AUDIT REPORT
ON THE FINANCIAL STATEMENTS OF THE GOVERNMENT OF THE TURKS AND CAICOS ISLANDS

For the year ended 31st March 2008, 31st March 2009, 31st March 2010 and 31st March 2011

Audit Office
Grand Turk

October 2012

TABLE OF CONTENTS

TURKS AND CAICOS ISLANDS GOVERNMENT
Financial Statements for the years ended 31March 2008, 31March 2009, 31March 2010 and 31st March 2011

AUDIT CERTIFICATE
To House of Assembly of the Turks and Caicos Islands.

This report details matters that came to our attention during the course of the audit of the financial statements of the Government of the Turks and Caicos Islands (TCIG) for the year ended 31st March 2008 through to 31 March 2011 and require reporting under section 58 (1) of the Finance and Audit Ordinance (FAO). This report should be read in conjunction with the audited financial statements, which are published separately, and presented along with this report.

Audit Authority and Purpose

The primary function of an audit is to allow an opinion to be expressed on the financial statements. Consequently, an audit report may not include all possible weaknesses, which may only be brought to light by a more comprehensive review.

Executive Summary

The Audit Office is committed to reporting in a timely and efficient manner; however certain circumstances hindered the operations of the Audit Office and played a part in the delay of reporting on the financial statements of TCIG for the years ended 31 March 2008 to 31 March 2011.

During the past years the Office was faced with not having full access to the Office building due to damages sustained after Hurricane Ike. Members of staff were based in a conference room at the Treasury for four months until work was completed on the building. We are however very grateful for the assistance given by the former Accountant General during that period. Even though the internal appearance of the building leaves much to be desired, since our requests for improvement were not accepted, we are still grateful.

In addition to the above, three members of staff (including two Senior Auditors) sought employment elsewhere and the Principal Auditor retired, resulting in a decrease in our staff numbers. No one was recruited in these positions except for an Auditor position that was filled later on in year.

I must make note of the positive changes to come with the introduction of the new National Audit Office Ordinance which will strengthen the independence and powers of the Auditor General. This would enable the Auditor General to hire additional staff.

Our reporting timeframe was also affected by the late presentation of financial statements which were incomplete. Later on, the decision was taken by the Accountant General's Dept to reissue the accounts for all four years inorder that the financial statements could be at an acceptable standard and somewhat inline with IPSAS requirements. With this change, the accounts are presented in a different format in accordance with the requirements of IPSAS. The old statements are no longer used.

As noted in previous audit reports the statutory timetable allowed six months for the presentation of financial statements for audit with the Audit Office then having six months in which to present audited statements. The new Public Finance Management Ordinance now allows four months for the presentation of financial statements by the Accountant General and four months for the Audit office to undertake its work and present audited statements.

There were serious weaknesses over the periods that impaired the ability of the Accountant Generals Department to complete critical processes. This has lead to late presentation of financial statements in the past and inadequate or no support data to substantiate the figures shown in the accounts. Attention should have been given a long time ago to ensuring that this department functions more efficiently and effectively.

It is important for the Accountant General to ensure that regular month end accounting procedures are undertaken during the course of the year such as bank reconciliations, clearing accounts and reconciling data to that posted on the general ledger etc. Accounting and systems issues must be addressed immediately. Failure to do so makes the year-end accounting process extremely difficult, if not impossible and significantly delays the production of financial information. It also means that during the year government does not have accurate and complete data to make informed decisions.

The Audit Office was presented with numerous reconciliations for the main bank account which were incomplete. Errors were identified by the Treasury that could not be substantiated or properly verified by our Office, due to the timeframe of presentation. In addition support schedules were not provided to us to substantiate certain balances within the financial statements. It is recognised that serious breakdowns in many financial processes occurred in the years covered by this audit; however it is understood from remarks of the Accountant General that action has been taken in 2011 and 2012 to remedy these problems.

Audit recommendations encouraging the Ministry of Finance and the Accountant General's Department to improve must be fully addressed. Most of our recommendations are a result of observed failures to address system problems, absent or inadequate management processes and accounting controls and poor accountability. The lack of management processes and accounting controls create an environment conducive to error, misappropriation and fraud.

Many of the issues raised in this audit report are issues that have been raised in previous audit reports. We sought to highlight the fact that these issues have not been addressed during the years audited to ensure that the seriousness of the issues can be realised.

It is important to emphasize also that we made note of improvements within the Accountant General's Department during the financial year 2011/2012 and the first half of FY 2012. Even though there were serious weaknesses in the prior years, some progress is being made. The department is currently looking at improving the accounting system by identifying all issues that hinder their daily processes. Work is also progressing on a procedures manual that will outline all procedures of the Treasury. Training sessions will need to be arranged in order to educate staff of the importance of these manuals and procedures within the Treasury. We noted that IT training is one area that will be enhanced during the FY 2012/2013.

I wish to highlight that the accounts have been prepared using the modified cash basis of accounting. Prior year Adjustments totalling $81,418,081 were processed by the Accountant General to properly account for all loan and Advance account balances and to prepare a statement of Assets and Liabilities as required under the International Public Sector Accounting Standards (IPSAS)

Taking into consideration the issues which came to my attention during the audit of the financial statements for the years ended 31 March 2008 to 31 March 2011, I am unable to express an opinion as to whether these financial statements are presented fairly in accordance with the International Public Sector Auditing Standards, because:

- Serious weaknesses were identified within the accounting system along with serious deficiencies in the financial controls and preparation of records.

- Reconciliations were not performed for a number of accounts. There were serious issues with completing bank reconciliations for the main bank account for all four f/y. for example, I was not able to satisfy myself that the outstanding cheques listing for the y/e 2011 of $7,689,552 and errors of $4,435,899 are accurate. For the FY ended 2008, 2009 and 2010 we were not able to obtain assurance that the errors found and corrected were accurate. These matters are discussed in the body of the report.

- Limitation in scope due to the Audit Office not being able to access information from the accounting system to verify certain expenditure.

- Expenditure was incurred in excess without statutory authorisation for the years ended 31 March 2008 and 31 March 2011; and

- A limitation in the scope of our audit due to the lack of evidence relating to the opening balances of advance and deposit accounts, the non-submission of the Statement of Arrears and the Statement of Unallocated Stores, as well as, incomplete reporting of the government liabilities in the Statement of Contingent and Material Liabilities.

Our audit highlighted the following issues:

- For the years being audited, a Reserve Fund was set up to provide separate accountability outside of the Consolidated Fund for monies received specifically for stated purposes. We noted that, contrary to the policy, the Reserve Fund is retained in the Consolidated Fund bank account, and not in a separate bank account.

- There is no legislation in place to protect whistle-blowers in the TCI, nor are there any policies or procedures on handling, responding, investigating, reporting and disclosing information on behaviours or conduct which may appear to be of concern.

- The continual ability of the government to incur expenditure in excess of that approved has been a long-standing issue, and is a serious disregard to transparency and public accountability. We have stated those Ministry and Departments where the budget was exceeded during all four years. There were instances where funds were spent where no amount was budgeted. Total recurrent expenditure budget was over spent for the f/y ended 31 March 2008 and 31 March 2011.

- There appears to have been poor management and monitoring of the capital development programme. Several projects were undertaken that did not form part of the Appropriation ordinance. This is explained within the body of this report.

- There were a number of structural and systemic issues within the Treasury, which needed to be resolved. These issues have hampered the Treasury's ability to produce timely and accurate accounts for audit; resulting in delays in submitting audited financial statements.

- We identified a number of accounting issues, such as, the lack of consolidated accounts; incomplete reporting of government liabilities – capital and financial commitments.

- There are no mechanisms in place to measure departments / ministries' performance against their respective objectives. Without performance measurements, it is difficult to ascertain if they are delivering the required services efficiently and effectively, and that TCIG is receiving best value for money.

- There are a number of issues relating to the operations of the Conservation Fund. Accounts have never been submitted for audit; the fund is not maintained in a separate bank account; there is no separate authorisation for expenditure from the Conservation Fund; policy and management procedures of the fund have yet to be finalised; project selection standards or criteria has not been developed; and project monitoring has been limited to date.

- Previous audit reports have drawn attention to the insufficient standard of monitoring and control of arrears in revenue. The Statement of Arrears has never been submitted for audit.

- The Statement of Unallocated Stores has not been submitted for audit since 2001/02, and has therefore been excluded from the scope of the audit certificate for this period.

- We noted that Public Debt information from the Accountant General's Dept and Department of Economic Planning and Statistics (DEPS) during the period audited were incomplete and inaccurate. Principal and Interest payments were not properly classified, and supporting schedules did not agree with the information on the accounting system; however there has been improvement in the number of misclassifications found over the four year financial period.

- Lack of Management review and reconciliation of transactions posted against Advance accounts.

- We observed that the internal controls within the Accountant General's Dept are inadequate. Internal Control weaknesses identified include weak oversight over the activities of the Department, roles and responsibilities are not clearly defined and lack of policies and procedures. Internal controls within the sub treasuries around the islands must also be evaluated by the Accountant General. Robust and effective internal controls are essential to protect Government assets. Well designed controls that operate effectively increase the reliability of accounting data.

- We observed that the procedures for dealing with alleged or suspected fraud are weak. Guidelines should be emphasized as to who should be notified and other course of action to be followed or considered when fraudulent activities are detected or strongly suspected.

- Bank reconciliations were not performed on a timely basis. If this process was performed on a monthly basis errors could have been addressed sooner.

Financial Performance[1]

Recurrent Revenue

Table 1 shows recurrent revenue before transfers within funds (excluding income from sale of land) over the previous five financial years.

