



OAG INTEGRATED ANNUAL REPORT

FOR

FISCAL YEAR ENDING 31 MARCH 2019

OFFICE OF THE AUDITOR GENERAL
P O BOX 23
BRADES
MONTSERRAT

JUNE 2019

**OAG INTEGRATED ANNUAL REPORT
FOR FISCAL YEAR ENDING
31 MARCH 2019**

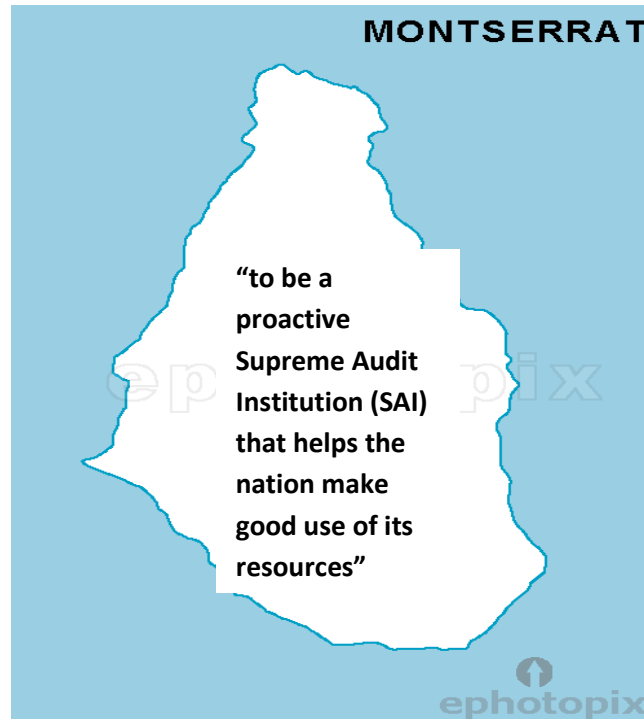
This is a Report by Auditor General on the activities of her office during the period 1 April 2018 – 31 March 2019. The work of the office was conducted pursuant to Section 103 of the Montserrat Constitution Order 2010

Marsha V E Meade
Auditor-General (Acting)
Office of the Auditor General
14 June 2019

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”.

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Abbreviations Used

CAROSAI	-	Caribbean Organisation of Supreme Audit Institutions
CPA UK	-	Commonwealth Parliamentary Association United Kingdom
DFID	-	Department for International Development
DITES	-	Department for Information Technology and E-Government Services
GOM	-	Government of Montserrat
HRMU	-	Human Resource Management Unit
IFAC	-	International Federation of Accountants
INTOSAI	-	International Organisation of Supreme Audit Institutions
IPSAS	-	International Public Sector Accounting Standards
ISA	-	International Standards of Auditing
ISSAI	-	International Standards for Supreme Audit Institutions
IT	-	Information Technology
MNAO	-	Montserrat National Audit Office
OAG	-	Office of the Auditor General
PAC	-	Public Accounts Committee
PFMAA	-	Public Finance (Management and Accountability) Act
SAI	-	Supreme Audit Institutions
UK NAO	-	United Kingdom National Audit Office
UKOT	-	United Kingdom Overseas Territories

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Introduction

Overview of the Organisation

1. The Office of the Auditor General (OAG) performs external audit duties for the Government of Montserrat. In this regard, it assesses the performance of central government entities (Ministries and Departments) and some statutory agencies by looking into compliance with regulatory authorities and departmental policy directives; the stewardship over resources; and obtaining value for the monies expended. By reporting on the activities of government, as determined by our audit, we seek to promote accountability, transparency and good governance in public finance management.

Functions of the Auditor General

2. The functions of the Auditor General are enshrined in Section 103 of the Montserrat Constitution Order 2010. It states in part that 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 established by an Act of Parliament. In conducting these audits, the Auditor General is responsible for determining whether accounts are prepared in accordance with applicable financial reporting frameworks and in compliance with financial management policies and guidelines.
3. The Constitution also allows the Auditor General to conduct value for money audits where the economy, efficiency and effectiveness of government systems, operations, and transactions are assessed.
4. We also operate in accordance with the Public Finance (Management and Accountability) Act, (PFMAA) 2008 and other laws and regulations that affect our work.

Governance Arrangements

5. Preliminary work plans are usually shared with the Public Accounts committee (PAC) and its input is sought of other areas that could be included. For audit work, I report directly to the Legislative Assembly; for administrative matters, I report to the Governor or the Deputy Governor. Internally, the Audit Managers assisted me in managing the

department in the absence of the substantive Auditor General during the 2nd quarter (late August to September, 2018) and for the 3rd and 4th quarters of the reporting period.

