDA's management structure is in place, but has weaknesses.</p>	<p><b>2.15 Strengthen the oversight of the SPDA's officers.</b> As the relevant Accounting Officer, the OP should urgently review the SPDA's existing practices and performance, and hence develop and document suitable</p>	<p>The Montserrat Arts Council assumed oversight of funding for St Patrick's celebrations.</p> <p>No funds have been directed to the SPDA</p>	<p>Not Implemented - NA</p>	<p>The Montserrat Arts Council manages all funds received from GOM as a subvention to cover expenses for the St Patrick's Day Festival.</p>	

<p><b>Effectiveness of its Management 2021</b></p>	<p>2.5 The SPDA's Trustees are inactive.</p> <p>2.6 The performance of the SPDA's officers is not being measured.</p> <p>2.9 The SPDA has not complied with its Constitution.</p> <p>2.10 No changes to the SPDA's committee members since year 2014.</p>	<p>policies to ensure that best practices of governance and approved processes are consistently followed, including:</p> <p>[a] State clear criteria for the eligibility of candidates for positions in any of the committees or sub-committees, and ensure that all selected candidates are appropriately vetted and briefed;</p> <p>[b] Obtain and document the OP's/Cabinet's approval of all appointments to these posts;</p> <p>[c] Ensure that Trustees are appointed, meet regularly, and actively hold the SPDA accountable;</p> <p>[d] Review the performance of all committees and of each of their members at least annually;</p> <p>[e] Set reasonable term limits for key positions, while permitting some rotation of roles, and</p> <p>[f] Proper induction and ongoing training and development of officers and</p>	<p>since March 2018. Similar to the Calypso Committee, MAC has worked along with a small Committee for organizing the last three Festivals.</p> <p>In recent years, no funds have been directed to SPDA for St Patrick's Festival. OP and MAC has considered that future disbursements to an Association will be done in accordance with GoM's Procurement Regulations and that eligible Bidder Associations must demonstrate compliance with their constitution and statutory requirements.</p> <p>More generally, the Montserrat Arts Council has developed a Festival and Events Guidelines to guide the management of funds directed to Associations for implementation of Festivals.</p>		<p>The SPDA is not active and does not manage or plan the events for St Patrick's Day Festival and therefore not accountable.</p> <p>The Events for the Festival are planned by volunteers/committee members who in most cases receive a stipend to assist with transportation and incidentals.</p> <p>The volunteers or committee members report directly to MAC / Head of Planning and Productions</p> <p>The Heads of Committees have participated in past event management workshop facilitated by MAC in 2018</p>	<p>Other event management training planned for 2023</p>
--	---	---	---	--	--	---

		<p>volunteers (e.g., to keep them abreast of relevant policies, laws, regulations, standards, and trends).</p> <p>This approach will strengthen governance, will expand the pool of candidates, and will build local capacity so that the intended benefits of the SPDA and of the Festival will be sustained for the long term.</p>				
	<p>2.11 The SPDA has been non-compliant with the FSC for several years.</p> <p>2.12 Mounting unpaid fees; high risk of the SPDA's de-registration by the FSC.</p>	<p><b>2.16 Ensure that the SPDA meets all of its statutory obligations.</b> Given its long history of non-compliance, the SPDA, with the necessary support from the OP and the MAC, should urgently reform its planning, its budgeting, and its operations so that it can:</p> <p>[a] Complete and submit all required Annual Returns to the Registrar of Friendly Societies (within the FSC), along with the required fees (which must be included in all budgets);</p> <p>[b] Appoint and budget for an appropriate external auditor who meets the FSC's criteria; and</p> <p>[c] Appoint and budget for an accountant to prepare complete accounts and submit for auditing each year.</p>	<p>Based on the non-compliance issues, MAC has not directed funds to the SPDA for the last three years (March 2018 to March 2020). These recommendations would be captured in the new thrust for working with Associations with the requirements of the Procurement Regulations.</p>	<p>Not Implemented as circumstances changed -NA</p>	<p>SPDA's non-compliance was acknowledged and therefore all responsibilities (budgeting, planning and events management) were transferred from the Association to MAC-</p> <p>Festival is not managed by SPDA</p>	

		[d] The SPDA must eliminate the backlog of legally required filings and unpaid fees, and start to submit all of its current obligations before their regulatory deadlines.				
	<p>2.7 Internal procedures are in place, but have had gaps and weaknesses.</p> <p>2.8 Minutes of the SPDA's meetings are not formally kept.</p> <p>2.13 No dedicated office or file-storage.</p> <p>2.14 Loss of years of records.</p>	<p><b>2.17 Strengthen the SPDA's record keeping and reporting for decision making.</b> The SPDA should ensure that records are consistently kept for management meetings and for other important activities to document decisions, actions, and progress.</p> <p>As key stakeholders and funders of the SPDA and the Festival, the OP and MAC should assist the SPDA with access to a dedicated office/work-station, and work with the SPDA in improving the management of its records and reporting.</p>	Refer to response above, outlining operational shift	Not Implemented - NA	Refer to above responses on status of SPDA above	
	<p>3.7 The SPDA lacks a robust framework for measuring performance against its objectives.</p> <p>3.8 The SPDA, the OP, and other Festival</p>	<p><b>3.18 Ensure that the objectives for the SPDA and for the Festival are clearly defined, measured, and assessed each year, and linked to the Policy Agenda.</b></p> <p><b>3.19 Ensure that every objective for the SPDA, for the</b></p>	These recommendations relating to KPIs and reporting are to be implemented by the Montserrat Arts Council.	Implemented (for OP and MAC only)	KPI's for planned events relating to Festivals/Events managed by MAC were implemented and form part of Office of the Premier's quarterly	

	stakeholders lack shared KPIs and data.	<p><b>OP, and for its related Departments has KPIs and that all KPIs clearly support objectives.</b></p> <p><b>3.20 Review and improve the KPIs over time.</b> At least annually, the SPDA, the OP, and the MAC should review and assess their KPIs to make them clearer, more measurable, more relevant to objectives, and focused more on strategic outcomes.</p> <p><b>3.21 Improve the reporting of performance.</b> The SPDA, along with the OP and its Departments that are relevant to the Festival, should regularly measure, monitor, assess, and report their actual performance and progress against all of their objectives and KPIs, including public Annual Reports. The Quarterly Reports, for instance, should be complete and timely.</p>			Strategy and Fiscal Performance Report	
	3.16 The SPDA offers little scope for public feedback on the Festival.	<p><b>3.22 Broaden the scope for feedback from the public/stakeholders and communicate through multiple channels.</b> The SPDA and the OP should collaborate to do interviews and surveys of</p>	Agreed that the Montserrat Arts Council needs to take a greater lead, in alignment with the operational shift.	In Progress	Several surveys were taken for the End of year Festival utilizing social media platform and this will also be implemented for 2023	<i>March 2023</i>

		<p>patrons and organisers at events in the Festival, including both locals and visitors. Key stakeholders such as the Access Division, the Tourism Division (e.g., integrating queries about festivals in the Exit Surveys of visitors), and the Statistics Department could assist in these efforts, avoiding duplication of effort, and ensuring the maximum of collective value, benefits, and reach, and at the least cost and effort to each stakeholder. Beyond the SPDA's radio programme once a year after the Festival, the SPDA and other key stakeholders should collaborate in reaching and engaging patrons, promoters, sponsors, hospitality providers, accommodation providers, and other categories of stakeholders, using all available channels: e.g., websites, social media, telephone, mobile marketing, email, radio, news-broadcasts, audio, video, and other media.</p>			<p>St Patrick's Day Festival</p> <p>The public feedback mechanism included marketing and promotion provided by Golden Media on social media and also MAC's website</p>	
	3.14 Limited involvement of the Tourism Division.	<b>3.23 Develop a strategic approach to marketing, sponsorship, and relations with stakeholders.</b> In order to	The Montserrat Arts Council has collaborated with the Tourism Division for marketing	In Progress	MAC's collaboration with Come See Tv and Digicel Channel 97 have proven	<i>March 2023</i>



	<p>3.15 Need for more collaboration, flexibility, and adaptability.</p> <p>3.17 Limited engagement of the private sector.</p>	<p>maximise the value of the Festival to the public, to the private sector, and to the GOM, the SPDA, along with the OP, should develop formal policies and strategies for communication, for marketing, and for engagement of sponsors and other stakeholders (e.g., airlines, hotels, restaurants, promoters, performers, providers of telecommunications, providers of utilities, et cetera). Larger local and regional businesses have both financial contributions, technical skills, and strong marketing capabilities to offer, and these can greatly extend the range, the depth, the quality, and the impact of the marketing and delivery of the Festival and each of its multiple components. In particular, with each contributor or sponsor, the SPDA and the OP should seek to build long-term relationships, multi-year contracts and agreements, and clear targets, indicators, and outcomes for each such relationship.</p>	<p>support. In particular, through channels, such as Caribbean Tourism Organization and the carousel in the V C Bird International Airport, Antigua &amp; Barbuda. These efforts and the recommendations will be developed further.</p>		<p>successful for the End of Year Festival and led to increased number of sponsors.</p> <p>Additionally, the 2023 St Patrick’s calendar of activities is predominantly private promoters with support from MAC</p> <p>Marketing and Promotion Coordinator vacancy to be established, as the new MAC Board rationalizes structure and staffing.</p> <p>MAC and Tourism Division continued to collaborate with particular reference to PRIME/Calabash Festival, Tourism Week and Christmas Lighting Competition and Little Bay Christmas Lighting</p>	
--	---	--	---	--	---	--