Table 1: Actual vs estimated revenue over five financial years

Figures in US$	**2006/07 $**	**2007/08 $**	**2008/09 $**	**2009/10 $**	**2010/11 $**
Actual revenue	203,377,362	209,547,481	200,421,832	133,963,194	120,838,347
Estimated revenue	192,529,817	237,225,760	244,911,045	158,972,421	159,304,500
(Shortfall) / Surplus	10,847,545	(27,678,279)	(44,489,213)	(25,009,227)	(38,466,153)

Source: TCIG Statement 6

Table 2: Top Five main sources of revenue

Main Sources	**2007/08**	**2008/09**		**Main Sources**	**2009/10**	**2010/11**
Import Duties	75,089,635	70,818,279	1	Import Duties	50,029,099	43,523,387
Stamp Duty on Land Trans	36,200,715	44,104,707	2	Accommodation Tax	20,945,528	24,959,550
Work Permits	21,153,126	19,921,281	3	Work Permits	12,678,009	11,175,184
Accommodation Tax	20,267,753	19,749,633	4	Stamp Duty on Land Trans	11,877,675	8,820,956
Communication Receipts	8,862,210	8,028,474	5	Communication Receipts	8,646,791	6,424,383

Issues relating to Recurrent Revenue:

- TCIG operates a revenue system called Sigtas. This is mainly used to capture revenue from other revenue generating Departments. On a daily basis, the two systems Smartstream and Sigtas are both updated to ensure that all information is captured on both systems. As a result of our review we noted that there are differences in the figures shown for each revenue account head when we compared the figures with both systems. We noted that the differences are not investigated. We were informed that the main reason why this occurs is because journal entries that might have been placed through Smartstream are not captured in Sigtas. The issues must be investigated and a way forward needs to be decided upon.

- Revenue collections from Communication Tax, Excess Profit tax and Licence Fees have not been monitored to ensure that TCIG is receiving all revenue that is due. We were not able to obtain any information on how TCIG satisfies it self that these taxes collected are accurate.

[1] All figures quoted are in US$

Recurrent Expenditure

Table 3: Actual vs estimated recurrent expenditure over five financial years

Figures in US$	**2006/07**	**2007/08**	**2008/09**	**2009/10 $**	**2010/11 $**
Actual expenditure	201,938,203	234,622,909	215,626,706	152,150,304	198,126,649
Estimated expenditure	180,865,046	233,634,072	236,239,576	162,014,489	181,929,581
Savings / (Excess)	(21,073,157)	(1,048,837)	20,612,870	9,864,185	(16,197,068)

Table 4: Actual revenue and expenditure over five financial years

Figures in $'000	**2006/07**	**2007/08**	**2008/09**	**2009/10**	**2010/11**
Recurrent Revenue	203,377	209,547	200,421	133,963	120,838
Increase	*27%*	*3%*	*-4%*	*-33%*	*-10%*
Recurrent Expenditure	(201,938.00)	(234,555.00)	(210,226.00)	(152,150.00)	(198,126.00)
Increase	*41%*	*16%*	*-8%*	*-29%*	*30%*
Recurrent Surplus/ (Deficit) for the year	1,439	(25,075)	(15,205)	(18,187)	(77,288.00)
Land sales	50,542	60,949	35,398	7,064	1,182
Increase / (decrease)	*350%*	*21%*	*-42%*	*-80%*	*-83%*
Land sales as % of recurrent revenue	*24%*	*29%*	*18%*	*5%*	*1%*

Table 5: Top Five main expenditure items

Main Expenditure	**2007/08**	**Main Expenditure**	**2008/09**	**Main Expenditure**	**2009/10**	**Main Expenditure**	**2010/11**
Employee Costs	90,168,169	Employee Costs	87,925,142	Employee Costs	82,660,356	Employee Costs	69,827,902
Medical Treatment Overseas	30,549,267	Medical Treatment Overseas	21,958,031	Grants and Contributions	12,707,685	Drugs Medical supplies	21,913,803
Subventions	26,949,431	Grants and Contributions	19,607,435	Subventions	8,685,489	Medical Treatment Overseas	20,419,222
Grants and Contributions	24,590,020	Subventions	16,683,328	Sundry Expenses	7,713,970	Subventions	16,091,094
Maintenance Expenses	8,053,477	Maintenance Expenses	11,041,925	Rental of Assets	5,937,347	Grants and Contribution	8,926,252

During 2010/2011 TCIG expenditure included payments made in regards to Special investigative Prosecution Team (SIPT) expenses which totalled $7,076,358 and Civil Recovery expenses which totalled $4,011,291. A grant totalling $10,607,520 was received through the Consolidated Fund. Please see Statement No 7.

From our audit the following issues were noted during 2009/10 and 2010/11 – Recurrent Expenditure:

- Poor budgeting resulted in over expenditure during the f/y 2009/10 and 2010/11.
- Numerous miss-postings between accounts were identified. Payments were made against account heads that do not match the type of expenditure.
- Systems issues were encountered (crash of the I Drive) which resulted in our office not being able to vouch certain high level expenditure. This resulted in us having to request documentation from various Departments. This was a difficult task. To date there are still departments which did not comply with our request for information. Even though the system was restored, it was still difficult because not all support documents were scanned on the system.
- Evidence of bills being paid late by the Ministry or Department.
- Evidence that accounting officers did not review invoice before payment is processed through the system. There were instances where previous balances and current balances were paid resulting in overpayment of bills.
- Purchase orders were not matched to invoices on the system.

Accounting Officers must receive formal training on the process of capturing payments on the system. Best practice must be instilled in each officer to ensure consistency within TCIG.

Our analytical review of the expenditure programmes highlighted a number of issues of concern.

Appendix C lists 56 persons engaged as Special Advisors to various Ministers and also engaged in different capacities within TCIG ministries. In 2007/08 the total spent was $1,438,478 an 84% increase from 2006/07 amount of $781,011. There was a further increase of 34% in 2008/09 to $1,929,416 when compared to 2007/08. These positions were discontinued in August 2009. For the period April 2009 to August 2009 total cost was $494,358. We were not able to obtain full disclosure of the positions held by a few of the persons paid from this account.

Telecommunications Cost – These costs include local, International and facsimile costs. In 2007/08 total costs were $2,605,629; this was further increased by 3.8% in 2008/09 to $2,704,925. Measures were taken in 2009/2010 and 2010/2011 to reduce these costs by discontinuing certain telephone lines that were available for use and limiting the number of cell phones provided to Ministries and Departments. In 2009/2010 total costs were $2,009,706 a 26% decrease from 2008/2009. Total costs for 2010/2011 were $1,523,208 overall decrease of 24% when compared to 2009/2010. This analysis shows that these costs decreased considerably in 2009/2010 and 2010/2011. Overall, based on our analysis and review, there was a lack of control over telephone lines and cell phones placed in Ministries. There was no review of telephone usage. We were not able to obtain any justification for the number of cell phones purchased in 2007/08 and 2008/09 other than to improve communication lines between individuals.

Subventions – Total subvention to Statutory Bodies totalled $26,949,431 for 2007/2008; $16,683,328 for 2008/2009; $8,685,489 for 2009/2010 and $16,091,094 for 2010/2011. During 2007/08, TCIG Tourist Board received $9.2 million (34% of total subvention in 2007/2008), Airports Authority received $7.6 mil (28% of total subvention in 2007/2008). TCI Community College received $2.7mil (10% of total subvention in 2007/2008). Total subventions paid were reduced by $10.3 million in 2008/2009 when compared to 2007/2008. The statutory boards affected by this reduction were TCI Community College; Tourist Board, TCInvest and Airports Authority. In 2009/2010, the total costs was $8.6 million a 48% decrease from 2008/2009, however increased by 85% to $16.0 million in 2010/2011. As noted, significant funds were spent by TCIG during these periods to operate Statutory Bodies. The oversight and monitoring of Boards spending is important.

Other Grant and Contributions – Total costs for 2007/2008 was $2,312,625; 2008/09 $1,288,871; 2009/2010 $283,144 and 2010/2011 $346,273. This charge code represents donations made to local entities during the period. We found that most of the narratives recorded against a majority of transactions were inadequate and in most cases misleading. The office of the Premier incurred $1,699,880 in 2007/2008; $1,083,592 2008/2009 and $141,400 in 2009/2010 under this head. Significant payments were made to local private schools and churches as contributions and to local and international airlines as subsidies for certain travel routes. A significant amount was paid to an international company of $330,000 in 2007/2008 of which we were not able to get information to verify this payment. Large donations were made to organisations that organize festivals and other activities. We recognize that there are no obligations placed on these organisations who receive donations from TCIG to report how the funds were spent.

Local Hosting and Entertainment - Local hosting across TCIG Ministries and Departments totalled $727,416 in 2007/2008; $358,033 for 2008/2009; $23,340 in 2009/2010 and $13,968 in 2010/2011. The Office of the Premier during the period 2007/2008 represents 77% of the total costs and 73% of the total cost in 2008/2009 ($260,580). The charges covered cocktail parties, buffets dinners, Christmas parties, entertainment, security and liquor costs. Most of these charges were inappropriate and outrageous.

Security – The cost associated with security increased by 61% in 2007/2008 to $657,866 when compared to $408,177 in 2006/2007. Total costs in 2008/2009 were $665,639; a significant decrease of 55% occurred in 2009/2010 to $298,857; total costs in 2010/2011 was $205,018. During 2007/2008 the highest security charges were paid by the Ministry of Education $240,769 (Security for HJ Robinson High and Clement Howell High School) and Office of the Premier $333,247. Again in 2008/2009 Ministry of Education costs totalled $155,870 and Office of the Premier $311,430. In 2009/2010 Office of the Premier costs totalled $152,517 and Governor's Office costs totalled $68,748. The highest spending during 2010/2011 was Governor's Office $103,836 and Ministry of Finance $30,804. The majority of security charges paid by the Office of the Premier was for security at the Premier's residence in Providenciales.