Risk Assessment and Management

6. Risk is the possibility that an event will occur and that it will adversely affect the achievement of your objectives. Risk could also be looked at as not taking advantage of your opportunities. Thus, it is imperative that these possible events be identified early so that management can put in place measures to mitigate them. We viewed the major risks affecting our work as: :
7. Detection risks. This is the risk that sufficient evidence will not be gathered leading to the issuance of an inappropriate audit opinion. To negate this, we ensure that staff with appropriate skills is assigned to each task, conduct continuous capacity building activities and ensure that the work is quality checked by senior staff.
8. Operational risks. This arises from inadequate or failed internal processes, people, systems, or from external events. They include: fraud, security failure, legal breaches, physical or environmental risks. Our continuing risks for the year under review were:
 - *Dependence on the Ministry of Finance for required financing*. Should our request for funding not be agreed, then we may not be able to conduct some audits and our capacity building activities may also suffer. We received the necessary support from the Ministry to adequately cover our financial obligations.
 - *Dependence on HRMU for recruitment of staff*. We are dependent on HRMU to provide us with the required support. Over the reporting period, we retained 100% of our staff. This, therefore, meant that we were able to conduct field work to gather sufficient appropriate evidence to meet most of our agreed deadlines.
 - *DITES for IT support services*. We depend on this department for maintenance of IT equipment and the provision of network services which allows us to gain access to systems across government and to audit the public accounts. We have experienced some issues with network and /or internet connectivity.

Objectives of this Report

9. We feel that organisations should be held accountable for their actions and aim to lead by example in promoting transparency and accountability through credible reporting of their behaviour. Thus, in compliance with ISSAI 20 – Principles of Transparency and Accountability and Section 9(5) of the Public Finance Management and Accountability Act (PFMAA) 2008, we provide you with an overview of our operations and performance over the fiscal period April 2018 – March 2019.
10. We will draw your attention to progress on our strategic objectives, challenges faced, OAG financial performance, human resource and capital management, organisation performance, reports reviewed by PAC, social impact of work and then provide a synopsis of our plans for the 2019 – 2020 financial year.

Strategic Plan Progress

11. Our Key Strategies for the 2018-19 financial year were:
 - a) Establishing the Montserrat National Audit Office (MNAO) to ensure an independent audit office that facilitates accountability and transparency.
 - b) 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.
 - c) To fully implement the OAG Stakeholder Engagement Strategy to improve communication with stakeholders thus assisting transparency and accountability in public financial management
 - d) Establish a stakeholder survey to determine satisfaction with the OAG's performance and areas for improvement
12. Establishing the MNAO as an independent entity did not come to fruition as the Draft Audit Bill was finalised but not submitted to Cabinet for its approval and onward transmission to the Legislative Assembly.
13. Our aim is to be an audit service that provides better value to citizens. To that end, we seek to provide Reports that contain information that can be used to hold the Executive

arm of government and Accounting Officers to account. In an effort to improve the quality of the audit service, we focus on improving our audit skills by engaging in various capacity building initiatives. These are further expanded upon under the section on Human Resources Management and Development.

14. We are also committed to providing evidence that our audit recommendations were being followed up to determine progress made towards their implementation. The Audit Recommendation Follow-Up Report was completed and submitted to the Public Accounts Committee in November 2018. This report is captured in the Auditor General's Report on the Public Accounts 2017-18 and can be found on our website <http://oag.gov.ms> under Publications.
15. Overall, we have had mixed results in accomplishing our strategic goals for the year. Some of the challenges we faced that impacted on our achievements are highlighted below.

Challenges faced during year

Absenteeism of Staff

16. Out of a total 3,520 staff days, the staff was available 91 percent of the time, with two officers being away from duty on sick leave for periods in excess of three months. The result is that some targets were not completed by set deadlines.

Untimely Feedback from Auditees

17. We are dependent on our clients to provide us with information, documentation and responses to our queries to ensure we provide a true and accurate opinion. We have experienced significant delays or non-submission by some clients which then deferred the finalisation of audit work undertaken. We have adopted several strategies including giving additional time for our requests to be actioned and making further written and verbal requests. In some instances, we have opted to finalise our report, inserting where relevant that we have taken the necessary steps to seek the required feedback from management, but, in some cases, received no comments.

Intermittent Network Failures

18. We continue to encounter issues with network and/or internet connectivity as our office is located off site and is connected to GOM's servers via wireless link. Our work is saved on these servers as well as most of the information for other Ministries and