		This will lead to predictable funding for the Festival and greater cohesiveness and synergies among all the stakeholders, improving the revenues from the Festival, while reducing the relative cost and effort of each stakeholder, agency, partner, or sponsor working in isolation.				
	4.5 The GOM oversees the SPDA's budget and annual spending, but the SPDA has incurred deficits.	<p><b>4.10 Continue to improve planning, budgeting, and reporting.</b> The SPDA, with the support of the OP and the MAC, should review its approach to planning and budgeting to minimise the large variances of past years: e.g., overspending versus budget; overspending versus actual revenue.</p> <p>Realistic figures should be used for estimating costs and adequate amounts should be budgeted for agreed activities for the SPDA to deliver on its mandate.</p> <p>In turn, the SPDA should enhance its management of spending to deliver within its budget.</p> <p>A prudent approach also includes making provision for contingencies within the</p>	The Montserrat Arts Council, and the Office of the Premier has been engaging more extensively to improve the budgeting for St Patrick's and other Festivals, and to provide early commitment to allow planning within resource allocation.	Implemented	Budgeting for St Patrick's Day Festival is solely facilitated by MAC and implemented after approval and funds received from Office of the Premier	

		<p>budget for each year, thus minimising the need for frequent requests for supplementary funds. Likewise, realistic figures should be used for projecting revenues. Therefore, the budgeted revenues should be revised in line with the actual trend, and regularly updated for any available more recent information affecting forecasts.</p>				
	<p><b>4.2 The SPDA depends almost entirely on public grants and private sponsorship.</b></p> <p><b>4.3 GOM's cut its grants to the SPDA almost 40% during years 2018 to 2020.</b></p> <p><b>4.5 Sponsorship has been very limited and mostly ad hoc.</b></p>	<p><b>4.11 The SPDA should diversify and grow its streams of revenue.</b> Building on the successful revenue-generating events of earlier years, the SPDA, with the support of the OP, the MAC, and the Tourism Division, should relaunch events that have proven capacity to cover their costs and to grow into the future. In addition, the SPDA should collaborate with its stakeholders to add new events, products, and services that can provide sustainable new streams of revenues. This will assist the SPDA in becoming more self-sustaining, while continuing to build the Festival for the benefit of all stakeholders.</p>	<p>As indicated above, MAC as the designated body of Government with responsibility for Festivals has now assumed more direct oversight and management of the Festival. Former members of the SPDA (referred as such, given status of SPDA) assist with planning and implementation.</p>	In Progress	<p>Refer to update on recommendation 3.23. Collaboration continues with Tourism and Access to push events globally in an effort to improve revenue potential and visitor economy.</p> <p>Avenues for adding new events, products and services are being assessed with securing of project and grant resourcing. Access to additional HR capacity to support</p>	

	<p>4.8 Most of the SPDA's spending is for outsourced services, but procurement has had weaknesses.</p> <p>4.9 Oversight of disbursements has improved, but weaknesses remain.</p>	<p><b>4.12 The SPDA should improve its procedures for procurement.</b> The SPDA should document its agreements and contracts with its suppliers wherever written contracts do not exist. The SPDA should also advertise more of the goods/services that it intends to buy for the Festival. Furthermore, the SPDA should use the GOM's Procurement Unit for assistance, and to vet the process throughout procurement. For example, it should use published invitations to bid, as well as announcing successful bidders and contracts awarded, to ensure greater transparency in the selection of suppliers and in the awarding of contracts. In making Requests for Payment, the SPDA should ensure that there is a clear trail in the documentation: from budgets, to bids/quotations, to contracts/agreements, and, finally, to invoices presented for payment. Any variations from budgets/contracts should be clearly highlighted, explained, and approved before work is</p>	<p>Financial Management was performed by the Montserrat Arts Council from March 2018.</p>	<p>Implemented</p>	<p>Systems for requisitioning of goods and services were implemented by the Montserrat Arts Council, working along with members of the SPDA. Some minor enhancements on Request for Quotations and Bids are required, to improve process, based on quantum of good or service</p>	<p>March 2022</p>
--	---	---	---	--------------------	---	-------------------

		done, rather than after the fact (e.g., at the time that SPDA requests payment, or when the supplier goes to the MAC requesting payment and/or complaining about delays in payment).				
	4.19 Urgent need for upgrades of public venues for Festival events.	<p><b>4.23 Improve the management and quality of the Festival’s venues and infrastructure.</b></p> <p>The OP and the SPDA should review, document, and monitor the status of all venues used during the Festival.</p> <p>[a] Each year, compile a prioritised list of items needing to be repaired, replaced, renovated, added, or discarded.</p> <p>[b] Using stakeholders’ feedback, evaluate whether alternate venues would better serve the public for some events.</p> <p>[c] Addressing the recognised risks of past events that were cancelled or interrupted, develop contingency plans for each event and for each venue (e.g., changing weather).</p> <p>[d] Develop a system to track scheduled repairs and restoration projects from planning to completion.</p>	<p>The main venue for Festivals – Festival Village, Little Bay has received several facelifts. A mobile stage is also maintained and erected in both Festival Village and the Salem Park.</p> <p>A best bar competition was also mounted, to encourage the Bar Operators to improve the aesthetics of their asset.</p>	In Progress	<p>The limitations identified demonstrate the urgent need to progress town development in Little Bay, including permanent venue for Festivals.</p> <p>MAC Board will feed the requirement into town development strategy and discussions.</p> <p>Director of MAC and team will continue minor repair works and track restoration projects.</p>	Annually (Q3)

<p>4.14 The number of persons employed in the Festival has increased since year 2015.</p> <p>4.16 Economic activity and incomes have increased through the Festival.</p> <p>4.17 Development of the Festival has contributed to major growth in tourism.</p>	<p><b>4.24 Better co-ordination to manage, to market, and to grow the St. Patrick's Festival as the main pillar in Montserrat's tourism calendar.</b> The SPDA should improve its engagement of key stakeholders and it should better coordinate and align its budgets, plans, and operations with those of all relevant Departments (e.g., the OP, the Tourism Division, the Access Division, and the Ministry of Health &amp; Social Services). Combined efforts and resources will achieve much more impact and more value for money than what can be achieved by the individual efforts of each agency acting alone or with only limited co-ordination. For example, to achieve the SDP Goals #1 &amp; #4 (Appendix 5), improved access and passenger-experience, as well as maintenance and upgrades to the infrastructure supporting tourism, to the public venues used in the Festival, and to other items used in the Festival, are essential.</p>	<p>Management fully supports opportunities for better co-ordination of the St Patrick's Festival, given the potential to become a hallmark event.</p>	<p>In Progress</p>	<p>Year on year, the Montserrat Arts Council has improved its collaboration with the Tourism Division, the Access Division and also the Ministry of Health since March 2020.</p> <p>The MAC Board and the Director of MAC continues to examine additional avenues for stakeholder engagement</p>	<p>Q3&amp;Q4(2021/22)</p>
--	--	---	--------------------	--	---------------------------

		<p>This supports both [1] the health and safety of participants, and [2] the infrastructure for high standards of service and quality of experience for tourists and local patrons.</p> <p>Also important are effective local, regional, and global marketing and publicity of the Festival and its events, alongside tourism.</p>				
<p>4.18 Growth of the Festival has greatly increased visitors' arrivals in March each year.</p> <p>4.20 Limited access to Montserrat; worst during Festival seasons.</p> <p>4.21 Passengers' unpleasant experiences arriving in/departing from Montserrat.</p>	<p><b>4.25 Improve maintenance and upgrades of the airport/ferry port facilities.</b></p> <p>To support the Policy Agenda's objectives and the National Vision to maintain a safe, healthy, and productive work environment for all (e.g., the employees, agents, and service providers), the OP should plan and implement timely and adequate maintenance and upgrades of buildings and premises across the access infrastructure.</p> <p>In turn, this will improve the conditions in which the public receives services, including the Festival's organisers, participating small businesses (e.g., those renting stalls from the SPDA), patrons, and</p>	<p>The Air and Seaport Authorities in both Antigua and Montserrat are directly responsible for the maintenance of the port facilities.</p> <p>Additionally, the Access team and the Montserrat Port Manager were hosted by the Port Manager of Antigua to receive and provided inputs on their ports expansion project. A new terminal building and jetty facilities is planned for ferries from Montserrat, Barbuda and other neighbouring islands.</p>	N/A - Access	<p>The Tourism Division and the Montserrat Port Authority collaborated on facelift for MNI passenger terminal</p> <p>The Tourism Division completed repair Marine Village Boardwalk bridge</p> <p>The Access team will continue liaising with the Antigua Port Manager to receive updates on the new passenger ferry facility.</p>	Q3 (2022/23)	