Rental of Building – TCIG spent $3,786,569 in 2007/2008; $4,421,495 in 2009/2009; $1,125,170 in 2009/2010 and $822,621 in 2010/2011. The ministry of Housing which has the more general responsibility for rental of space incurred $2,737,746 in 2007/2008; $2,960,330 in 2008/2009; $3,362,505 in 2009/2010 and $3,783,869 in 2010/2011. The Police General actuals also had a significant rental commitment of $741,863 in 2007/2008; $900,433 in 2008/2009; $1,061,197 in 2009/2010 and $1,169,786 in 2010/2011. Other significant amounts for 2007/2008 included Governor's Office $85,000; Ministry of Education $81,947 for 2008/2009; Ministry of Education $89,969 and Governor's Office $80,000 and a payment to NIB of $200,000 for the rental of NJS Francis Building. For 2009/2010, significant amounts were paid by Ministry of Education totalling $107,053 and Police Marine of $65,975. For 2010/2011, Police Marine Branch totalled $95,066 and Youth Department $95,026. Overall, rental of buildings decreased by 13% in 2009/2010, when compared to 2008/2009 and 27% in 2010/2011, when compared to 2009/2010. It appears that the level of spending on rental of building space will further decline in future years since TCIG is renovating existing office space.

Repatriation and Exportation Expenses – A major concern to TCIG is the growing costs associated with repatriation and exportation. Immigration Dept incurred expenses as follows - 2007/2008 $946,840 (estimate $1,000,000) 3008/2009 $837,418 (Estimate $1,000,000) 2009/2010 $928,432 (Estimate $950,000) and 2010/2011 $1,519,078 (Estimate $800,000). These expenses have been increasing steadily over the past four years and are a growing concern. After further analysis, much of the expenditure incurred were for meals for detainees, removal of sloops, Security Services and airfares.

Medical Treatment - For the years under review, the following is a breakdown of related costs with comparative data from 2006/2007. Note: Patient care, local and overseas travel and nurse expenses are only taken into account in this chart.

Description	2006/07	2007/08	2008/09	2009/10	2010/11
Patient Treatment Costs	20,651,416	28,083,289	18,897,172	1,490,624	13,172,190
Patient Travel – Overseas	3,172,112	2,450,339	3,034,428	992,764	(12,100)
Nurse Travel	19,730	15,638	26,431	5,393	(20)
Patient Travel- Local	112,574	85,884	205,134	43,300	555
ACTUAL	**23,955,832**	**30,635,150**	**22,163,165**	**2,532,081**	**13,160,625**
COMBINED BUDGET	**9,500,000**	**18,106,000**	**21,416,000**	**11,075,000**	**1,005,000**

Water Consumption – was generally very high during the four years under review. Total expenditure during the years amounted to $715,021 2007/2008; $627,072 2008/2009; $468,476 2009/2010 and $ 569,717 2010/2011. During 2007/2008 and 2008/2009 funds totalling $468,880 was paid on water consumption at the Providenciales residence of the former Premier. This represents 35% of total expenditure spent by TCIG on water for these two years.

Generally, the spending across government during the years (2007/08 and 2008/09) was unreasonably high. Many of the activities noted can only be described as extravagant and exaggerated.

THE BALANCE SHEET

Table 6 - Cash and Bank balances

CASH AND BANK BALANCES	2007/08	2008/09	2009/10	2010/11
Cash and Domestic bank Balances	504,536	3,091,579	5,525,906	17,306,210
Crown Agents	52,347	256,260	256,738	253,140
Fixed Deposits	5,220,092	3,046,439	2,804,546	2,804,380
Bank Overdraft	**(11,452,325)**	**(13,577,318)**	**(23,121,409)**	**(477,951)**
NET TOTAL	**(5,675,350)**	**(7,183,040)**	**(14,534,219)**	**19,885,778**

The fixed deposits held were reduced considerably over the years because most of the accounts were closed. The balance for fixed deposits for 2009 – 2011 are held with TCI Bank $ 378,347 same balance for 2009/10 and Belize Bank $2,425,639 same balance for 2009/2010.

See TCIG Statement – Cash and Cash Equivalents

Consolidated Fund

The Consolidated Fund consists of all revenues and other monies raised or received for the purpose of the government except revenues or other monies which are payable by law into some other Fund or Account. All expenditure from the Fund must be authorised by an Appropriation Ordinance and in general represents the costs of administering the Government.

Receipts received into the Fund can generally be thought of as recurrent revenues, with the addition of income from the sale of land, which has traditionally been received into the Fund as if it were recurrent receipts (and not capital receipts). Notwithstanding this, land sale receipts are used to finance local capital projects under the Development Fund.

The table below shows the Consolidated Fund balance at the end of each F/Y.

Table 7: Consolidated Fund balances as at 31 March 2008, 31 March 2009, 31 March 2010 and 31 March 2011.

Figures in US$	2007/08	2008/09	2009/10	2010/11
Revenue (excluding receipts from sale of land)	209,547	200,422	133,963	120,838
Land Sale Receipts	60,950	35,398	7,065	1,182
Expenditure	234,622	215,627	152,150	198,126
	(15,191)	67,902	31,320	141,394
Consolidated Fund Surplus	**20,684**	**88,095**	**20,198**	**65,288**

Source: TCIG Statement 1

Development Fund

The Development Fund is operated under the provisions of section 32 of the FAO. The objective of the Development Fund is to account for capital finance received for economic development administered by TCIG. All development funds received by the government including development aid grants, the proceeds of any loans raised for specific or general development purposes, and monies transferred from the Consolidated Fund are deemed to be paid into and form part of the Development Fund. Expenditure from the Fund must be authorised by an Appropriation Ordinance.

Table 8: Actual Development Fund receipts over five financial years

Development Fund Receipts Figures in US$	**2006/07**	**2007/08**	**2008/09**	**2009/10**	**2010/11**
Receipts from TCinvest	66,667		66,667		
Private Sector Donations	661,188				
EU grant receipts	4,513,244	6,917,995	1,712,954	6,686,462	
External Commercial loan receipts	28,000,000		-		
CDB Grants			4,182	377	338,824
Caribbean Catastrophe Risk Insurance			6,303,908		
First Global Insurance			893,132		
Private Finance Initiative			10,850		27,179
Hurricane Ike Recovery					295,869
Uk Grant received for Gratuities Payment					3,214,400
Grants from non-Governmental Sources					324,771
UK Development Aid Grant					929,071
Total	**33,241,099**	**6,917,995**	**8,991,694**	**6,686,838**	**5,130,114**

Table 9: Development Fund movements over five financial years

Figures in US$'000	**2006/07**	**2007/08**	**2008/09**	**2009/10**	**2010/11**
Balance at 1st April	5,322	8,376	(8,386)	(11,851)	(10,964)
Capital Revenue (A)	33,241	6,918	1,712	6,687	0
of which: borrowing	*28,000*	*6,918*	1,712	*6,687*	*0*
Contribution from Consolidated Fund (B)	46,651	51,198	*22,550*	5,073	1,028
Development Fund Income (A+B)	79,892		24,262	11,760	1,028
Development Fund Expenditure	(79,892)	(74,879)	(27,727)	(10,873)	(5,296)
Increase / (decrease)	*114%*				
Development Fund Surplus / (Deficit)	3,054	(16,763)	(3,465)	887	(4,268)
Balance at 31st March	8,376	(8,386)	(11,851)	(10,964)	(15,232)

Source: TCIG Statement 1

Issues relating to the operation of the Development Fund are discussed in Appendix B - Issue 2.

There needs to be a clear directive/explanation for the handling of grants received into the Development Fund, especially what is for or not for the Development Fund.

Contingencies Fund

The Contingencies Fund has been established under the provisions of section 26 of the FAO in order to defray unforeseen and urgent expenditures for which no other provision exists. Advances from the Fund must subsequently be included in a Supplementary Appropriation Bill for appropriation from the Consolidated or Development Funds.

There were no transactions affecting the Contingencies Fund during the financial year, and the balance at 31st March 2011 remains at $500,000 (2008-2011: $500,000).

Special Funds

Special Funds do not form part of the Consolidated Fund. They are to be administered, and the expenditure there from shall be regulated in accordance with section 11 of the Finance and Audit Ordinance.

The objective of the Special Funds is to provide separate accountability outside of the Consolidated Fund for monies received specifically for stated purposes so that the funds available at any time do not lose their identity.

The following Special Funds are included in the accounts of the Turks and Caicos Islands Government for the financial year ended 31st March 2008 to 31 March 2011:

- ***a) Conservation Fund***
- ***b) Property Loan Revolving Fund***
- ***c) Infrastructure Development Fund***
- ***d) Reserve Fund***

a) Conservation Fund

The Conservation Fund was established in March 1998 to finance certain coastal resource management and conservation activities. Income to the Fund is provided by 10% of the accommodation tax collected in the financial year. Below is a breakdown of all funds received and all expenditure through the fund.

Table 10: Conservation Fund Receipts and Expenditure

Figures in US$	**2006/07**	**2007/08**	**2008/09**	**2009/10**	**2010/11**
Accommodation Tax Receipts	1,790,885	2,026,775	1,974,963	2,094,553	2,495,955
CRMP/ PAD Project Expenditure (To reimburse Consolidated Fund)	(376,947)	(817,207)	(568,538)	(266,724)	(386,158)
Micro Projects Expenditure (to reimburse Development Fund)	(1,651,985)	(1,693,973)	(842,045)	(13,870)	-
Net Surplus/(Deficit) during the FY	(238,047)	(484,405)	564,380	1,813,959	2,109,797

Source: TCIG Statement 5

The Conservation Fund received $8,592,246 from accommodation tax receipts from the financial year 1 April 2007 to 31 March 2011. A total of $2,038,627 was spent from the Fund to reimburse the Consolidated Fund for expenditure associated with the TCIG Protected Areas Department and $2,549,888 was transferred to the Development Fund to reimburse that Fund for expenditure on approved micro-projects.