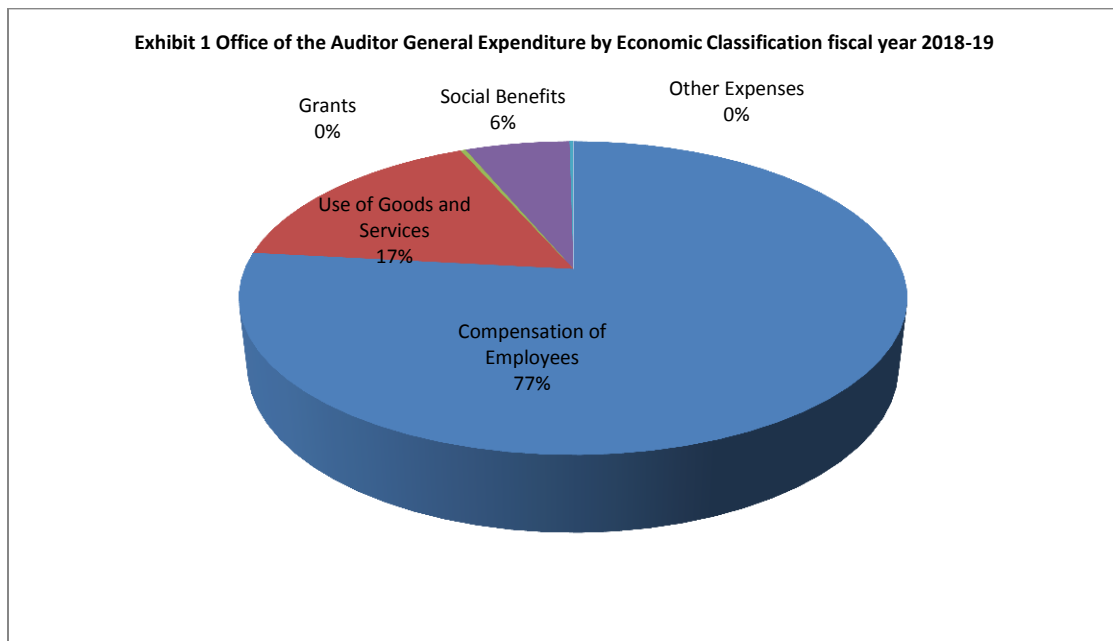
Departments that we require for conducting the audit of Public Accounts. There were disruptions in the network that resulted in man hours being wasted as we waited for staff at DITES to bring the network back online.

Accommodation Issues

19. We encountered health and safety issues which impacted on our work output. This primarily included non-functioning air conditioning units and swollen doors during the year. Electricity outages though not as frequent as previous years' continue to be an issue as our accommodations do not have a generator.

OAG Financial Performance - fiscal year ending 31 March 2019

20. For fiscal year 2018-19, our approved expenditure budget was EC\$1,227,300, which was revised to \$1,167,300. Of this amount, actual expenditure totalled \$1,082,751.
21. Material expenditures continue to be compensation of employees and acquisition of goods and services utilizing 77% and 17% of the budget, respectively. The chart below shows the ratios of our expenses.



22. When actual expenditure is compared with that allocated by the Legislative Assembly, we note an under-spend of \$84,549. This arose primarily because some expenditures which had been agreed to in principle, did not receive authorisation within the fiscal year and they were subsequently withdrawn. Additionally, the expected assistance

from private sector auditors to assist with our work programme did not materialize. Thus, our professional and consultancy services allocation was underutilized and some funding withdrawn to meet shortfalls in gratuity payments.

23. With respect to revenue collection, \$9,000 payment was received from auditees who were billed for audit work within the current year. In other cases, slow responses to queries presented to our clients prevented us from invoicing for completed audit work.
24. Appendix 1 provides full details of our financial performance for the fiscal year ending 31 March 2019.

Human Resource Management and Development

Size of Workforce

25. The OAG has a staff of 16 persons; 13 auditors and 3 support staff. In addition to the Auditor General and Deputy Auditor General, there are two compliance auditors, one IT auditor, two performance auditors, and five financial auditors (one position currently vacant).
26. As at 1 April 2018 one (1) critical position, representing 8% of the audit labour force remained vacant and during the latter part of the reporting period an appointment was made on 1 March 2019.
27. Our full staff complement can be viewed at Appendix 2.

Retention Rates

28. At the beginning of the 2018-19 financial year, we had 15 members of staff in place. We retained 100% of those persons at the end.

Capacity Development

29. There are continuous changes in our audit environment; thus we need to develop strategies to deal with this if we are to perform effectively and provide value for citizens. One of our ongoing strategies is to always be a learning organisation where skills and abilities of individuals, and the organization as a whole, are constantly upgraded. In keeping with this strategy, we continue to broaden our knowledge and

update our skills and audit techniques through the use of internet and participated in the following capacity development initiatives.

In-house Training

30. We continue with our programme of on the job training, coaching and mentoring staff. As these programmes are conducted by in-house staff as part of their routine job functions, no additional funding is required. We therefore view them as being very beneficial to expanding/upgrading staff knowledge, skills and output of the Audit Office.
31. In April 2018, all auditors at the OAG participated in a Risk Based Audit Approach to Financial Audit Training using the new UKOTs Financial Audit Manual. The training was delivered by Mr Jason Garcia, Audit Manager from the Wales Audit Office.



32. The aim of the training were to (a) improve the understanding of the proposed UKOTs Financial Audit Manual, (b) improve the efficiency of our financial audits to ensure full compliance with International Standards of Auditing and the International Standards of Supreme Audit Institutions and, (c) review the revised approach to sample selection. I am happy to report that the 2017-2018 Public Accounts of Montserrat was audited guided by the new UKOTs Financial Audit Manual.