	<p>4.22 The ports lack amenities; unsatisfactory levels of service for passengers.</p>	<p>performers, most of whom are visitors.  E.g., expanded and more comfortable seating; improved washrooms; enhanced sanitation and hygiene; better variety of, and access to, food and beverages; and better amenities for, and accessibility to, persons with special needs (e.g., parents travelling with young children, the elderly, those with limited mobility, and persons with various other disabilities).  These are some of the basics requiring continuing review and management to match relevant regional and international standards, including new public health requirements, as well as to accommodate better the growing numbers of employees and passengers and their needs and expectations.</p>				
--	--	--	--	--	--	--



Reviews	Finding	Recommendation	Management Response	Current Status (see above)	Actions Undertaken	Responsible Officer/Completed/Target Date
<p><b>Performance Audit of the Montserrat Secondary School: Governance Effectiveness &amp; Sustainability 2021</b></p>	<p><b>2.5 The performance of most teachers was not regularly assessed and/or reported.</b> There is an official performance measurement system in place to assess all public officers' performance (at least twice per year) and to assist in their continuing development.</p> <p>However, available records and data from the MOEYAS showed that formal assessments (PDARs) were not done and/or were not reported each year for the majority of the MSS's teachers and other employees, including the Principal.</p> <p>For year 2017/2018, only 12 of 40 were completed; for</p>	<p><b>2.10 Strengthen the oversight of all teachers'/employees' performance and development.</b> To honour the GOM's Policy Agenda: items 4.1 and 4.2, the MOEYAS, supported by the ODG/HRMU which has oversight of all public servants, should urgently review existing practices for reviewing and assessing the performance and the development of all officers within the MOEYAS, including the MSS. Hence, develop, document, and enforce suitable policies and processes to ensure that best practices of governance and approved processes for H.R. management are consistently followed, including but not limited to the following steps:</p>	<p>The Ministry of Education agrees with the findings of 2.5. The following actions are recommended:</p> <ol style="list-style-type: none"> <li>1. MoEYAS is currently updating the Teachers' Manual outlining all regulations and requirements for teaching and learning. After the necessary consultation this document will serve as a supplemental framework in colleague with General Orders for teacher accountability.</li> <li>2. Heads of Departments for the MSS were initially</li> </ol>	In Progress	<p>A revised draft of the Teachers' Manual has been completed. Require some consultation in specific areas. (EO, Secondary &amp; DoE)</p> <p>The official appointment of the Heads of Department is in the process of reviewing. The salary scale will be adjusted to reflect the remuneration.</p>	<p>September, 2023</p> <p>The intention is to have the HoD's in place on or before September, 2023</p>

	<p>year 2018/2019, only 14 of 41 were completed; for year 2019/2020, only 11 of 43 were completed.</p> <p>Similar patterns were noted for other schools / departments within the MOEYAS: for example, for year 2017/2018, only 42 were completed out of 140 posts (i.e., only 30% were done). (Source: MOEYAS' Quarterly Report, Q. 4, 2017/2018.)</p> <p>Interviewees observed that formal assessments tended to be done mostly when officers' contracts were concluding or when persons were eligible for increments.</p> <p>Hence, the motivation, in practice, has been strongly linked to gratuities / increments rather than the holistic long-term development of employees.</p>	<p>[a] Set clear, mutually agreed, written goals and criteria with, and for, each employee at the beginning of each school-year;</p> <p>[b] Develop a documented plan for each employee's continued personal and professional development each year;</p> <p>[c] Ensure that the Principal, the Heads of Department, and other senior officers within the MOEYAS/MSS are held accountable for regularly reviewing and assisting the performance and development of each employee that reports to them (e.g., including this as a target/deliverable in every supervisor's own annual review);</p> <p>[d] Review and record the performance and the development of all teachers and other</p>	<p>recommended in year 2013 but did not come to fruition until year 2020/2021. This has increased accountability, and will continue to notably increase it. These positions are currently by internal assignment of senior teachers and will require additional training before leading to their formal appointments. Financial resources are required to achieve this response action.</p> <p>3. MoEYAS has developed an Education Mid-Level Management</p>		<p>The acting Principal has completed his Leadership training (Director of Education)</p> <p>PDA/R tracking was added to the MoEYAS Quarterly Report from Q. 2 of Fiscal Year 2021/2022. Training and support provided by HR. (Education Officer, Secondary)</p> <p>The Director of Education conducted open discussions with relevant staff about how their tasks' execution will be measured using a job description. The Officer does not have a Tertiary mandate as was originally planned.</p> <p>A formal supervision-framework is in place at all schools. A performance-appraisal system is in place for employees across the system. These are</p>	<p>MoEYAS Mid-level Training Programme will continue in October, 2023.</p> <p>The agreement was to have ALL PDA's completed by October, 2023 and PDA's by 31<sup>st</sup> July, 2023.</p> <p>The Education Officer, Secondary is in place and she works in collaboration with the Leadership Team at MSS on strategic matters under the guidance of the Director of Education.</p>
--	---	---	--	--	---	--

		<p>employees each Term of the school-year and formally report each employee's assessments and progress at least annually;</p> <p>[e] Include mutual accountability such as a mechanism for each officer to provide feedback on his/her supervisor's performance and regarding his/her working relationship with the assessing supervisor; for teachers, this could be enriched by also incorporating feedback from students and from periodic survey-results (e.g., annually).</p> <p>[f] Provide comprehensive induction and on-boarding for all newly appointed/promoted officers, and assign a mentor to provide continuing guidance and support to each one. Continually improve</p>	<p>training programme to address educational leadership, GoM procedures and management development. The programme will commence in October 2021 to develop future leaders in the sector and familiarize staff with GoM procedures.</p> <p>4. PDA/R completion-rates will continue to be recorded in the Quarterly Reports to provide updates on their completion. Reviews of Job Descriptions are necessary to ensure that expected tasks</p>	<p>conducted by Sector Officers / Senior Management. Need for consistent follow up.</p> <p>Training was conducted during the last week of Teachers' Preparation Week before the start of the new academic year. Support especially at MSS was given by HR and MoE</p> <p>Education Officers to support Leadership at schools with both formal and informal observations. Objectives are designed around the 5 core functions of education.</p> <p>An Induction Framework was designed for new teachers as well as those with less than 2 years' experience. (Director and Education Officers)</p> <p>Consistent mid-year reviews with discussions and</p>	<ul style="list-style-type: none"> <li>• Monthly reports from Sector Heads/Principals</li> <li>• Operational calendars to monitor progress of programmes (Start of academic year: Sept – Jul)</li> <li>• Formal and informal observations by Education Officers across ALL Sectors (Termly)</li> </ul> <p>Last week in August of each year</p> <p>At least 1 formal visit and at least 1-month informal visit.</p> <p>Induction training was conducted 28<sup>th</sup> Sept – 26<sup>th</sup> Oct, – 18 participants</p>
--	--	--	---	---	--

		<p>these processes based on feedback and experience.</p> <p>[g] Dispelling commonly expressed views that reviews tend to be done only when persons are nearing the end of the term of their contracts and/or coming due for increments/gratuities: e.g., Making clear that the purpose of review and assessment is, more importantly, to give each officer timely feedback and guidance, to recognise his/her strengths and achievements, to remedy his/her weaknesses, and to support his/her continued development and long-term career-path.</p>	<p>and operational culture will be achieved.</p> <p>5. The MoEYAS will action the re-establishment of an Education Officer, Secondary/Tertiary. This individual's role will seek to provide technical consultation in key areas of (a) development of secondary education, (b) development of vocational education, and (c) operational oversight.</p> <p>6. Leadership Evaluations will be conducted every 2 to 3 years. This will allow for critical feedback, development plans, and staff</p>		<p>feedback between Reviewee and Reviewer (Line Managers/Supervisors)</p>	<p>successfully completed the training and was awarded certificates.</p> <p>At least bimonthly meetings to collect evidence-based data to enhance performance and accountability.</p>
--	--	---	---	--	---	---

			<p>development to occur at the school.</p> <p>7. All PDARs will highlight an objective(s) to measure the extent of accountability across Sectors.</p> <p>8. Internal School-based formal classroom supervision is to be conducted each Term. The PDARs are to be completed annually with a focus on job-embedded functions that are aligned with the Ministry's strategic goals.</p>			
--	--	--	--	--	--	--

			<p>9. Draft of an Induction framework for all new employees, including those with less than 3 years of working experience established. After the necessary consultation, this induction will become mandatory.</p> <p>The PDAR process is to be updated to develop the practice of conducting mid-year performance-reviews with documented supporting mechanisms for employees to improve in the execution of their workload.</p>			
	<p><b>2.8 Limited term-contracts affect teachers' availability and turnover.</b> Whilst the majority of public employees have permanent contracts,</p>	<p><b>2.10 Improve the long-term retention of high-performing teachers.</b> Given the</p>	<p>The Ministry of Education agrees with the findings of 2.8. The following actions are to be actioned by</p>	<p>In progress</p>	<p>Data-collection has begun for the development of a Workforce Development plan. This initiative requires additional research/data</p>	<p>Ongoing work</p>