At 31st March 2011, the Fund had a balance of $6,920,387 (2009/10:4,810,590; 2008/09:2,996,631; 2007/08:2,432,251; 2006/07:2,916,656). Issues relating to the operation of the Conservation Fund are discussed in Appendix B – Issue 9.

b) Property Loan Revolving Fund

The Property Loan Revolving Fund was established in 1971 to provide loans to pensionable public officers to build or extend a house or construct a water tank. Loan advances are made directly from the Fund and repayments of principal or interest are allowed to accrue to the Fund to provide a revolving pool of finance for this purpose. At 31st March 2011, the Fund had a balance of $35,614 (2009/10:$35,449; 2008/09:$33,151; 2007/08:$30,338; 2006/07:$28,251).

We noted that accounts where repayments exceeded the actual advance amounts owed back to TCIG, the officer was not reimbursed for the amount overpaid in a timely manner.

c) Infrastructure Development Fund

The Infrastructure Development Fund was established in May 2004. Income to the Fund is provided by the additional $0.25 increase in the excise tax charged on fuel effective from 1st June 2004.

The excise tax ('known as 'fuel tax') collected for the period 1 April 2008 to 31 March 2011creditedly into the Infrastructure Development Fund. As at 31 March 2011, the fund had a balance of $14,998,393 (2009/10: 13,855,742; 2008/09:11,647,169; 2007/08:9,043,519)

Initial expenditure is to be incurred by the Development and Consolidated Funds respectively, with the Infrastructure Development Fund reimbursing this expenditure at year-end. Expenditure was incurred during 2007/2008 - $46,401 and 2010/11 - $2,428,188. There were a number of project expenses against the fund which was not budgeted for. Out of the total expenditure 40% $984,829 was expenditure that was not approved in the Appropriation Ordinance. A detailed breakdown of these expenditures is shown in the Development Fund Statement 8 under funding source code 1005.

At 31st March 2011, the Fund had a balance of $14,998,393. (2009/10:$13,855,742; 2008/09:$11,647,169; 2007/08:$9,043,519; 2006/07:$5,938,802).

d) Reserve Fund

This Fund was established by a motion, which was passed by the House after the financial year 2005/06 (i.e. on 8th May 2006). The purpose of this Fund is to set aside monies for recovery against disasters, such as hurricanes and other natural emergencies, and as a part-requirement to secure approvals for borrowing under the UK Borrowing Guidelines. The administration of this Fund is governed by a Reserve Fund Management Policy ('RFMP'), which was approved by a Cabinet action minute no. 07107 on 28th February 2007.

This Fund is to be held in a separate bank account from the general funds of the Government; however this has not been done.

Income to the Fund is provided from hypothecated recurrent budgetary surpluses in a year, from the proceeds of windfalls and other one-off receipts, as well as, from the proceeds of disposal of government assets existing at 31st March 2011.

Disbursements from the Fund are to be approved by Cabinet and a report is made to the House at its next sitting following the disbursement.

At 31st March 2011, the Fund had a balance of $4,809,330. This balance has not changed since 31 March 2008.

Prior year Issues relating to the financial management of the Reserve Fund are discussed in Appendix B – Issue 4. No explanation was given for the treatment of the payment from the fund.

Public Debt Servicing

TCIG has two forms of public debt; loans raised for capital development purposes that are serviced by TCIG with capital and interest being paid from the Consolidated Fund; and guarantees provided by TCIG for TC Invest loans[2].

At 31st March 2011 TCIG had outstanding loan balances on the loans it is directly responsible for totalling $188,475,058 (2009/10:$65,757,293 2008/09:$62,471,672; 2007/08:$65,284,808). I have included below a chart showing percent changes by year.

Outstanding loans being serviced by TC Invest which are guaranteed by TCIG totalled $16,598,017 at 31st March 2010. I was not able to retrieve information on total loans guaranteed by TCIG for the period ended 31 March 2011.

Table 11 below details public debt servicing expenditure over five financial years

Figures in US$	**2006/07 $**	**2007/08 $**	**2008/09 $**	**2009/10 $**	**2010/11 $**
Interest payments	4,703,060	5,092,617	4,584,848	6,413,061	6,755,032
Capital repayments	2,013,255	1,068,156	2,813,136	2,594,364	153,238,128
Total	6,716,315	6,160,773	7,397,984	9,007,425	159,993,160
Total as % of Recurrent	2.60%	2.94%	3.69%	6.72%	132%

Source: TCIG Summary Statement of Outstanding Public Debts

Table 12 below details debt related liabilities over each of the five financial years

Figures in US$	**2006/07 $**	**2007/08 $**	**2008/09 $**	**2009/10 $**	**2010/11 $**
TCIG Serviced debt	66,042,094	65,284,808	62,471,672	65,828,475	188,475,058
TC Invest loans guaranteed by TCIG	15,615,852	17,919,605	17,042,909	16,598,017	Not available
Total Debt Liability	81,657,946	83,204,413	79,514,581	82,426,492	188,475,058
Total as % of Recurrent & Land Receipts	32.20%	30.76%	33.71%	58.45%	

Source: TCIG Summary Statement of Outstanding Public Debts

[2] Turks & Caicos Investment Agency (TC Invest) is responsible for the capital and interest repayments on its loans.

Related Party Transactions

International Public Sector Accounting Standard ('IPSAS') No. 20 on Related Party Disclosures require:

> '*The disclosure of the existence of related party relationships where control exists and the disclosure information about transactions between the entity and its related parties in certain circumstances. This information is required for accountability purposes and to facilitate a better understanding of the financial position and performance of the reporting entity*."

IPSAS 20 sets out the criteria for identifying related parties and states that related parties would normally include:

> "*…those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity…and close members of the families of such individuals*".

In our view, related parties of the reporting entity (i.e. TCIG) include Ministers, their close family members, and entities in which Ministers or their close family have a substantial interest or over which they are able to exercise significant influence.

IPSAS 20 also sets out the disclosure requirements for transactions with related parties. It is required to disclose the existence of related party relationships where control exists and the disclosure of information about transactions between the entity and its related parties in certain circumstances. Parties are defined as related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control. Related party transactions are transfers of resources or obligations between related parties, regardless of whether a price is charged.

TCIG must consider identifying all related parties. Records must be maintained showing relevant related party transactions.

Public Accounts Committee

The Public Accounts Committee ('PAC') forms a vital part of the financial accountability mechanism as it examines the financial performance of the government and makes appropriate recommendations to the legislature. The accountability process can only be maintained if the PAC regularly submits a report of its recommendations to the legislature, and a reply to the recommendations provided by the government at a legislative sitting, as required.

As at the end of August 2008, the PAC deliberated the following:

Month	Name of report	Financial year
December 2007	Audit Report of the National Insurance Board	2005/2006
December 2007	Audit Report of the TCIG Conservation Fund	2006/2007
June 2007	Special Report of Disaster Management ^	
June 2007	Special Report on the Carifta Games ^	
July 2008	Audit Report of the TCIG Lottery Board	2006/2007
July 2008	Special Systems Report on Youth Dept ^	
July 2008	Special Report on Community Development Projects ^	

Note: ^ - Value For Money Audit

In order to enhance accountability and transparency, and to adopt good governance principles, consideration should be given to holding PAC sessions in public and broadcast over television or radio, as in other countries, such as the United Kingdom.

Audit Authority and Purpose

The primary function of an audit is to allow an opinion to be expressed on the financial statements. Consequently, an audit report may not include all possible weaknesses, which may only be brought to light by a more comprehensive review.

Acknowledgements

I acknowledge with sincere appreciation the courtesy and assistance provided to our Office during this audit. Particular thanks are offered to the Accountant General, the former Chief Economist, as well as, the former Permanent Secretary of Finance, to whom the majority of audit queries were addressed. I also thank all accounting officers, department heads and their staff, for providing information requested during the audit.

S A Williams
Acting Chief Auditor

October 2012

Special Reports Issued

During the course of the financial year, various special audits were conducted. The purpose of a special report is to bring matters of significance to the attention of the legislature in a timely manner.

Table 2 sets out the special reports that have been issued, and the audits that are currently in progress. Special reports are reviewed by a Parliamentary Select Committee (i.e. the Public Accounts Committee).

Table 2: List of special reports issued since Sept 2007

Special Report	Date issued	Audit opinion	
Disaster Management and Emergencies	Oct 2007	Needs Improvement	
Management of Crown Land	Mar 2008	Unsatisfactory	
Mechanical Workshop	Apr 2009	Needs Improvement	
Management of Human Resources-Phase 1	Mar 2009	Unsatisfactory	
Rental of Building and Rental of Government Property	Nov 2009	Unsatisfactory	
Judiciary Revenue	July 2010	Needs Improvement	
Establishment and Operations of Constituency Offices	Aug 2010	Unsatisfactory	
Dept of Road Safety	May 2011	Needs Improvement	
Waste Management	In Progress		
Vendor	In Progress		
Fixed Assets Management	In Progress		
Post Office Operations	September 2012	Needs Improvement	
Travel Administration	In Progress		
Special Scholarships Fund	In Progress		

Copies of special reports that have been tabled in the House are available in public libraries, and can be obtained directly from the Audit Office.

Audits of Statutory Bodies

Under Part VII and section 53 of the PFM Ordinance, the accounts of any statutory body which receives public funds, or the operation of which may create or impose a liability on public funds, shall be audited by the Chief Auditor. Under the same section, the Chief Auditor may authorise a set of professional firm of accountants ('commissioned auditors') to carry out audits and for the latter to present their report to the Chief Auditor.