Regional Training

33. **CAROSAI/IDI SAI Performance Measurement Framework.** Two members of staff attended this training activity which was held over the period 6-8 June 2018 in Paramaribo, Suriname. This was funded by the INTOSAI Development Initiative (IDI) and

facilitated by CAROSAI and a Subject Matter Expert. The objectives of the training course were to:

- Introduce participants to the performance measurement framework assessment tool and methodology. Participants were given a description of the main concepts of tool to the extent that it covers the ISSAIs.
- Assist participants in gaining an understanding of the process for conducting a SAI PMF according to the purpose of the assessment and the country context. Case studies were used to show how the SAI PMF links to the value and benefits of SAIs.

Attendance at Regional /International Conferences/Meetings/Workshops

34. **Special Audit Workshop for UK Overseas Territories.** Over the past year, the UK NAO has provided support on specialist/performance audits to the UK Overseas Territories external audit offices. As part of this support, two members of the performance audit team within the OAG attended the first workshop in Miami from 17-20 April 2018. According to Mr Brent Shuffler our Audit Manager, Performance Audit “this workshop set the stage for a collaborative performance audit of major capital projects, whereby each participating Overseas Territory selected a project to audit and the audits proceeded concurrently, allowing us to learn, to grow, and to share together along the way. Since then, I was able to complete not just one, but two Performance Audits of capital projects.”



35. The Audit Manager for Performance Audit attended the 2nd workshop on Emerging Findings held over the period 11-13 December 2018 in London, England. The workshop facilitated the sharing of experiences and approaches in emerging findings and report structure, rather than classroom style training which was important to gain the most benefit from the activity.

36. **Pilot Audit Support Workshop.** The Commonwealth Parliamentary Association UK (CPA UK) in consortium with the UK National Audit Office (NAO) and the Welsh Audit Office



(WAO) organised a four day programme at the WAO for two auditors from the OAG. The programme supports the OAG in strengthening its financial audit processes and is part of a wider three-year programme of support. The programme took place at the WAO in Cardiff, Wales during the period 17-20 July 2018. During this 4 day

programme, (a) the attending auditors discussed their priorities and current challenges in financial audits (b) colleagues from the WAO shared their approach to these challenges, and (c) participants reviewed international best practices. Support from the CPA UK and the UK NAO will continue into the next financial year.

37. **Application of the INTOsaint tool.** The Audit Manager, Compliance Audits attended this



workshop from 4-5 February, 2019 which was held in Jamaica. The tool is relevant to SAIs within the region as it (a) targets the prevention of corruption and (b) guides each SAI in strengthening its resilience to manage the integrity both of its procedures and of its employees to act appropriately.

Succession Planning

38. Succession planning normally looks at filling vacancies with internal employees should the need arise. At the OAG, we look at continuous capacity development as the first step in the process. To that end, we continually look for capacity development initiatives that will fill skill gaps. When conducting these activities, we cross-train staff; for example, auditors of a particular team undertake training in other audit disciplines. During the year, an Auditor on the financial audit team was paired with the IT Audit

Manager to conduct several IT audits. A Financial Auditor was promoted to Senior Auditor, Performance Audit on 1 March 2019.

Other Matters

39. SAI Montserrat is into its 3rd year of service as a member of CAROSAI's Institutional Strengthening Committee for the three year tenure.
40. The XI CAROSAI Congress will be hosted by SAI Guyana in June 2019.
41. The next Commonwealth Auditors General Conference will be held in Fiji in 2020.

Performance Management

42. We continue to follow ISSAI 1220, monitor the work of staff and provide feedback on an assignment basis. In addition, we provide formal feedback semi-annually in keeping with GOM's performance management practices.

Teambuilding Efforts

43. Team building activities has many benefits which provide a way to motivate staff, to enhance communication among staff and to improve morale and productivity of employees. As in previous years, we joined the rest of the public service in celebrating Workers Appreciation Day. All members of the OAG's staff participated in a luncheon on this occasion.
44. Our Annual Christmas Dinner was held at the Tropical Mansion Suites on 19 December, 2018 using club dues. As part of this event, a secret gift exchange was done.

Workforce Performance

Tabled Reports

45. As mandated by the Montserrat Constitution 2010, the Auditor General shall audit and report to the Legislative Assembly on the performance of public offices, government administrations and public corporations or other bodies or organisations established by an Act of the Legislature. During the reporting period, the following reviews were completed and tabled in the Legislative Assembly.