	<p>several teachers are appointed each year with fixed-term contracts.</p> <p>This results in a continual need to hire/appoint new teachers.</p> <p>It also results in the simultaneous expiry of several contracts each school-year, contributing to periodic vacancies, significant amounts of lost teaching time, and gaps in students' learning, until reappointments/replacements are confirmed.</p> <p>Importantly, owing to the scarcity of some skills and qualifications on the island, as well as the small local pool of willing and available trained graduate teachers, regional recruitment is a recurring necessity.</p>	<p>long history of turnover of teachers at the MSS, the MOEYAS, with the necessary support from the ODG and the HRMU, should urgently reform its planning, its budgeting, and its recruitment strategy so that it can provide stronger incentives for effective teachers to remain in their posts. This recommendation includes such initiatives as these:</p> <p>[a] reviewing, enhancing, and ultimately shortening the process of recruitment,</p> <p>[b] improving further the terms and conditions of teachers to address past and current issues and complaints,</p> <p>[c] clarifying and developing the career-</p>	<p>the Director of Education, by relevant support staff, and by the MoEYAS's Strategic Management.</p> <ol style="list-style-type: none"> <li>1. Development of Workforce Development Plan to prescribe development and training needs as well as retirement forecasts.</li> <li>2. Development of formal Staff Induction training is required for teaching and administrative staff.</li> <li>3. 40% of the MSS's teachers are on contract. Consideration must be given to 2+1 contract-options to reduce turnover. Inter -departmental collaboration with</li> </ol>		<p>collection to compile a comprehensive WDP.</p> <p>A paper was drafted by DoE on the issue of recruitment and retention of teachers especially at the MSS.</p> <p>Induction training for new staff has been re-established.</p> <p>Draft Paper examined these issues and offer strategies that can be considered for addressing the problem.</p> <p>Continued dialogue with HR on the critical aspects of this area.</p>	<p>Commences during Term 1: Sept-Oct each year</p> <p>Work in progress</p> <p>Ongoing work</p>
--	---	---	--	--	--	--

		<p>path for all new teachers, and</p> <p>[d] providing enhanced on-boarding, induction, and other continuing support for new appointees and, particularly, for new immigrant recruits to address their unique needs.</p> <p>These measures will contribute to the achievement of GOM's SDP Goals #2, #4, and #5.</p>	<p>the HRMU to develop a working document that outlines the processes in relation to the staggering of fixed-term contracts leading up to the options for permanent and pensionable status.</p> <p>4. After consultation with the HRMU, no written framework exists as a standard for the recommendation of teachers to permanent and pensionable posts.</p> <p>A salary-study is needed to advise the Cabinet for compensation and classification changes. The teaching Establishment is to be updated to match the O.E.C.S.'s Teaching Standards classification.</p>		<p>The revised adjustments to the salary scales is being discussed.</p> <p>Paper examines the classification of teachers but requires matching salaries.</p>	Ongoing work
--	--	--	--	--	--	--------------



	<p><b>2.8 Limited term-contracts affect teachers' availability and turnover.</b></p>	<p><b>2.12 Stagger the number and terms of fixed-term contracts.</b></p> <p>The MOEYAS should seek the GOM's support to gradually extend the term of teachers' renewed contracts in line with good performance.</p> <p>Stagger the terms of employees' contracts so that no more than 1/3 of term-contracts expire in each school-year.</p> <p>Provide a clear pathway for those with fixed-term contracts to qualify for permanent posts within a reasonable time (e.g., 3 to 5 years of satisfactory service).</p> <p>This will make it easier for the MOEYAS and for the HRMU to plan for recruitment, for appointments, and for retention of talent in line with the Policy Agenda's items 2.4, 4.2, and 5.2.</p>		<p>Not implemented</p>	<p>The nature of the recruitment process impacts the effectiveness of this approach. In some instances, the contracted workers are unable to come on island at the start of the academic year.</p> <p>The other recommendations require a joint effort between MoE and HR to map out the way forward with this matter.</p>	<p>Ongoing work</p>
--	--	---	--	------------------------	--	---------------------

	<p><b>2.6 Internal controls are in place, but some practices are weak/inefficient.</b></p> <p>The internal procedures for the MSS's procurement and spending are directly accountable through the MOFEM and the Treasury Department.</p> <p>However, site-inspections, reviews of documents, and internal audits revealed that there was inadequate record-keeping for items received and issued from the MSS's storerooms.</p> <p>This was a clear violation of the requirements of the</p>	<p><b>2.13 Strengthen the MSS's record keeping and reporting for decision making.</b></p> <p>[1] The MSS should ensure that records are consistently kept: e.g., for inventories, for all employees' attendance, for teachers' performance and development, for meetings, and for other important activities to document decisions, responsibilities assigned, actions agreed, and progress.</p> <p>[2] All required reports should be submitted timely.</p> <p>[3] Embed and track these responsibilities in the assessment and development of relevant clerical officers, teachers, principals, and other officers.</p>	<p>The Ministry of Education agrees with the findings of 2.6. The following actions are recommended:</p> <ol style="list-style-type: none"> <li>1. The Director of Education will be publishing an academic and operational calendar each year to identify events and deliverables for all sectors.</li> <li>2. Findings support the need for an Education Officer, Secondary/ Tertiary Education.</li> <li>3. The MoEYAS is currently awaiting project-funding for the revised development of</li> </ol>	In progress	<p>Education Officers develop sector plans</p> <p>External Hard drive has been purchased for the school to save documents</p> <p>Discussion has begun with DITES regarding incorporating the MSS campus into the GoM's network systems</p> <p>Spot checks are conducted regularly to examine stores and stocks. Reports are provided to management for improvement.</p> <p>Members of the MSS's office-staff in place at the time of the audit-report have all been changed, effective October 1<sup>st</sup>, 2021. E.U. Resembid grant concept-note was approved. Awaiting project-funding for the I.C.T. upgrades.</p>	<p>October, 2022</p> <p>January, 2022</p> <p>Ongoing</p> <p>October, 2022</p> <p>October, 2022</p>

	<p>Public Finance (Management &amp; Accountability) Act, 2008.</p> <p>For example, the MOEYAS conducted reviews of stores and provided instructions on January 16 &amp; June 10, 2020, but the MSS's office staff has made insufficient effort to correct gaps in practice.</p> <p>It is also clear that too many processes and procedures remain heavily based on paper and manual practices, which are costly and inefficient.</p>		<p>an Education Management Information System (EMIS). This commissioned software will facilitate electronic document-management and more timely record-keeping.</p>			
	<p><b>2.6 Internal controls are in place, but some practices are weak/inefficient.</b></p>	<p><b>2.14 Strengthen the management of information and communication.</b> To honour the Policy Agenda's items 4.1 and</p>	<p>The Ministry of Education agrees with the findings of 2.6 and 2.7. The following actions are recommended:</p>	<p>In Progress</p>	<p>Preliminary discussions with I.T. contractors to develop an E.M.I.S. for Education</p>	<p>September, 2022</p>

	<p><b>2.7 Years of some records were unavailable.</b></p> <p>For example, Absence Monitoring Reports, which are standard monthly reporting requirements for all Departments in the GOM, were not made available to us for the MOEYAS, including the MSS, for years 2018 and 2019.</p> <p>In this audit, such reports were provided by the MOEYAS only for the year 2020.</p> <p>This, along with other gaps/delays in requested documents, raises concerns with</p> <p>[a] adequacy, completeness, and timeliness of record-keeping,</p> <p>[b] continuity and effective hand-over procedures when there are changes of employees, and</p>	<p>4.2, the MOEYAS and the MSS should work together in improving the management of their information, records, and communication, addressing such issues as:</p> <p>[a] Over-reliance on manual or informal processes, paper, printing, and physical delivery;</p> <p>[b] Lack of electronic versions and/or backups for some records.....c, d e, f</p>	<p>1. Data-entry clerks are needed to update the planned E.M.I.S. system with historical information, once it will be operational. Specific attention is needed for pre-volcanic forms and materials.</p> <p>2. The Clerical Officer's and Executive Officer's job-descriptions are to be updated to reflect the MSS's unique site needs. Consideration is to be given for a Senior Clerical Officer post, within financial restrictions.</p> <p>Consultation is required with the Montserrat Public Library and with the Montserrat National Trust for a digital archiving project.</p>		<p>Ongoing work</p>	
--	--	---	--	--	---------------------	--