Table 3 below sets out a list of statutory bodies, and the respective status of each audit:

Name of Statutory Body	Undertaken by	Last audit report issued	Explanantions
Broadcasting Commission	Audit Office	31st Mar. 2007	No accounts have been presented for audit since 31 March 2007
National Insurance Board	PwC	31st Mar. 07, 08 and 09	
Sports Commission	Audit Office	31st Mar. 2008 31st Mar 2009	Draft completed - not issued

T&C Investment Agency	KPMG	31st Mar. 2008, 2009 and 2010	No information rec'd for f/y 2010/11
Library Board	Audit Office	31st Dec. 2009	Dec 2010 draft audit report completed. Audit for Dec 2011 to commence once requested financial data is received.
TCI Community College	PwC	No information from PWC	
Commonwealth Parliamentary Association[3] (TCI Branch)	Audit Office	31st Mar. 2007 31st March 2008 – 2011 (in Progress)	Documents received for y/e 2008 – 2010 were incomplete.
National Lottery Board	Audit Office	31st March 2008,09 & 10	
Culture & Arts Commission	Audit Office	31st Mar. 2006 and 2007	Mar 08 audit draft report issued.
Financial Services Commission[4]	PwC	31st Mar. 2011	
Telecommunications Commission[5]	The Commission has yet to decide.		
Civil Aviation Authority	PwC	Awaiting information on completed audits	
Airports Authority	PwC	Awaiting Information on completed audits	
Ports Authority	To be decided		
National Health Insurance	PWC	Audit Report since start is in Progress	

Telecommunications Commission

The accounts of the Telecommunications Commission ('the Commission') have not been audited since its inception. Despite numerous correspondences to the Chair and Director of the Commission, an auditor has not been appointed to audit the Commission's accounts.

[4] The Commonwealth Parliamentary Association (TCI Branch) is not a statutory body, but is in receipt of public funds. It is therefore subject to audit by the Chief Auditor, and the corresponding audit report presented to the House.

[5]Per the Financial Services Commission Ordinance, the Chief Auditor is not responsible for the audit of the Financial Services Commission, and accordingly a report from the Chief Auditor is not prepared and presented to the House.

Appendix A - Summary of Recommendations

No.	Issues arising from audit of TCIG accounts
1	**Excess expenditure without legislative approval** a) All legal requirements should be satisfied over the control and authorisation of public expenditure. b) Accounting officers should be held personally liable for excess expenditure. c) Procedures should be in place to limit the use of the '*funds exception*' screen in the accounting system.
2	**Issues relating to the operation of the Development Fund** Closer monitoring of the Development Fund against the recurrent budget is required; a cap should be placed on Cabinet's ability to approve projects; projects need to be properly costed - budgets should be prepared more realistically and accurately; funds mechanism in Smartstream should be used; and regular review of projects accounts is needed.
3	**Lack of whistle-blowing legislation and procedures** Appropriate legislation should be developed to protect whistle-blowers; policies and procedures for handling, responding, investigating, reporting and disclosing information should be established.
4	**Reserve Fund – no separate bank account** The Reserve Fund should be held in a separate bank account; all disbursements should be in accordance with policy requirements; transfers from other Funds into the Reserve Fund should be prohibited.
5	**Failure of the Treasury to produce accurate and timely financial information** Treasury should take steps to re-impose structured financial systems and reporting. A greater pool of qualified and competent individuals should be employed, and adequate succession plans should be in place.
6	**Accounting issues** Bank reconciliations should be performed regularly. Significant potential liabilities should be identified, quantified, and disclosed in TCIG's Statement of Contingent and Material Liabilities.
7	**Statement of Unallocated Stores not provided for audit** The statement should be compiled and submitted for audit.
8	**No mechanism to assess departments' / ministries' performances** Financial management reform initiatives should be considered and pursued. Departments / ministries should report on their performance when submitting future budget requests.
9	**Issues relating to the operation of the Conservation Fund** Accounts should be submitted for audit; consideration should be given to earmarking the fund so that it is not restricted by the shortfalls experienced in the Consolidated Fund. A cap should be considered on the amount of tax hypothecated in future years.

	Policy and management procedures of the fund should be finalised.
10	**Lack of effective monitoring and control of arrears in revenue** Procedures for monitoring, controlling and reporting revenue in arrears should be established by all revenue collecting departments / ministries.

Appendix B - Issues and Recommendations from the audit of TCIG accounts

Issue(s)

1. Excess expenditure without legislative approval

This has been an on-going issue throughout successive governments. The existence of expenditure in excess of appropriation is a serious breach of the law. A summary of the main ministries and departments where over expenditure was noted during the period audited is stated below.

Table 13: Expenditure exceeding estimates

Department	Original Estimate 2007/08 ($)	Actual 2007/08 ($)	Expenditure in excess 2007/08 ($)	Excess as % of estimate
Office Of The Public Service Management	1,313,515	1,340,535	27,020	2%
Works Programme	159,900	370,960	211,060	132%
Office Of The Chief Minister	29,533,989	32,392,500	2,858,511	10%
Legislature	4,434,795	5,694,031	1,259,236	28%
Civil Aviation Department	-	4,852,476	4,852,476	0%
Pensions and Gratuities	8,705,163	9,780,128	1,074,965	12%
Protected Areas Department	803,700	817,207	13,507	2%
Department Of Engineering and Maintenance Services	704,187	818,770	114,583	16%
Education Department	3,198,124	3,816,754	618,630	19%
Tertiary and Further Education	19,280,000	23,503,822	4,223,822	22%
Youth Department	432,380	433,376	996	0.23%
Road Safety Department	1,010,902	1,058,595	47,693	5%
Grand Turk Hospital	24,041,317	35,533,542	11,492,225	48%
Department Of Social Development	2,726,631	2,755,819	29,188	1%
Gender Affairs Unit	375,876	397,962	22,086	6%

Table 14

Department	Original Estimate 2008/09 ($)	Actual 2008/09 ($)	Expenditure in excess 2008/09 ($)	Excess as % of estimate
Central Processing Unit	-	2,281	2,281	0%
Works Programme	159,900	400,086	240,186	150%
Office Of The Chief Minister	22,611,012	22,845,701	234,689	1%
Legislature	5,622,281	5,919,101	296,820	5%
Civil Aviation Department	-	325,406	325,406	0%
Accountant General's Department	4,471,423	4,701,730	230,307	5%
Department Of Engineering and Maintenance Services	691,096	1,722,660	1,031,564	149%
Water Undertaking	836,902	1,123,128	286,226	34%
Education Department	3,476,238	3,518,472	42,234	1%
Environmental Health	6,762,883	7,145,832	382,949	6%
Department Of Social Development	2,102,869	2,639,464	536,595	26%

Pensions and Gratuities	6,885,316	7,894,090	1,008,774	15%
Provision and Funds Contribution	2,500,000	5,359,614	2,859,614	114%

Table 15

Department	Original Estimate 2009/10 ($)	Actual 2009/10 ($)	Expenditure in excess 2009/10 ($)	Excess as % of estimate
Public Service Commission	425,366	427,389	2,023	0.47%
Police Marine Branch	1,554,962	1,595,270	40,308	3%
Office Of The Premier and The Ministry Of Development and District Administration	3,661,388	4,803,139	1,141,751	31%
Legislature	2,035,465	2,088,223	52,759	3%
Office Of The Chief Minister Providenciales	108,408	149,806	41,398	38%
Electoral Office	80,363	121,312	40,949	51%
Economic Planning and Statistics	750,649	832,094	81,445	11%
Customs Department	3,454,167	3,525,868	71,701	2%
Financial Services Commission	-	683	683	0%
Accountant General's Department	2,937,886	3,163,631	225,745	8%
Pensions and Gratuities	-	249,221	249,221	0%
Development Servicing	-	1,179,203	1,179,203	0%
Ministry Of Finance & National Insurance	1,665,093	1,867,269	202,176	12%
Works Programme	104,600	146,048	41,448	40%
Ministry Of Housing, Agriculture, Works & Telecommunications	4,034,008	4,350,475	316,467	8%
Department Of Engineering and Maintenance Services	563,580	1,502,749	939,170	167%
Water Undertaking	906,183	994,057	87,874	10%
Philatelic Bureau	68,886	71,368	2,483	4%
Ports Administration	750,000	1,193,848	443,848	59%
Ministry Of Education	2,845,241	2,848,668	3,427	0%
Education Department	3,062,516	3,652,260	589,744	19%
Tertiary and Further Education	12,500,000	13,522,471	1,022,471	8%
Education Department Providenciales	4,816,318	4,826,298	9,981	0%
Department Of Social Development	913,755	1,038,889	125,134	14%
Immigration Department	1,949,211	2,138,693	189,481	10%
Ministry Of Home Affairs	441,527	551,929	110,402	25%
Immigration Board	322,993	354,412	31,419	10%
Department Of Social Development	1,024,012	1,248,751	224,738	22%
Pensions and Gratuities	6,150,000	7,594,953	1,444,953	23%
Provisions and Funds Contribution	3,980,000	7,861,175	3,881,175	98%