Exhibit 1 – Reports tabled as at 31 March 2019

Report Name/Agency	Financial Year/Summary	Date Tabled
Special Audit and Report		
National Information and Communications Technology Project	The objectives were to review compliance with relevant acts and regulations	27 November 2018
OAG Integrated Annual Report	OAG Operational Activities	18 December 2018
Performance Audits		
Montserrat Utilities Limited – Value for Money in the Delivery of Service to the Public	The objectives of this review were to examine the efficiency and effectiveness of service delivery	27 November 2018
The Contribution of the Hospitality Sector to the Growth of Montserrat’s Economy	The objectives of this review were to examine the impact of the hospitality sector on Montserrat’s GDP and employment	18 December 2018
Absenteeism in the Montserrat Public Sector: Prevalence, Causes and Costs	This audit sought to examine the impact of absenteeism in the public sector of Montserrat	29 January 2019
Public Prosecution and the Judicial System	This review sought to examine the role of public prosecutions and its impact on the judicial system	29 March 2019
Financial Audits		
Montserrat Info-Communications Authority	2012 – 2015	26 February 2019
Montserrat Community College	2007 – 2012	26 February 2019
Montserrat Civil Service Association	2011 – 2013	26 February 2019
IT Audits		
Automated Driver’s Test	This audit sought to determine whether adequate policies, procedures, and controls exist, and	27 November 2018

	were applied before, during, and after, this ICT project was initiated	
MSS School Laptop Programme	This report sought to examine if the objective in the GoM's <i>National ICT Policy, Strategy & Implementation Plan, 2012 – 2016</i> , was realised via the implementation of the Laptop in Schools Programme	29 January 2019

Financial Audit

46. Financial Audits are carried out with the objectives of determining (a) whether public monies are expended as authorised by Parliament and/or persons charged with governance directives; (b) that monies are properly accounted for; and (c) that the financial statements are fairly presented in accordance with GOM's regulatory regime and acceptable financial reporting frameworks.

Audit of Public Accounts

47. I am happy to report that we have completed the audit of the Public Accounts for fiscal year 2017-18. Work on the Public Accounts was completed as follows:

Exhibit 2 - Current and Prior Year Audits: Public Accounts

Fiscal year	Submitted to MOF for onward transmission to Legislative Assembly	Opinion Issued	Tabled in Legislative Assembly
2016-17	14 March 2018	Unqualified	21 March 2018
2017-18	15 April 2019	Qualified	15 May 2019

48. The Public Accounts are made up of thirteen statements portraying different elements of the accounts as mandated by the Public (Finance Management and Accountability) Act, 2008 and two statements prepared under the IPSAS Cash basis of Accounting. These statements represent the accounts of forty-two central government Ministries and Departments.

Statutory Agencies

49. During the reporting period, work was conducted on the audits of statutory agencies' accounts as follows:

Exhibit 3 - Prior and Current Year Audits: Statutory Agencies

Statutory Agency	Financial Year	Status
Montserrat Land Development Authority (Housing)	2013 - 2016	Awaiting final sign off by client
Montserrat Land Development Authority (Corporate)	2015	Audit completed. Awaiting final submission from MLDA
Montserrat Arts Council	2014 – 2016	Fieldwork completed

Private Financial Audits

50. These audits relate to entities that, though not strictly public sector, have specifically requested us to audit their accounts. At the end of the fiscal year, the status of these audits was as follows:

Exhibit 4 - Prior and current year audits: Other Financial Audits

Agency	Financial Year	Status
Montserrat Girl Guides Association	2015 – 2018	Audit in progress
Basic Needs Trust Fund	2016 – 2018	To be audited
St Augustine Primary School	2011 – 2013	Awaiting auditees submission of final accounts for sign off

Performance Audit

51. Performance auditing is a systematic and objective examination of public sector activities and organisations in order to assess the extent to which public sector entities utilise their resources in an economic, efficient and effective manner. Its primary objective is to provide Parliament with independent assurance about the economy, efficiency and effectiveness of public sector related activities. Another objective is to assist audited entities in improving their performance and achieving greater value for money from the use of resources.
52. At the end of the fiscal year, the following audits were in progress as described in the table below.

Exhibit 5 - Performance Audit completed or in progress as at 31 March 2019

Report Name	Summary	Comments
Geothermal Energy Development Project: Governance and Project Management	This audit focused on (i) the internal organisation of the geothermal unit and related stakeholders (ii) GOM's policy framework (iii) the quality of project outcomes and post implementation services to the public.	Awaiting Management Response.

Roads and Bridges Project: Governance and project Management	This audit focused on (i) the internal organisation of the PWD and related stakeholders (ii) GOM's policy framework (iii) the supporting stakeholders – MCWEL, PWD, DFID	Awaiting Management Response
Government of Montserrat's Strategic Planning and Budgeting Processes	This audit examined planning and budgeting across the public service	Audit report is being drafted
Government of Montserrat's Use of Capital Assets: Police Launch and Vehicles	This audit will examine departments' records, efficiency and effectiveness in the use of the launch and vehicles	Fieldwork in progress

53. A vacancy for a Senior Auditor – Performance Audits remained unfilled for most of the reporting period despite several attempts to have it filled. An appointment was made in March 2019.