	[c] weak accountability for the School and for each of its employees.					
	<p><b>3.3 GOM's Policy Agenda.</b></p> <p>The Cabinet's Policy Agenda is based on the 5 overarching strategic objectives from the *SDP:</p> <p>(1) economic development,</p> <p>(2) social development,</p> <p>(3) environmental management and sustainability,</p> <p>(4) improved governance, and</p> <p>(5) rebuilding of the population (*See Appendix 5).</p> <p>In turn, the MOFEM's central framework for strategic planning and budgeting requires all Departments to show clear links between their budgets and strategic plans and the *Policy Agenda.</p>	<p><b>3.22 Link the objectives for the MOEYAS and for the MSS more clearly to the Policy Agenda.</b></p> <p>At every stage of planning and reporting, from annual Budgets and Strategic Plans to the Quarterly Reports, each Department, Unit, and employee should show a clear understanding of the GOM's Policy Agenda and the SDP.</p> <p>This shared understanding is essential to ensure coherence and cooperation within and between Departments and employees at all levels of the educational sector and between it and the rest of the public service.</p> <p>It should be stated clearly that each objective, each strategy, each programme, each project, and each priority relate to the GOM's Policy Agenda. It should also be stated clearly how each one</p>	<p>The Ministry of Education agrees with the findings of 3.3 and 3.6. The following actions are recommended.</p> <p>1. Education Mid-Level Management training will include staff development on the Cabinet's Policy Agendas and linkages to School Improvement Plans and to the GoM's other policies.</p> <p>2. The MoEYAS is currently updating its Strategic Plan. Linkages between each policy and related actions are to be included.</p> <p>The MSS's Leadership Team is to receive training to develop</p>	In Progress	<p>DoE completed training in Drafting Cabinet Papers and Policy Formulation in January, 23</p> <p>A draft of the Strategic Plan is in the final stage of development.</p>	<p><b>Fiscal Year 2021/2022: Quarter #3</b></p> <p>Ongoing work</p>

	<b>3.6 Policy-links exist for most objectives / strategies, but are not always stated.</b>	fulfils the relevant part(s) of the GOM's Policy Agenda and the SDP.	linkages with the MOEYAS's Strategic Plan and with the Cabinet's Policy Agenda to inform the development of their School Improvement Plans.			
	<b>3.7 The MOEYAS has a framework for measuring performance against its objectives, but it needs improvement.</b>	<b>3.22 Ensure that every objective for the MOEYAS and for its related Departments, including the MSS, has KPIs and that all KPIs clearly support objectives.</b>	<p>The Ministry of Education agrees with the findings of 3.7. The following actions are recommended.</p> <ol style="list-style-type: none"> <li>1. Preparation for the annual Financial Aid Mission (FAM) will include the revision of the KPIs and of the Logical Framework (Logframe). The School's leadership will be engaged in the development of these.</li> <li>2. The MSS's Heads of Department will be tasked to educate all teachers on their</li> </ol>	In Progress	Updated KPIs and Logframe discussed with the Foreign and Commonwealth Development Office (FCDO) (U.K. Government)	March, 2022

			performance- indicators.			
	<p><b>3.10 Classification of KPIs.</b></p> <p><b>3.11 Some KPIs were unclear, inappropriate, or mismatched.</b></p>	<p><b>3.24 Continue to improve the MOEYAS's and the MSS's KPIs.</b></p> <p>Firstly, the MOEYAS and the MSS should make their KPIs clearer, more measurable, more relevant to objectives, and focused more on strategic outcomes.</p> <p>Secondly, all key stakeholders (e.g., students, teachers, and parents) should be regularly informed about what the KPIs are, what they mean, why they are important, and how they are relevant to each stakeholder.</p> <p>It will be difficult for the MOEYAS/MSS to achieve a KPI that its stakeholders (a) do not know exists, (b) do not understand, (c) had no input into its formulation, and/or (d) get no feedback on its</p>	<p>The Ministry of Education agrees with the findings of 3.10 and 3.11. The following actions are recommended:</p> <ol style="list-style-type: none"> <li>1. Stakeholders' engagement is needed to do the update of future KPIs; e.g., the Montserrat Union of Teachers (MUT), the MSS's parents &amp; teachers association (PTA), and Teachers</li> <li>2. Employees' Job-Descriptions need to be updated to align them to KPIs and to the Cabinet's Policy Agenda.</li> </ol> <p>A Public Relations subcommittee is needed at the MSS to inform stakeholders of plans and activities.</p>	In Progress	<p>The MSS's PTA's annual elections are pending. The new Executive is to be engaged in overall planning for the MSS. PTA Executive is in place. Mrs. Sharmaine Williams is president</p> <p>The Workforce Development Plan is to include Job-Description updates</p>	September, 2022

		purpose and its outcomes.				
		<p><b>3.25 Improve the assessment and the reporting of performance.</b></p> <p>The MOEYAS should ensure that all of its Departments, including the MSS, regularly measure, monitor and report against all of their objectives and KPIs.</p> <p>To be most useful, the Quarterly Reports, for instance, should be complete and timely.</p> <p>All employees' Performance and Development Agreements and periodic reviews/assessments should be regularly completed and reported timely.</p> <p>More timely feedback at all levels can lead to faster and better interventions and support wherever individual</p>	<p>The Ministry of Education agrees with the findings of 3.25. The following actions are recommended:</p> <ol style="list-style-type: none"> <li>1. Heads of Department require further training from the HRMU in the completion of PDARs. Training is to be concluded during the mid-level managers' course.</li> <li>2. The previously mentioned academic and programmatic calendar will assist with the timely completion of reports.</li> </ol>	In Progress	<p>Mid-Level managers' training is planned for commencement in October, 2021.</p> <p>A draft of the Academic &amp; Programmatic Calendar was prepared by the Director of Education.</p> <p>Draft copy is considered for adoption of critical areas as our local version needs updating</p>	<p>December, 2022</p> <p>April, 2022</p> <p>Ongoing work</p>
	<b>4.23 Teachers reported average to low levels of satisfaction.</b>					



		<p>and/or departmental performance is below expectations.</p> <p>This increases psychological safety and the telling of the truth when the emphasis is on genuine listening, remediation and improvement, rather than a culture that fears reprisals or discrimination against those who speak up or speak out.</p>	<p>The MoEYAS is to adopt the O.E.C.S.'s updated teacher-observation framework.</p>			
	<p><b>3.16 Limited involvement of the parents.</b></p> <p><b>3.17 No surveys of teachers/students/parents had been done.</b></p> <p><b>4.23 Teachers reported average to low levels of satisfaction.</b></p>	<p><b>3.25 Do annual surveys and communicate through multiple channels.</b></p> <p>The MOEYAS and the MSS should collaborate to do annual surveys of their employees, of their students, of their students' parents, and of other stakeholders (e.g., former students, partners in apprenticeships, partners in internships, and employers).</p> <p>The MOEYAS, the MSS, and other key</p>	<p>The Ministry of Education agrees with the findings of 3.16, 3.17, and 4.23. The following actions are recommended:</p> <ol style="list-style-type: none"> <li>1. Biannual surveys and informal engagements are to be institutionalised for stakeholders' engagement.</li> </ol> <p>Resource reprioritisation is to be conducted to respond to identified</p>	In Progress	<p>There pre-established survey instruments. These need to be administered throughout the year to collect relevant data that can inform the decision-making process</p> <p>This process was launched in 2013 but there has been a decline in its full usage. The DoE will re-institutionalize this practice</p>	<p>Ongoing</p> <p>July 2023</p>

		<p>stakeholders should likewise collaborate in outreach to stakeholders and to the public, using all available channels: e.g., websites, social media, telephone, mobile marketing, email, radio, news-broadcasts, audio, video, and other media.</p> <p>Among other opportunities, the MOEYAS/MSS could (a) highlight students' and graduates' achievements, (b) celebrate successful programmes and initiatives in education, and (c) make use of inputs and feedback from a much wider spectrum of stakeholders.</p> <p>Multiple channels for communication and feedback will likely improve the degree of participation and inclusion, while increasing the response-rate and the number/quality of inputs and feedback from all stakeholders.</p>	<p>needs and safety issues.</p> <p>2. Identify responsible staff member to facilitate stakeholders' engagement.</p> <p>3. Re-institute the use of School Self-Assessment which collects data on all 5 core areas of Education:</p> <p>(a) Leadership &amp; Management,</p> <p>(b) Curriculum and Policy Reform,</p> <p>(c) Teaching Standards and Student Performance,</p> <p>(d) Classroom Resources and</p> <p>(e) Physical Environment and Education Partners.</p>	<p>to enhance accountability across schools.</p> <p>Press Briefs to ZJB have been done.</p>	<p>Ongoing</p>
--	--	--	---	---	----------------