Table 16

Department	Original Estimate 2010/11 ($)	Actual 2010/11 ($)	Expenditure in excess 2010/11 ($)	Excess as % of estimate
Governor's Office	1,075,223	1,337,745	262,522	24%
Electoral Office	142,212	150,073	7,861	6%
Chief Executive's Office	10,519,035	11,261,297	742,262	7%
Office Of The Consultative Forum	310,076	371,411	61,335	20%
Central Processing Unit	1,049,909	1,141,808	91,899	9%
Office Of The Premier and The Ministry Of Development and District Administration	-	47,085	47,085	0%
Legislature	-	2,091	2,091	0%
Environmental and Coastal	-	13,030	13,030	0%
Accountant General's Department	2,008,305	4,788,080	2,779,775	138%
Ministry of Finance & National Insurance	882,118	963,570	81,452	9%
District Administration	541,130	810,256	269,126	50%
Protected Areas Department	381,150	386,158	5,008	1%
Works Programme	160,650	265,205	104,555	65%
Ministry Of Housing, Agriculture, Works & Telecommunications	3,624,282	4,713,660	1,089,378	30%
Department Of Engineering and Maintenance Services	562,603	1,525,767	963,164	171%
Water Undertaking	904,980	1,067,480	162,500	18%
Philatelic Bureau	-	1,159	1,159	0%
Education Department	3,133,807	3,900,573	766,766	24%
Youth Department	339,049	381,230	42,181	12%
Prison Service	2,136,168	2,169,254	33,086	2%
Immigration Department	-	29,385	29,385	0%
Labour Office	-	7,211	7,211	0%
Immigration Board	-	2,072	2,072	0%
Labour Tribunal	-	1,252	1,252	0%
Department Of Social Development	-	2,177	2,177	0%
Ministry Of Health	31,122,158	46,006,887	14,884,729	48%
Port Administration	950,000	1,632,115	682,115	72%
Ministry Of Trade, Tourism and Communications	6,136,412	11,092,182	4,955,770	81%
Immigration Department	3,431,519	4,261,396	829,877	24%

Source: TCIG Statement 7

Financial Instructions ('FI') Chapter 0102 makes it clear that:

> *… it is not within the competence of any Government Minister, officer or other official to vary the pattern of spending approved in the Estimates or to initiate or incur public expenditure, which is not covered by a prior authority of the House [Legislative Council].'*

Anecdotal evidence indicates that much of the overspending during the FY 2007 and 2010 reflects basic inefficiencies, wastage or lack of knowledge in preparing departmental budgets, or a lack of adherence to the budgets.

There seems to be a clear non-compliance with the law, and a cavalier approach to the due process of government.

The Finance and Audit Ordinance clearly outlines how excess expenditure is to be dealt with, such that it becomes legitimate. For the financial years ended 31 March 2008 and 31 March 2011, we noted that the recurrent budget was overspent. There was no evidence of any supplementary appropriations approved for these expenses during the period.

Even though the overall recurrent budget was not overspent during the financial years ended 31 March 2009 and 31 March 2010, there were still a number of Ministries and Departments that incurred excess expenditure on their particular vote as noted in the above tables.

Recommendation(s)

a) Accounting officers must ensure that all legal requirements are satisfied over the control and authorisation of public expenditure. .

b) Preventative controls exist through the funds control mechanism in Smartstream to prevent departments from over-spending. However, they are not utilised effectively. The Accountant General and Budget Director should not clear any expenditure items which would cause departments to exceed their budgets unless a Supplementary Appropriation Bill has been approved. Procedures should be drawn up on items and circumstances by which both officers are allowed to clear the 'funds exception' screen and such procedures should be approved by the PS Finance and distributed to all accounting officers.

Responsible owner(s)
Ministry of Finance

Issue(s)

2. Issues relating to the operation of the Development Fund

The following issues were noted from the audit of TCIG accounts for the period 31 March 2008 to 31 March 2011.

i) Capital budgets have been unrealistic and have included projects which have not even been designed, or where there was no real prospect of the volume of work being carried out before the end of the financial year, therefore resulting in overspending;
ii) Improper costing of rushed projects;
iii) Inclusion of projects which do not commence in the current year;
iv) Late commencement of projects due to the late approval of budgeted funds (i.e. late issuance of warrants).

Warrants are issued by DEPS for on-going and new projects. Warrants act as a control mechanism to ensure that funds are available, and that accounting officers do not incur expenditure on a project, which has not been authorised or that exceeds the authorised amount warranted. The fact that warrants are overspent on numerous projects shows poor control and monitoring of the capital expenditure budget, and that warrants are not being effectively applied or monitored. A breakdown in controls could hamper the government's ability to manage its cash flow effectively.

The following issues arose as a result of the audit of 2007/08 and 2008/09

Authorised spending for TCIG Development Fund 2007/08 =$135,350,997 and 2008/09 = $87,695,977.

Actual Expenditure on TCIG Development Fund 2007/08=$77,620,022 and 2008/09 = $29,569,633

Our audit revealed that warrants were issued for projects that were not included in the 2007/08 and 2008/09 Appropriation Ordinance. Expenditure was posted against 23 projects codes in 2007/08 and 37 in 2008/09 where no warrants were issued to authorise expenditure. Warrants were also issued where the amounts authorised were more than the estimate authorised through the Appropriation Ordinance.

Eventhough the bottom line estimated figure was not exceeded for 2007/08 and 2008/09, there are a number of projects estimates which were overspent during the year.

Under the '1001' coding Consolidated Fund transfer 2007/08, 60 projects and 25 projects in 2008/09 with actual expenditure totalling $17,683,600 (2007/08) and $1,988,778 (2008/09) were expended without any estimates. Likewise, under the same coding out of the total estimated expenditure 55,273,285 in 2007/08, a total of 226 projects totalling $18,196,093 were not undertaken. In 2008/09 total estimated expenditure was $58,929,508 a total of 380 projects totalling $21,636,646 were not undertaken.

We noted a number of instances where projects were introduced without being presented at the House of Assembly budget discussion. A cap should be placed on the value of projects that can be approved by Cabinet for projects that were not presented at the House of Assembly Budget sessions.

We noted that warrants were issued that were greater than the estimates included in the Appropriation Ordinance. Actual figures showing expenditure was stated where no warrant or estimate was approved.

The following issues arose as a result of the audit of 2009/10 and 2010/11

Most projects undertaken during 2009/10 were included in the Appropriation Ordinance, however, 15 of these projects under code '1001 exceeded the total budget for this section by $1,061,076. There were still instances were projects (1001) were undertaken where no estimate was quoted ($66,523) and where warrants issued exceeded estimates. In 2010/2011 all projects with actual figures totalling $1,044,919 under code '1001 were not approved through the Appropriation Ordinance.

For all four years under review, there is need for greater control and monitoring of the capital budget. Projects should be monitored to ensure cost overruns are minimised and that unauthorised postings are investigated.

In some instances overall, where there is no estimates quoted against a code spending still occurred. We noted that estimates were approved in prior year however this should not occur because projects not undertaken during a financial year should be reviewed for relevance and necessity in the next financial year and the estimate should be restated. This practice is somewhat misleading.

DEPS must provide continuous assistance to all ministries and departments when project papers are being prepared. We feel that these documents should be reviewed thoroughly to identify the relevance and necessity of the project and that the types of projects are inline with the National Development Plan.

Recommendation(s)

Projects need to be properly costed, with milestones to enable progress to be monitored, and projected expenditure allocated to the right financial years. Effort and better planning of development needs should be undertaken so that estimates on capital receipts are not too optimistic and reflect reality. A more realistic budget will improve macro-economic and expenditure management, whilst facilitating improved accountability.

As the financing of local capital projects is heavily dependent on the recurrent budget (including local capital receipts), there should be closer review and monitoring of the Development Fund against the recurrent budget regularly. This should at least be done on a quarterly basis. Approvals for capital projects should be undertaken upon ascertaining the financial position of the recurrent budget.

There should be a cap on the Cabinet's ability to approve projects that are not included in the Appropriation Ordinance. Amounts above this cap should be laid before the House.

The funds control mechanism within the accounting system, Smartstream should be used by DEPS to monitor and control expenditure outside of warranted / estimated amounts.

Responsible Owner(s)
PS Finance; and Chief Economist

Issue(s)

3. Lack of whistle-blowing legislation and procedures

In a previous audit report, we highlighted the need for whistle-blower legislation. Whistle-blowing can be defined as a disclosure of information by an individual who alleges wilful misconduct carried out by an individual or group of individuals. It is therefore vitally important that there is adequate legislation in place to protect whistle-blowers. History is replete with stories of people who blew the whistle and effectively ended their own careers. Public servants will be more willing to provide information on suspicious activity if they know that they will be protected.

a) There are also no procedures to review the potential weaknesses in control processes which may increase the risk of corrupt practices occurring, for example:

- Staff with too many key responsibilities.
- Insufficient monitoring by supervisors of staff with key responsibilities.
- Lack of a strong internal control culture.
- Staff not utilising their annual leave entitlement.
- Extravagant expense accounts and travel policies.
- Weak or no security over assets or information including assets in transit.
- Inadequate vetting of potential new staff, consultants, contractors; and
- Insufficient attention given to the fraud proofing of new policies and programmes.

Recommendation(s)

We recommend that appropriate legislation be developed to offer absolute protection to anyone who raises a genuine suspicion inside the civil service.

There should also be policies and procedures in place to handle, respond, investigate, report and disclose information on behaviours or conduct which may appear to be of concern. Consideration should be given to introducing anonymous and confidential whistle-blower hotlines, perhaps provided by an outside party that can be trusted.

Potential weaknesses in control processes should be addressed so that opportunities for inappropriate or unethical behaviour can be minimised.

We however wish to acknowledge that the Public Service Commission unveiled the Civil Service Code of Conduct, ethic and integrity in it Vision 2012. The need for additional legislation should be considered.

Responsible Owner(s)

Ministry of Finance; and Chair, Public Services Commission

Issue(s)

4. Reserve Fund Issue – not resolved *

The following issue was raised in previous years audit reports, however no explanation has ever been provided to date for the payment made from the fund that was against the policy guidelines set out in the Reserve Fund Management Policy.

c) According to the motion that was passed by the House of Assembly and the Reserve Fund Management Policy ('RFMP'), the Reserve Fund is to be held in a separate bank account from the general funds of the government.

   At the time of writing, a separate bank account has not been set up. The Reserve Fund is currently retained in the Consolidated Fund bank account. Even if the Reserve Fund has a positive balance, it would be meaningless if the main Consolidated Fund bank account is in overdraft.

d) At the financial year-end 2005/06, receipts from Grand Turk Cruise Terminal Ltd ('the company') were directly credited into the Reserve Fund.