Special Audit/Investigation

54. As part of our Annual Audit Work Plan, we performed a combined information security and financial audit of the Montserrat Ferry Service during the reporting period. From an Information Security aspect, the audit sought to determine whether (a) there are adequate physical environmental, and application controls in place and (b) provisions were made by the GOM to ensure continuance of the Montserrat Ferry Service application. At the end of this fiscal year, the audit was being finalised.

IT Audits

55. IT Audits encompass review and evaluation of automated information processing systems, related non-automated processes and the interfaces among them. The statuses of this audit type at the end of the fiscal year are highlighted below.

Exhibit 6 - IT Audit completed or in progress as at 31 March 2019

Report Name	Summary	Comments
Material Financial Systems underpinning the Public Accounts	This review sought to identify and assess the risks of material misstatement of the financial statements through obtaining an understanding of the Smart Stream system relevant to financial reporting	Completed

Automated System for Customs Data (ASYCUDA)	This study sought to determine whether the implementation and maintenance of the ASYCUDA software (i) meets the Montserrat Customs Division's (MCD) business goals (ii) Safeguards the Montserrat Customs Division's information assets and maintains data integrity.	In progress
Montserrat Land Info Online Web Portal	The audit was intended to validate if the benefits identified in the original business proposal for investing in the Physical Planning Unit/Geographical Information Services Unit's Montserrat Land Info (MLI) Online Mapping Portal project, were achieved.	In progress

Compliance Audits

56. Compliance audits focus primarily on determining whether organisations are complying with laws, regulations and policies of the organisations. The results of these audits are communicated to management so that steps could be taken to address any deficiencies. Synopses of these reports are usually included in the Report of the Auditor General on the Audit of the Public Accounts. The Unit completed work in the following areas:

Exhibit 7 – Compliance Audit completed or in progress as at 31 March 2019

Ministry/Department	Subject Area	Audit Conclusion	Status at 31 March 2019
Primary Health Care	Immunization Compliance Audit	Unmodified Conclusion	Audit completed
Her Majesty's Prison	Revenue Receipts & Payments Stores & Inventory Vehicle Log Books	Adverse Conclusion	Audit completed
John A Osborne Airport	Revenue Collection	Modified Conclusion	Audit completed
Radio Montserrat	Revenue Collection Maintenance of Vehicles & Log books	Adverse Conclusion	Draft Report sent for management response
Glendon Hospital Inland Revenue Department Customs & Excise Department	Arrears of Revenue	N/A	Audit completed - amendments sent to departments to update Arrears Listings
Royal Montserrat Police Service	Revenue Collection Maintenance of Vehicles and Log books	Incomplete	In progress

Environmental Audit

57. Environmental audits are reviews of the public sector operations and process to determine whether they are in compliance with GOM environmental regulations and agreed regional and international accords. During the period, an Environmental Audit on Coastal Degradation – Gunn Hill was completed.

Reports Reviewed by PAC

58. We are happy to report that the Public Accounts Committee (PAC) has been active during the reporting period. The first ever Public Inquiry session on a Special Performance Audit – Selected Outsourced Activities in the Public Sector focusing on the Cleaning Services took place on 18 April 2018. At the end of the fiscal year, Reports of the Auditor General on the Public Accounts and a number of Tabled Audit Reports were awaiting review by PAC. At the end of the financial year, the Audit Report on the Public Accounts 2017-18 was being printed for tabling in the Legislative Assembly. Arrangements were being made for the second Public Enquiry session on the Purpose Built House for Alfred “Murphy” Edwards to be held on 24 April 2019.

Social Impact of Work

59. Accounting Officers are taking some of our recommendations in hand and are implementing them but, more often than not, there are significant delays before implementation. However, despite delayed implementation, they lead to improvements in the services offered to the public.
60. Our audit stakeholder engagement strategy has been effective. We are encouraged by the discussions in the news and/or social media on our audit reports as these draw the issues into the public domain, thereby causing public servants to pay more attention to the services being offered to citizens and within the service itself.

OAG Work Programme 2019-20

61. Our preliminary work plan is at Appendix 3. Strategically, we will continue to focus on achieving the following:

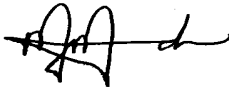
- Establishing the independent Montserrat National Audit Office that facilitates accountability and transparency.
 - Delivering value to citizens through (a) improved recommendations to Accounting Officers; (b) improvement in staff capability and skills; and (c) development of policies, procedures and guidelines that facilitate quality work and meet international audit standards/guidelines.
 - Conducting a review to assess compliance with international audit standards and overall effectiveness of our operations.
62. Our strategies are linked to the Montserrat Constitution Order 2010 and Goal 4.1 “Strengthened transparency, accountability and public engagement within the National Government Framework” of GOM’s Policy Agenda 2019-2022.
63. To this end, we will continue to participate in training courses and workshops facilitated by various training agencies whether they be on island, regionally or internationally, once appropriate funding is available.