			<p>4. Completion of a draft of the Communication Strategy.</p> <p>5. Press Update on Education matters particularly for the MSS is to be conducted quarterly.</p>			
	<p><b>3.18 The overwhelming majority of parents have areas of dissatisfaction with the School.</b></p> <p><b>3.19 Limited engagement of stakeholders.</b></p> <p><b>4.7 Many areas of dissatisfaction for students.</b></p> <p><b>4.23 Teachers reported average to low levels of satisfaction.</b></p>	<p><b>3.27 Document feedback and complaints and their outcomes.</b> Given the patterns of reported dissatisfaction from teachers, from students, and from parents over the years, the MOEYAS and the MSS should review the policies and practices for receiving, recording, acknowledging, documenting/investigating, and resolving stakeholders' feedback and complaints. All non-written complaints/issues/queries should be transcribed and logged appropriately. It should be clear to whom responsibility has been assigned for</p>	<p>The Ministry of Education agrees with the findings of 3.18, 3.19, 4.7, and 4.23. The following actions are recommended:</p> <ol style="list-style-type: none"> <li>1. The MSS's administration to improve engagement of the PTA and to form parent-groups to disseminate information and to facilitate discussion.</li> <li>2. Recommendation to be made to the Minister of Education to mobilise a Board of Management as</li> </ol>	In Progress	<p>The MSS's P.T.A.'s annual executive elections are pending. Monthly meetings are to be scheduled. PTA is functional.</p> <p>DoE attends meeting and address parents on critical matters.</p>	Ongoing

		investigating and resolving each complaint/query. Standards should be set, among other aspects, for reasonable response-times so that every communication is respected and no stakeholder feels ignored or that his/her matter has been forgotten. At suitable intervals (e.g., quarterly, semi-annually, annually), appropriate senior officials from the MOEYAS should review a summary of (i) the number, (ii) the nature, and (iii) the status of reported feedback/complaints. Hold accountable the Principal, the Deputy Principal, and the Heads of Department for those complaints relating to their respective areas of responsibility.	outlined by the Education Act. 3. The MSS's office management is to establish a complaints / grievance process for stakeholders. Data are to be tracked and reported to the MOEYAS's HQ. Training is required in the investigation of incidents. 4. Resolution of complaints is to be included in the evaluation of the Principal, of the Deputy Principals, and of the Heads of Department.		DoE held meetings with Leadership Team on matters concerning the investigative/reporting process as well as referrals to the school Disciplinary Committee.	Ongoing
	<b>3.20 Limited engagement of stakeholders.</b>	<b>3.28 Develop a strategic approach to marketing, sponsorship, and relations with stakeholders.</b>	The Ministry of Education agrees with the findings of 3.20 and 3.21. The	In Progress	A paper for the Cabinet is pending the publication of this audit-report to seek financial resources to	September, 2022

	<p><b>3.21 Limited engagement of potential employers and the private sector.</b></p>	<p>In order to maximise the value of the MSS to the students, to the private sector, and to the GOM, the MSS, along with the MOEYAS, must develop formal policies and strategies for communication, for marketing, and for engagement of employers, of sponsors, and of other stakeholders. In particular, with each contributor or sponsor, the MSS and the MOEYAS should seek to build long-term relationships and agreements, and should develop clear targets, indicators, and outcomes for each such relationship. This will provide more consistent and reliable engagement, support, and resourcing for each initiative.</p>	<p>following actions are recommended:</p> <ol style="list-style-type: none"> <li>1. Re-organisation of the School's management has been proposed to consider the audit-recommendations. This includes: <ul style="list-style-type: none"> <li>(a) A post of Vice Principal of Teaching and Learning,</li> <li>(b) A post of Vice Principal of Student Development, and</li> <li>(c) teachers' assignments for supporting roles.</li> </ul> </li> <li>2. Development of a Master Plan for the MSS.</li> </ol>		<p>update the MSS's operations.</p> <p>The Director of Education conducted a Master Plan consultation with the MSS's staff.</p>	
	<p><b>3.12 Uses by the MOEYAS.</b></p>	<p><b>3.29 Improve the measuring and monitoring of key data and indicators.</b></p>	<p>The Ministry of Education agrees with the findings of 3.12, 3.13, 3.14, and 3.15.</p>			

	<p><b>3.13 Uses by the MSS.</b></p> <p><b>3.14 Uses by the GOM.</b></p> <p><b>3.15 Uses by the FCDO (U.K. Government).</b></p>	<p>The MSS should diligently collect, measure, assess, and track key data for improved management of the school and for better delivery of support, service, and teaching methods to students.</p> <p>For example, start identifying and tracking the progress of students in key areas relevant to the GOM’s Policy Agenda, the FCDO’s Logical Framework for the GOM, and the United Nation’s S.D.P. #4: e.g.</p> <p>(a) those with special needs,</p> <p>(b) those whose first language is not English, and</p> <p>(c) those with disabilities. etc</p>	<p>The following actions are recommended:</p> <p>1. The MSS is to review timelines for completion of report-cards and data collected to inform decision-making.</p> <p>The E.M.I.S. system implementation is to notably affect / improve data-collection and analysis.</p>	<p>In Progress</p>	<p>Some improvement has been made in the area of report preparation and distribution to parents.</p> <p>Discussions with OECS through the GOGA Project on the potential of procurement of an EMIS System</p>	<p>Ongoing</p> <p>Ongoing</p>
	<p><b>3.20 Limited engagement of stakeholders.</b></p>	<p><b>3.30 Apply data and metrics to improve learning and teaching at all levels.</b> This follows practically from the</p>	<p>The Ministry of Education agrees with the findings of 3.30. The following actions are recommended:</p>			

	<p><b>3.21 Limited engagement of potential employers and the private sector.</b></p> <p><b>4.23 Teachers reported average to low levels of satisfaction.</b></p>	<p>foregoing recommendation (paragraph 3.29). E.g. #1, Whilst Spanish is being offered within the taught subjects at the MSS, few students achieve fluency. Effective teaching and learning could be enhanced by including oral practice, cultural activities, and real-life sharing with students (and, by extension, communities) whose native language is Spanish etc</p>	<ol style="list-style-type: none"> <li>1. A systematic review is required to provide an updated approach to timetable planning, to remedial education, and to the delivery of modern languages.</li> <li>2. The introduction of Modern Languages is necessary at the level of Primary Schools to support the ease of students' acquisition of other languages.</li> </ol>	<p>In Progress</p>	<p>Conversational French and Spanish will be included in the National Education Curriculum work.</p> <p>Drafts are completed and submitted by the Consultants</p>	<p>September, 2023</p>
	<p><b>4.6 Aging infrastructure; inadequate supplies.</b></p> <p><b>4.7 Many areas of dissatisfaction for students.</b></p>	<p><b>4.10 Improve the MSS's planning and reporting of supplies and materials.</b></p> <p>The MSS should review its approach to planning and reporting of inventories to minimise the delays and shortfalls in required items experienced over the past several years.</p> <p>Realistic figures should be used for estimating</p>	<p>The Ministry of Education agrees with the findings of 4.6, 4.7, and 4.9. The following actions are recommended:</p> <ol style="list-style-type: none"> <li>1. The MoEYAS is to explore the development of a master-plan for the current plan for development and</li> </ol>	<p>In Progress</p>	<p>A structural assessment of the remaining buildings is to be included in the Government's national Capital Investment Programme for Resilient Economic Growth (C.I.P.R.E.G.) project.</p> <p>Project work on Blocks L &amp; M is still in progress</p>	<p>Ongoing</p>

	<p><b>4.9 Lack of support or inconsistent funding / supplies to maintain / expand some key programmes.</b></p>	<p>costs and quantities of items needed each Term.</p> <p>A prudent approach also includes making provision for contingencies within the budget for each year, thus minimising the need for frequent requests for supplementary funds or for virements.</p> <p>The MSS should report to the MOEYAS its list of requested items well in advance of the start of the school-year to allow adequate time for re-ordering and receipt of items.</p>	<p>upgrades of the MSS's infrastructure.</p> <p>2. The MSS's office-staff is to update the process of managing stores and resources.</p> <p>Timely reporting is to be incorporated into the P.D.A.R. process.</p>			
	<p><b>4.7 Many areas of dissatisfaction for students.</b></p>	<p><b>4.11 Improve the ordering of items to save costs.</b></p> <p>Bulk purchasing coordinated by the MOEYAS could provide significant savings each year to each public school, including the MSS.</p>	<p>The Ministry of Education agrees with the findings of 4.7. The following actions are recommended: In-service training for clerical officers on internal controls and operational processes.</p>	<p>Implemented</p>	<p>A training course for junior public officers is pending through the H.R.M.U.</p> <p>At least informal/on the job training has taken place</p>	<p><b>January, 2022</b></p> <p>Ongoing</p>