   When the contract between TCIG and the company was signed in January 2006, a liability existed at the financial year-end 2005/06 whereby the government was obligated to pay $1.25million into an account, jointly operated by the company and the government.

   We noted that the payment of $1.25million was made from the Reserve Fund after the financial year-end 2005/06. In our opinion, such payment is against the policy guidelines set out in the RFMP (i.e. to set aside monies for recovery against disasters, and as a part-requirement to secure approvals for borrowing under the UK Borrowing Guidelines). We believe that the payment should have been made from the Consolidated Fund instead of the Reserve Fund, or alternatively, only the net receipts of $5,343,500 should have been credited into the Reserve Fund rather than the gross receipts from the company of $6,593,500.

e) We noted that the current RFMP does not preclude transfers from other funds of government to the Reserve Fund. This leaves room for monies set aside for specific purposes and currently held in various Special Funds[6] to be transferred to the Reserve Fund.

   This also means that any surplus held within the Development Fund could also be transferred to the Reserve Fund. Except for projects financed by loan proceeds, all other projects are financed either from grants, or transfers from the Consolidated or Conservation Funds respectively, and such financing is usually equivalent to the total project expenditure incurred. Consequently, any Development Fund surplus would comprise of unspent loan proceeds. A situation could therefore arise where a transfer is made from the Development Fund (i.e. *from unspent loan proceeds*) to the Reserve Fund – effectively diluting the purpose and benefits of a Reserve Fund. Furthermore, the cost of maintaining the Reserve Fund could be high (i.e. the borrowing cost would outweigh deposit yields).

The reason for setting up the Reserve Fund as a Special Fund under Section 11 of the FAO is to provide separate accountability outside of the Consolidated Fund for monies received specifically for stated

[6] Special Funds comprise of: Property Loan Revolving Fund; Conservation Fund; Infrastructure Development Fund; Reserve Fund

purposes so that the funds available at any time do not lose their identity. It is, therefore, important that the Fund is not only maintained in a separate bank account, but also free of any legal or financial impediments.

Recommendation(s)

We recommend that a separate bank account be set up to hold the balances in the Reserve Fund plus any interest accruing on the account. Proper and regular bank reconciliations should also be performed.

Furthermore, the Management Committee (chaired by the PS Finance), set up under the RFMP, should closely monitor and ensure that disbursements / transactions within the Reserve Fund are in accordance with the RFMP. All reporting requirements under the RFMP should also be followed.

Consideration should also be given to restricting or prohibiting any transfers from the Special, Contingencies and Development Funds to the Reserve Fund.

Responsible Owner(s)

PS Finance; and
Accountant General.

Issue(s)

5. Failure of the Treasury to produce accurate and timely financial information

The following issues remain relevant for the financial year 2007/08, 2008/09, 2009/10 and 2010/11:

a) Bank reconciliation issues

From our audit, we noted the following errors in the bank reconciliation for the years 2007/08, 2008/09 and 2009/10. Due to the fact that reconciliations were not performed regularly during the year, issues with the accounting system were not detected or resolved. Complex issues arose as a result of unmanaged system issues. Many of the problems experienced with completing bank reconciliations could have been resolved if management addressed system issues in a timely manner. There were instances where transactions were handled incorrectly and could have only been changed by reviewing the configuration of the system. Bank reconciliations were re-performed by Treasury for 2007/08 and 2008/09.

The following issues were noted:-

- Most of the errors were in relation to duplicated cheque numbers that could not be matched with the bank statement and improper handling of HR journals through the system.
- During 2007/08, 2008/09, The Treasury processed large value journals inorder to reconcile the main account. For example, during 2007/08 payments on the bank statement not posted to the accounting system totalled $5,222,760; $12,681,627:2008/09. Amounts of $4,746,316:2007/08 and $9,459,282:2008/09 noted as amounts posted on the accounting system that were not identified on the bank statement, are not un-presented and possibly duplicate entries on the system that needed adjusting.
- There were instances where cheques disbursed through the accounting system appeared in the bank statement as a different amount. Adjustments were completed for these types of occurrences $80,297: 2007/08 ($45,582):2008/09 and ($11,511):2009/10 these reflect instances where the payment amounts were either more than or less than the cheques processed through the bank.
- Due to reconciliations not being performed for the HR section, considerable time was spent to correct differences in records and unprocessed data which also contributed to the delay in reconciling the main bank account.
- It is evident that journals are automatically generated by the system. Most of the automatic journals could not be matched to actual invoices/payments an therefore had to be adjusted or cancelled.
- Bank reconciliations were not performed for all accounts held with banks.

b) Late submission of statements

The accounts were not presented in the timeframe required. Due to the lateness of the accounts our timelines had to change.

c) Lack of review and reconciliation of advance accounts

This is still an on-going issue. There are no procedures or controls within the Treasury to analyse and reconcile advance accounts. From our audit, for 2010/2011 advances in relation to Personal

Advances and Christmas Advances that have not been recovered or collected from individuals amount to $2,638,670, representing 43% of outstanding advances at year-end. These two areas have not been properly reconciled by the Treasury over the years.

We noted that deductions from salaries are recorded as received however in certain cases there is no record of an advance being issued to the individual.

The opening balances for advances cannot be relied on due to no reconciliation in prior years.

No decision has been made to write off the potential bad debt. We hope, with proper procedures in place (including proper filing), the Treasury would be able to perform a reconciliation of all advances by individuals and all amounts owed from previous financial years could be written off[7] once deemed as unrecoverable.

d) Lack of management review and oversight

As previously reported, we noted that there is little or no review of data input by members of staff at the Treasury. Additionally, there are no procedures to ensure that suspense accounts are cleared in a timely manner, and that all other account balances reviewed and reconciled regularly. This task is normally left to the end of the financial year, which makes the year-end accounting process difficult and significantly delays the production of financial data.

Recommendation(s)

We recommend that a review be undertaken to resolve the structural and systemic issues within the Treasury. Procedures and controls should be in place to ensure that:

- Accounts are submitted for audit according to set deadlines;
- Bank reconciliations are prepared in a timely manner;
- All data input is reviewed and authorised by a competent and experienced individual;
- All balance sheet accounts (including advances, deposits and suspense accounts) are reconciled regularly and reviewed by a senior official.

We also recommend that the Ministry of Finance delivers a refresher course to all accounting officers, including all data input officers, covering for example, review of their department's account balances regularly, applying due diligence procedures[8], matching of purchase orders against invoices, eliminating duplicate payments, and posting errors, etc.

Responsible Owner(s)

PS Finance; and Accountant General

[9]Write off procedures per the Finance and Audit Ordinance
[10]Due diligence procedures including checking casting of invoices, confirming receipt of goods and services, certifying invoices as true and correct, etc.

Issue(s)

6. Accounting issues

The Public Finance Management Ordinance requires that TCIG adopts best practice with regard to International Public Sector Accounting Standards ('IPSAS'), as long as the explicit reporting requirements of the FAO are also undertaken.

a) Lack of Consolidated Accounts

The accounts of government do not incorporate the financial statements of public sector bodies such as the statutory bodies. In this respect, the financial statements do not present a complete picture of TCIG's financial activity and are in contravention of IPSAS (discussed below).

b) Statement of Contingent and Material Liabilities is incomplete

Incomplete reporting of all contingent and material liabilities.

i) Payment in lieu of accumulated untaken leave

Due to the lack of proper monitoring, the lack of enforcement of General Orders, as well as, work commitments, a number of civil servants have not been utilising their annual leave entitlements, and, have therefore been carrying forward their annual leave over the years.

The potential liabilities arising from payments in lieu of accumulated untaken leave throughout the civil service have not been quantified to date. At present, the liability has not been reported in the TCIG's Statement of Contingent and Material Liabilities.

ii) Capital and other financial commitments

Contracts that were signed during the FY 2007 to 2010, but the project, service or construction works had either not commenced or completed by the year-end, represent capital and financial commitments to TCIG. Total values of such commitments should have been quantified, and included in the TCIG's Statement of Contingent and Material Liabilities.

c) Related Party Disclosures

TCIG must derive reporting mechanisms inorder to disclose related parties in the TCIG Financial Statements.

Recommendation(s)

a) Lack of Consolidated Accounts

At some stage in the future, TCIG will have to give consideration to implementing a full accruals based system of accounting, along with other financial management reform initiatives highlighted. If this was undertaken it would make the task of preparing consolidated accounts more practicable.

b) Statement of Contingent and Material Liabilities is incomplete

i) Payment in lieu of accumulated untaken leave

A review of the provisions of the General Order should be undertaken, and making it mandatory for civil servants to utilise their annual leave entitlement. The total liability of accumulated untaken leave across the civil service should be quantified and disclosed in TCIG's Financial Statements.

ii) Capital and other financial commitments

The total value of all contracts (where works have either not commenced or completed at the financial year-end) should be quantified and disclosed in the TCIG's Financial Statements.

c) Related Party Disclosures

We recommend that the Treasury considers further the application of IPSAS 20 to TCIG Financial Statements, and whether present systems and processes are sufficient to identify all related party transactions.

Responsible Owner(s)

PS Finance, and Accountant General; Chair, Public Services Commission

Issue(s)

7. Statement of Unallocated Stores not provided for audit

The Accountant General is to submit for audit a Statement of Unallocated Stores at the end of the year. This statement has not been submitted for audit since the FY 2001/02, and has been excluded from the scope of the Audit Certificate for the FY 2007 - 2011.

Recommendation(s)

The Accountant General should co-ordinate and work together with the relevant departments, in particular, the Central Purchasing Unit and the Mechanical Workshop to reconcile the stock movements (i.e. purchases, disposals, utilisations) in a financial year. This must also be completed in accordance with requirements of IPSAS.