Overall Conclusion

64. We were not able to achieve our strategic objective of gaining independence of our offices during the fiscal year. The final leg of this objective is beyond our control as it falls within the ambit of other agencies. As international best practice requires an independent Audit Office, we will continue to draw this to the attention of the relevant authorities.
65. We made significant strides toward strengthening the accountability and transparency of public service delivery through capacity building and conducting more special audits. Our capacity building efforts and attendance at regional and international workshops provide a synopsis of the areas pursued during the fiscal year. We aim to participate in similar up-skilling activities throughout the 2019-20 fiscal year.
66. Most of our work areas were hampered mainly by slow response rates and other challenges outlined in paragraphs 16 - 19.

Acknowledgements

67. I must express our thanks to the staff of the Treasury Department, all Accounting Officers and the staff of their Ministries/Departments, the staff of Statutory Agencies and other organizations, for any assistance given to my staff during the performance of the various audit assignments. We look forward to your continued support.
68. As we strive to improve the services we offer, capacity development and institutional strengthening are among our highest priorities. Special thanks is extended to the GOM, its Learning and Development Unit, DFID, FCO, UK NAO, CPA UK, IDI, CAROSAI, and SAI Jamaica for their contributions toward the expansion of our knowledge and skills.
69. Finally, I applaud the staff of the OAG for their hard work, commitment and invaluable contribution despite some challenges. As they are responsible for conducting and providing their assessments of the findings and making practicable recommendations, it would not be possible to provide this report without their continuous efforts. Again, thank you.



Marsha V E Meade
Auditor-General (Acting)
Office of the Auditor General
14 June 2019