		The MOEYAS should also identify, review and assess the available storage-capacity and the options for expanding it to achieve greater savings from consolidated re-ordering of commonly used items.				
	<p><b>4.7 Many areas of dissatisfaction for students.</b></p> <p><b>4.8 The Textbook Scheme is very important, but has some gaps.</b></p>	<p><b>4.12 Improve the management of the Text-Book Scheme.</b> The MOEYAS should review the implementation of the Text-Book Scheme at the MSS to ensure that all students are supplied timely and adequately with the necessary items for their courses.</p> <p>The MSS should do a comprehensive review of its inventory of all text-books at least once a year and then make timely reporting to the MOEYAS for all missing, damaged, or unusable items needing to be replaced. Where new items are added to the curriculum,</p>	<p>The Ministry of Education agrees with the findings of 4.7 and 4.8. The following actions are recommended:</p> <ol style="list-style-type: none"> <li>1. The textbook programme requires an internal review and adjustment.</li> <li>2. Specifically, the anticipated adoption of the new National Education Curriculum will require a review of prescribed texts for relevance.</li> <li>3. The position paper will need to be advanced to the</li> </ol>	In Progress	<p>The need for addressing the availability of text books have been considered. The plan is to order texts that are required especially for Languages</p> <p>The drafts curriculum will guide the procurement of new or recommended texts</p>	<p>Before the end of the Financial Year, 2023</p> <p>Ongoing</p>

		or replacements of books are required, the MSS should ensure that the orders/re-orders are placed early enough and in sufficient quantities to supply all relevant students before the start of the school-year.	Cabinet to update the challenges and the annual cost of the project's operations.			
	<p><b>4.16 The national unemployment-rate is low, but youth unemployment-rate is high.</b></p> <p><b>4.17 The rate of satisfactory grades has trended downward in several courses, while improving in only a few.</b></p> <p><b>4.18 Small numbers of students per course are entered for external tests.</b></p> <p><b>4.21 Percentage of trained teachers has improved, but remains far below target.</b></p>	<p><b>4.25 Review the MSS's curricula and activities for improved value and outcomes to students and employers.</b></p> <p>In particular, there should be more focus at the MSS on programmes that expand the range of internships and employment opportunities on the island.</p> <p>Secondly, to achieve the GOM's Policy Agenda and its obligations regarding the S.D.G. #4, the MOEYAS should revise all curricula, activities and teaching methods at the MSS:</p>	<p>The Ministry of Education agrees with the findings of 4.7, 4.16, 4.17, 4.18, 4.21, 4.22, 4.23, and 4.24. The following actions are recommended:</p> <ol style="list-style-type: none"> <li>1. The proposed post of Vice Principal of Student Development includes strategic partnerships and creating opportunities for internship and for early employment.</li> <li>2. Intervention-programmes are required to support low-performing students while</li> </ol>	In Progress	<p>After-school programme has been discussed as a way of supporting the LEAP students</p> <p>A new CTEC initiative (launched by CXC) has been also considered as a Pilot to provide vocational skills for these students.</p> <p>ICT infrastructure upgrade has begun in the primary schools. The plan is to also procure at least 10 Smart</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>

	<p><b>4.22 Percentage of graduate teachers has improved, but was well below target.</b></p> <p><b>4.23 Teachers reported average to low levels of satisfaction.</b></p> <p><b>4.24 Most school-leavers struggle to find full-time employment.</b></p>	<p>[a] towards making them more relevant to current trends and technologies, and</p> <p>[b] towards making students better prepared for, and aligned to, the skills, the values, and the practices that employers and the economy require. [See the references in Appendix 2 for examples.]</p>	<p>overall intervention mobilises at the primary level. The L.E.A.P. programme needs to be re-designed to meet this need.</p> <p>3. Trained teachers have increased and will continue to advance with the availability of funding. However, all variables affect the quality of learning. Resources for Teachers need to be procured to assist them (a) in providing differentiated learning to students and (b) in the use of I.C.T. in the classrooms.</p> <p>4. The School Leavers' programme needs to be expanded further than the 1-week programme by the Department of</p>		<p>Projectors for the use at MSS.</p>	
--	---	---	--	--	---------------------------------------	--

			Community, Youth, & Sports Services (D.C.Y.S.S.) to include an incremental 2-year intervention during Form 4 & Form 5. 5. A developmental pathway for teachers is required to improve their internal development and to facilitate their upward mobility.			
	<p><b>.7 Many areas of dissatisfaction for students.</b></p> <p><b>See Supplementary Finding 4.15 in the latter part of this Matrix.</b></p> <p><b>4.17 The rate of satisfactory grades has trended downward in several courses, while improving in only a few.</b></p> <p><b>4.21 Percentage of trained teachers has improved, but remains far below target.</b></p>	<p><b>4.26 Review and better integrate primary and secondary curricula and teaching methods.</b></p> <p>Given the identified weaknesses in many students coming to the MSS, the MOEYAS should do a thorough review of the pre-secondary curricula and teaching methods to ensure that they are effective in preparing primary-school graduates for the First Form at the MSS. There also needs to be review of the range of</p>	<p>The Ministry of Education agrees with the findings. The following actions are recommended:</p> <p>The new National Education Curriculum is being reviewed and is in the developmental stage. It will address issues raised in these recommendations.</p>	In Progress	<p>Pre-Close Out meeting was held on 16<sup>th</sup> February, 2023</p> <p>Try Out/Pilot will take place in April, 2023</p>	September 2023

		subjects and activities available at the primary level to provide students earlier exposure to possible careers and to the subjects and activities available at the MSS.				
	<p><b>4.7 Many areas of dissatisfaction for students.</b></p> <p><b>4.20 Students reported average to low levels of satisfaction.</b></p> <p><b>4.23 Teachers reported average to low levels of satisfaction.</b></p>	<p><b>4.27 Schedule adequate timely maintenance and upgrades of the MSS's facilities.</b></p> <p>To maintain a safe, healthy, and productive environment for all the MSS's employees, students, parents, visitors, and service providers, the MOEYAS should plan and implement the timely and satisfactory maintenance and upgrades of buildings and premises across the MSS's infrastructure.</p> <p>The Principal of the MSS should develop a prioritised list of</p>	<p>The Ministry of Education agrees with the findings of 4.7. The following actions are recommended:</p> <p>1. A Master plan for the MSS needs to be prioritised and approved to advance work on the School's infrastructure.</p> <p>The use of a checklist for inventory to highlight and to prioritise maintenance issues.</p>	In Progress	<p>Master Plan needs updated/revised to consider present changed in the school environment especially in the areas of;</p> <ul style="list-style-type: none"> <li>• Cafeteria</li> <li>• Sporting/Playing areas</li> <li>• Agriculture Programme/Greenhouse</li> <li>• Food and Nutrition upgrade</li> </ul>	Ongoing

		<p>maintenance, repairs and upgrades, and update it timely for each school-year to support the annual budgeting and planning with MOEYAS.</p> <p>In turn, this will improve the conditions in which the clients (students) and other stakeholders receive services.</p> <p>Examples of some of the basics requiring continuing review and management to match relevant local, regional and international standards, as well as to meet the needs and the rising expectations of stakeholders include:</p> <p>[a] Expanded, better equipped, and more comfortable classrooms (including having enough chairs for all students in each classroom, as well as</p>			<p>Procurement of equipment and furniture.</p> <p>Upgrade to washroom facilities</p> <p>Plan for a cafeteria</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
--	--	--	--	--	--	--

		<p>other needed tools / furniture / equipment);</p> <p>[b] Improved washrooms and other amenities;</p> <p>[c] Enhanced sanitation and hygiene indoors and outdoors across the MSS's campus;</p> <p>[d] Better variety of, and easier access to, healthful food and beverages, including provision of cafeterias and adequate seating and tables for students and for teachers during breaks and lunchtimes; and</p> <p>[e] Better amenities for, and accessibility to, persons with special needs.</p>				
	<p><b>2.9 Adverse effects of vacancies / turnover / retirement of teachers / staff.</b></p>	<p><b>2.15 Improve the transition, succession, and engagement of retiring teachers.</b></p>		<p><i>In Progress</i></p>	<p>Draft paper on recruitment and retention</p>	

	<p>Frequent changes of teachers have several negative impacts:</p> <p>(a) they affect the quality of teaching/learning;</p> <p>(b) they require a significant period of time for new recruits to adapt to the MSS and</p> <p>(c) for immigrant teachers, to adapt to a new country and new culture; and</p> <p>(d) they interrupt the building of effective long-term relationships among colleagues and between teachers and their students.</p> <p>(e) Likewise, interviewees observed that, over the years, issues of recruitment, periods of</p>	<p>Given the long institutional memory and wealth of experience in long-serving teachers, the MSS and the MOEYAS should endeavour to put in place effective programmes to pair veteran teachers with junior teachers.</p> <p>This could enhance the transferral of knowledge and skills to younger teachers, while providing a richer on-the-job experience both for mentors and for mentees.</p> <p>It will also assist in better planning for succession for older teachers and contribute to professional development and career-planning for younger teachers.</p>			<p>Staff and Ministry led continuous professional development in all areas.</p> <p>The effective use of Numeracy and Literacy specialists in supporting teachers and students</p> <p>Support from Psychologist with SEND matters</p> <p>Draft Mentorship programme for schools</p>	<p>Ongoing</p> <p>Ongoing</p>
--	--	--	--	--	--	-------------------------------