Responsible Owner(s)

Accountant General

Issue(s)

8. No mechanism to assess departments' / ministries' performances ***

Profitability is normally associated with the private sector as a performance measure. In contrast, the government's focus in many of its operations is not to make a profit but to provide certain essential services for its citizens.

It is, therefore, more meaningful if the budget process is linked to other reform initiatives, such as a change in the preparation of budgets focusing more on the measurement of outputs ('output-based' management).

The current reporting systems of government, which focus on comparing actual revenue and expenditure against estimated revenue and expenditure, may be considered deficient as there is little focus on performance (service delivery). As observed in some other jurisdictions, particularly the Caribbean, the preparation of estimates of ministries and departments is now geared towards achieving clearly defined objectives (i.e. programme budgeting). Performance is therefore judged on the extent to which those objectives have been achieved.

Adoption of this system of operation would:

i) Make managers of government funds more accountable;
i) Allow stakeholders such as the legislature to more adequately assess the performance of ministries and departments; and
ii) Facilitate more rigorous performance audits.

There should also be an assessment of departments and ministries using a ratio of financial inputs. This would enable greater transparency and easier comparison of one department's performance against another department. Outputs can be measured in terms of quantity, quality, time, location, or cost.

Recommendation(s)

Financial management reform initiatives (including accrual accounting) should be considered and pursued. In the interim, departments and ministries should report on their performance when submitting future budget requests.

Prior to disbursing the next quarter's subvention, the Ministry of Finance (in particular the Budget Office) should review all departments' and ministries' deliverables; be in a position to measure their performances and to identify potential cost-savings.

Responsible owner(s)

All accounting officers; and Ministry of Finance

Issue(s)

9. Issues relating to the operation of the Conservation Fund

The following issues have been reported in previous audit reports. Management is still considering previous audit recommendations, and no firm decisions have been made yet.

a) For a number of years, no accounts were prepared and sent to the Chief Auditor.

b) The fund was not maintained in a separate bank account. There was no explicit instruction that the fund must be administered through a separate bank account, only that accounting records are kept separate from the Consolidated Fund. However, the fund income is retained in the same Consolidated Fund bank account, and expenditure is paid out from this account. Although the fund had a positive balance, expenditure has been constrained in the past because the government as a whole was running a deficit on its Consolidated Fund, and the main Consolidated Fund bank account was, at times in overdraft.

c) The annual Appropriation Ordinance contains a separate 'vote' by the House authorising expenditure from the Consolidated Fund and from the Development Fund. However, there is no separate authorisation for expenditure from the Conservation Fund. This practice is not transparent and we believe that it does not comply with the spirit of the FAO.

d) Fund income has been increasing steadily. However, it is also subject to the same uncertainties that affect the collection of accommodation tax which is dependent on tourist numbers, etc. There may be situations in the future where tax collected may drop which will correspondingly lead to a drop in the fund balance.

We identified the following issues from our audit of the Conservation Fund for 2007/08 to 2010/11:

e) The policy and management procedures of the Conservation fund have yet to be finalised. There are also no procedures to report the operational performance and activities of the fund to the House regularly.

   Additionally, we found that oversight of expenses is still lacking.

f) A set of project selection standards or criteria has not been developed, and presently, project monitoring has been limited.

Recommendation(s)

a) Accounts should be prepared and sent to the Chief Auditor as required by law.

b) Whilst there are good arguments both for and against the retention of the Conservation Fund in a separate bank account, this needs to be considered by government as one means of protecting the interests of the fund. A mechanism is needed whereby fund expenditure is allowed to take place as dictated by the operational plans and not restricted by the shortfalls experienced in the Consolidated Fund, or the bank account in overdraft.

c) In future years, the House should be presented with clear and transparent information concerning intended appropriations from the Conservation Fund, and should authorise such expenditure by separate vote.

d) Consideration should be given to capping the amount of tax hypothecated in future years. Such a cap could amount to a percentage of annual budgeted expenditure or a finite figure.

e) The policy and management procedures of the fund should be finalised and issued as soon as possible. Procedures should also be in place to report the fund's operational performance and activities to the House of Assembly annually.

f) Authorisation and approval responsibilities should be reviewed to ensure that the Accounting Officer maintains sufficient oversight of the fund's expenditure. Management should obtain a report on the National Trust's financial activities as well as their budget for the forthcoming year.

Responsible Owner(s)
Under-Secretary, Ministry of Finance

Issue(s)

10. Lack of effective monitoring and control of arrears in revenue

Previous years' audit reports have drawn attention to the insufficient standard of monitoring and control of arrears in revenue. No Statement of Arrears, as required under section 57(1)(l) of the FAO for prior years, were submitted for audit since the FY 1999/00, and the statement is again excluded from the scope of the Audit Certificate for the FY 2007/08 to 2010/2011.

Considerable attention is being paid to revenue collection performance and related issues. Nevertheless, the provision of a Statement of Arrears in revenue at year-end for audit is a statutory obligation and must be undertaken.

Recommendation(s)

The Revenue Control Unit should co-ordinate and work together with the relevant departments to develop an effective means of monitoring and controlling arrears in revenue. The Statement of Arrears should be included within the set of financial statements and submitted for audit.

Responsible Owner(s)

PS Finance; and Revenue Controller

Appendix C – List of Special Advisors

	NAME	POSITION/JOB TITLE	SALARIES 2007/08	SALARIES 2008/09	SALARIES 2009/10
1	Andrea Bassett		49,950.00	56,625.00	13,350.00
2	Arabella Smith	Senior Policy Advisor - Premier	72,000.00	72,000.00	22,713.98
3	Barrett James	Security at the Premier's Office	33,000.00	36,000.00	12,232.26
4	Benjamin Harvey		3,000.00	18,000.00	6,000.00
5	Britney Forbes		4,490.00	2,245.00	-
6	Carolyn Wilson Ingham	Constituency Office	3,442.33		-
7	Coleen Missick		30,000.00	33,000.00	11,948.39
8	Croyden Lightbourne	Security	39,600.00	39,600.00	12,240.00
9	Danielle Brisco			2,245.00	-
10	Deseree Adams	Tourism Adviser	60,000.00	35,000.00	-
11	Deveraux Malcolm	Adviser to the Minister of Education	63,589.29	48,450.00	-
12	Donahue Gardiner	Change Manager/Immigration	90,000.00	90,000.00	21,000.00
13	Donnalee Musgrove			53,274.20	18,277.42
14	Dorn fulford		54,000.00	72,000.00	23,305.37
15	Dorothy Peggy Malcolm	Adviser to the Minister of Education	54,000.00	55,050.00	18,663.98
16	Douglas Parnell	Elected Member – Leader of the Opposition	10,104.18	-	-
17	Dwain Williams	Security	1,500.00	-	-
18	Dwight Mills	Security	48,000.00	49,050.00	15,970.97
19	Edith Gray Wilson		-	51,050.00	9,800.00
20	Elizabeth Wilson		48,000.00	48,000.00	15,794.63
21	Gregory Lightbourne	Elected Member with special responsibility for Ministry of Work	60,000.00	55,000.00	-
22	Hartwell smith	Asst/Driver Premier - NXC	36,000.00	36,000.00	11,948.39
23	Hon Karen Delancy	District Administration	60,000.00	60,000.00	-
24	Jacquelina Lightbourne	Adviser – Premier's Office	30,150.00	61,050.00	20,416.13
25	Janesta Messem	Protocol Officer	71,229.96	71,229.96	23,125.70
26	Joyce Hanchell		33,800.00	-	-
27	Joyce handfield		-	36,000.00	12,232.36
28	Julian Garland	Personal asst to the Premier	54,000.00	54,000.00	16,600.00
29	Keith Johnson		30,000.00	30,000.00	7,000.00
30	Kendesha L Walters		-	11,225.00	2,245.00
31	Lachelle Handfield		2,500.00	-	-
32	Leroy Penn		3,000	5,000	3,900.00

33	Leshina Simmons	Constituency Officer	-	-	2,700.00
34	Lloyd Stubbs		-	55,000.00	20,505.37
35	Lucelle Wilson		-	11,315.00	10,413.98
36	Lynn Chase	Asst to Minister of Health	54,000.00	50,550.00	12,873.87
37	Najah Karioka		-	32,500.00	-
38	Norman B Saunders	Elected Member for South Caicos	-	13,225.81	22,096.77
39	Novia higgs		30,000.00	36,000.00	11,948.39
40	Olincia Missick	Chief of Staff – Premier's Office	72,000.00	73,050.00	14,400.00
41	Paster Colita Williams	Chaplin	6,000.00	12,000.00	3,900.00
42	Racquel Basden	Protocol Officer – South Caicos	30,000.00	36,000.00	11,948.39
43	Royal Robinson	Elected Member for North Caicos	60,000.00	46,129.03	-
44	Ruth Blackman	Clerk to Council	-	46,400.00	-
45	Sabrina Forbes	Ex-personal Asst to the Minister of Natural Resources	3,000.00	-	-
46	Samantha Williams Glinton	Advisor/Asst Min. of Health	31,370.97	-	-
47	Sharlene Cartwright Robinson		-	27,900.00	18,427.42
48	Sheba Muncoff Wilson	Advisor/Asst Minister Home Affairs	58,500.00	61,050.00	20,900.00
49	Sidney Stewart		36,000.00	36,000.00	12,232.26
50	Stephanie Forbes		-	36,000.00	10,248.39
51	Tarsha Hall	Personal Asst.	49,500.00	-	-
52	Teka Forbes		33,800.00	40,050.00	6,000.00
53	Toure Van Alstine	Security	2,200.00	-	-
54	Vernon Williams Jr	Security	6,677.42	18,000.00	1,500.00
55	Wayne Garland	Tourism Advisor	60,000.00	60,000.00	-
56	Wilbert Forbes		30,000.00	36,000.00	12,232.26
	TOTAL		**1,608,404.15**	**1,908,264.00**	**491,091.68**