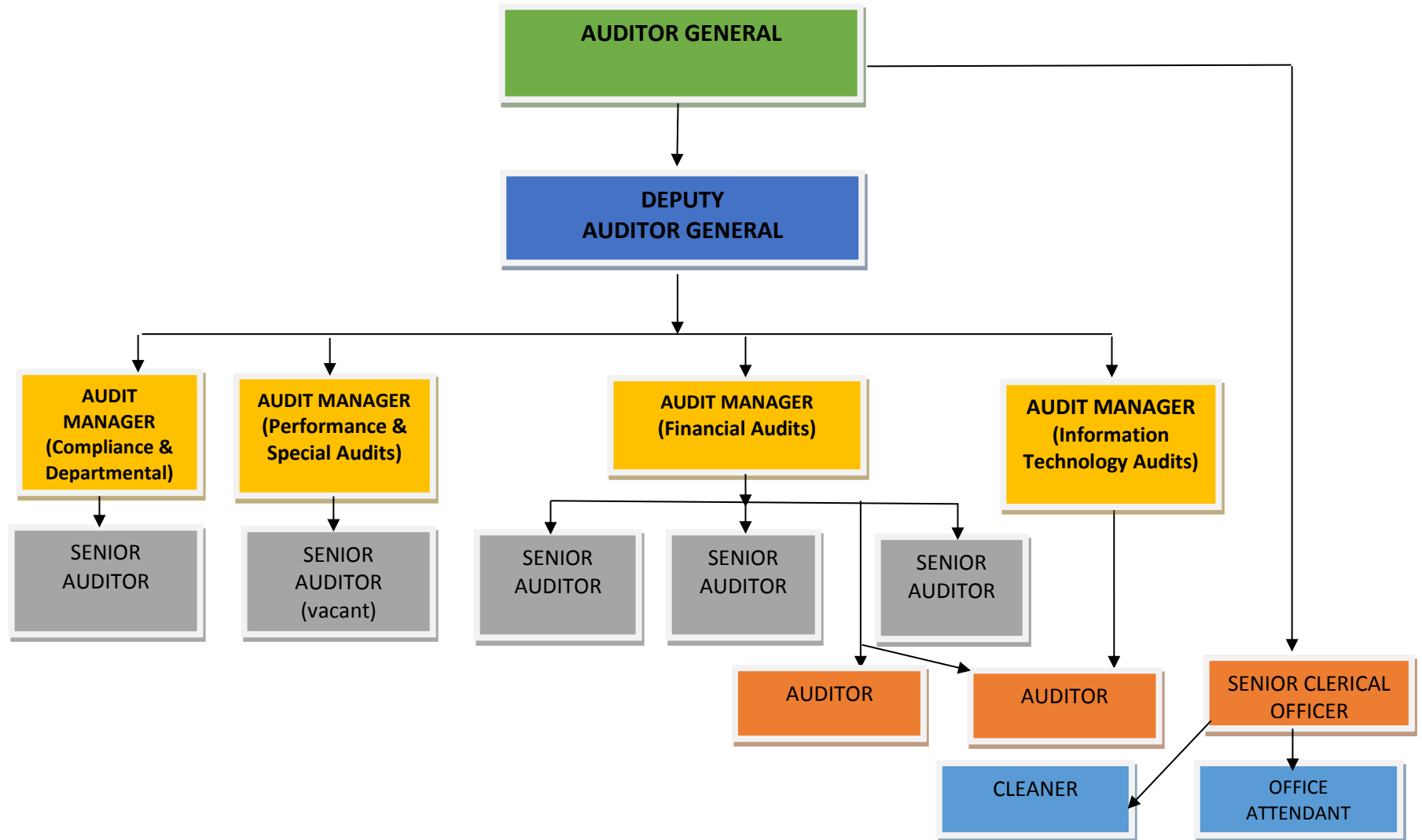
Appendix 1

Annual Abstract of Recurrent Revenue and Expenditure

Revenue							
Head	Details	Approved Estimate	Virement Warrants	Supplementary Estimates	Revised Estimate	Actual Revenue	Variance
13005	Audit Fees	25,000			25,000	9,000	16,000
Expenditure							
Head	Details	Approved Estimate	Virement Warrants	Supplementary Estimates	Revised Estimate	Actual Expenditure	Variance
210	Personal Emoluments	722,200			722,200	697,644	24,556
212	Wages	10,400	600		11,000	10,920	80
216	Allowances	194,000	-600	-60,000	133,400	121,889	11,512
Total Compensation to Employees		926,600			866,600	830,453	36,147
218	Pension & Gratuities	17,000	49,000		66,000	65,540	460
Total Social Benefits		17,000	49,000		66,000	65,540	460
220	Local Travel	6,000			6,000	3,758	2,242
222	International Travel and Subsistence	12,000	2,100		14,100	11,831	2,269
224	Utilities	30,000			30,000	24,941	5,059
226	Communication Expenses	7,500			7,500	3,887	3,613
228	Supplies & Materials	7,000			7,000	6,963	37
229	Purchase of Equipment	10,000			10,000	8,886	1,114
232	Maintenance Services	4,700			4,700	4,395	305
234	Rental of Assets	60,000	1,600		61,600	61,570	30
236	Professional Services & Fees	120,100	-57,100		63,000	31,242	31,758
242	Training	20,000	4,400		24,400	23,640	760
Total Goods & Services		277,300			228,300	181,113	47,187
260	Grants & Contributions	3,400			3,400	3,212	188
Total Grants & Contributions		3,400			3,400	3,212	188
275	Sundry Expenses	3,000			3,000	2,435	565
Total Sundry Expenses		3,000			3,000	2,435	565
Total Recurrent Expenses		1,227,300	0	-60,000	1,167,300	1,082,751	84,549

Appendix 2

OAG Organisational Structure



Appendix 3

OFFICE OF THE AUDITOR GENERAL

ANNUAL AUDIT WORK PLAN FOR 1 APRIL 2019 – 31 MARCH 2020

1. Audit of Public Accounts

As per Section 17(2) of the Public Finance (Management and Administration) Act 2008 we are mandated to audit the following thirteen (13) Statements.

- (a) a statement of assets and liabilities;
- (b) an annual abstract of revenue and expenditure by heads; **This is for fourteen (14) entities with forty-two (42) sub-departments.**
- (c) a comparative statement of actual and estimated revenue by sub-heads;
- (d) a comparative statement of actual and estimated expenditure by sub-heads;
- (e) a statement of balances on advance accounts analyzed under the various categories set out in section 30;
- (f) a statement of balances on deposit accounts;
- (g) a statement of outstanding loans made from the Consolidated Fund, by annual and aggregate receipts and payments;
- (h) a statement of public debt;
- (i) a statement of contingent liabilities;
- (j) a statement of investments showing the funds on behalf of which the investments were made;
- (k) a statement of arrears of revenue by sub-heads;
- (l) a statement of losses of cash and stores and of abandoned claims;
- (m) a statement of the Contingencies Fund Account;
- (n) other statements as the Legislative Council may from time to time require.

2. Other Financial Audits

Statutory Agencies (6)

- Montserrat Land Development Authority (Corporate & Housing Management)
- Montserrat Volcano Observatory
- Montserrat Community College
- Montserrat Arts Council
- The Info-Communication Authority
- Montserrat Philatelic Bureau

Private (4)

- Montserrat Civil Service Association
- Montserrat Girls Guide
- St Augustine School
- Basic Needs Trust Fund (BNTF).

3. Performance/Value for Money Audits

- Maintenance of Public Housing
- Montserrat Port Authority: Structure and Management
- Montserrat Social Security Fund: Governance and Sustainability
- Department of Social Services: Oversight and Delivery of Programs and Activities

4. IT Audits

Use of internet and related technologies to improve public sector performance – Information Security or Post Implementation Audit on:

- Alexandria Library Management Software
- Overseas Territories Regional Criminal Intelligence System
- Caribbean Tourism Organisation - Management Information System for Tourism
- Judicial Enforcement Management System

5. Compliance Audits

- Health and Safety in the Workplace
- Review of Ministries/Departments – Arrears of Revenue
- Review of the GOM and Delta Agreement
- Review of three (3) Revenue Collection Points
- Review of Physical Planning Unit: Development Plan

6. Environmental Audits

- Compliance with regional/international accords – topic to be confirmed