	<p>vacancies, and changes in administrative staff have posed difficulties for continuity of good record-keeping, for succession-planning, and for consistency of practices and procedures.</p> <p>(f) The retirement of veteran teachers further reduces the local pool of available teachers and adds to the need for continual recruitment and training of new teachers.</p>	<p><b>2.16 Improve the (re-) engagement of retired teachers.</b></p> <p>In addition to pre-retirement programmes, it is important for the MSS and the MOEYAS to collaborate to create more (types of) opportunities for retired teachers to serve, including part-time and short-term capacities (e.g., as coaches for teachers &amp;/or students, as mentors for teachers &amp;/or students, as trainers &amp;/or assessors for teachers, as after-school tutors for students, and as substitute teachers when substantive teachers are sick or are overseas for studies, and for the period that teaching posts are vacant).</p> <p>The trends towards (1) online teaching, (2) virtual training, (3) electronic communication, and (4) work-at-home arrangements within the public service, all serve to</p>			<p>Consideration for continuation of training for teachers in the effective use of Online Instruction</p> <p>Mobilizing a Team to draft Online Policy</p>	<p>Ongoing</p>
--	--	---	--	--	---	----------------

		<p>increase the number of ways that both active and retired teachers can be retained and engaged for the benefit of both teachers and students. Just as better terms and conditions can encourage active teachers to remain in teaching, so an improved relationship with veteran teachers in their pre-retirement years will likely increase their willingness to be available to serve in various ways after their official retirement. These measures can help to expand the effective local pool of talent available on the island, while improving the development of younger teachers in full-time service, and better utilising the skills and wisdom of elders, who are living longer and becoming greater in number in an aging society. In turn, fulfilling activities and service to society in retirement years</p>				
--	--	---	--	--	--	--

		contribute to a higher quality of life, and improve the health-outcomes of senior citizens, thus reducing loneliness, illness etc.				
	<p><b>3.4 The United Nations' Sustainable Development Goals.</b></p> <p>An important overarching framework is the G.O.M.'s obligations and targets under the U.N.'s global S.D.G.s with a timeframe of years 2015 to 2030 for implementation.</p> <p>The G.O.M.'s S.D.P. (2008 to 2020) is parallel to this U.N. framework and the indicators in the national S.D.P. can be cross-referenced to the relevant indicators and targets within each S.D.G. in the unifying global framework.</p> <p>Each Government is, therefore, being assessed in terms of its progress towards its national targets, as well as how adequate the national targets are vis-à-vis the S.D.G. targets.</p>	<p><b>3.29 Improve the measuring and monitoring of key data and indicators.</b></p> <p>The MSS should diligently collect, measure, assess, and track key data for improved management of the school and for better delivery of support, service, and teaching methods to students. For example, start identifying and tracking the progress of students in key areas relevant to the GOM's Policy Agenda, the FCDO's Logical Framework for the GOM, and the United Nation's S.D.P. #4: e.g.</p> <ul style="list-style-type: none"> <li>(a) those with special needs,</li> <li>(b) those whose first language is not English, and</li> <li>(c) those with disabilities.</li> </ul> <p>In turn, accurate, complete, and up-to-date</p>		In Progress	<p>Using the OECS data collection tool to track and collect relevant school data.</p> <p>Spreadsheet instrument has been shared with Leadership</p>	Ongoing

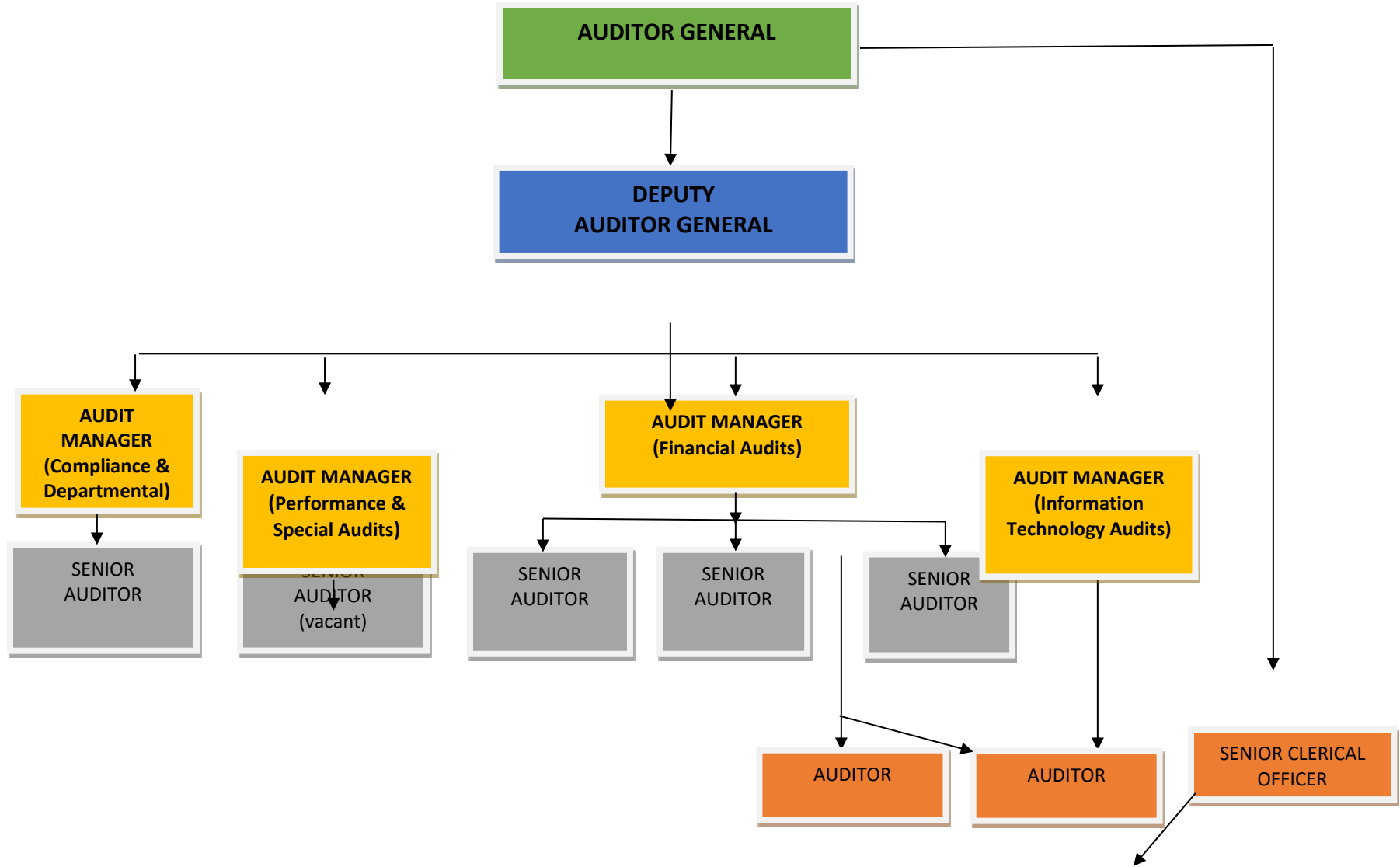
	<p>Most relevant to the MSS and the MOEYAS is the S.D.G. #4, focusing on education and development for all. (See Table 3.0.)</p> <p>Two of the key principles of the S.D.G. framework are:</p> <p>[a] both in policies / planning / budgeting and in implementation, to leave no person (e.g., no student) behind; and</p> <p>[b] during implementation, to focus policies and actions firstly on those that are furthest behind the desired outcomes and targets.</p>	<p>data and monitoring in such key data and indicators will empower the MSS and the MOEYAS to improve the development of curricula, policies, teaching methods, and the assessment of performance for both teachers and students. These steps can help to address the social needs, the cultural differences, and the performance gaps identified in students in the category of English as a second language.</p>				
	<p><b>4.15 Weaknesses in primary education affect students entering MSS.</b></p> <p>The MSS conducts initial assessments of all new students to identify a baseline measurement for their relative levels of knowledge and competency in each fundamental subject-</p>				<p>The effective use of Numeracy and Literacy specialists in supporting teachers and students</p> <p>Support from Psychologist with SEND matters</p> <p>The effective use of Numeracy and Literacy specialists in supporting teachers and students</p>	<p>Ongoing</p>



	were not available at the MSS and/or in Montserrat.					
		<p><b>3.23 Ensure that every objective for the MOEYAS and for its related Departments, including the MSS, has KPIs and that all KPIs clearly support objectives.</b></p> <p><b>Added details:</b> This will improve transparency of objectives and subsequent actions and provide accountability for progress towards stated objectives.</p> <p>Suitable KPIs also help to clarify exactly what is expected and how outputs, outcomes, and impact will be measured. Coherence of policies and practice, as well as improved communication with all stakeholders, will increase as the MSS and the MOEYAS clarify the linking of policies and objectives to specific actions, each of which must be assigned to specified responsible officers.</p>		<i>Not Implemented</i>	<p>Using the Ministry's strategic Plan to formulate MSS School Improvement Plans</p> <p>Policy Development</p> <p>Technical support form Suffolk County with reviewing selected policy documents</p>	<p>September, 23</p> <p>September, 23</p>

		In turn, it must be shown that each action supports the stated objectives, which, in turn, must contribute to the Ministry's strategic plan and to the Cabinet's Policy Agenda.				
--	--	---	--	--	--	--

**APPENDIX 6  
OFFICE OF THE AUDITOR GENERAL - ORGANISATION CHART**





CLEANER

OFFICE  
ATTENDANT

