

**OFFICE OF THE AUDITOR GENERAL
COMMONWEALTH OF THE BAHAMAS**



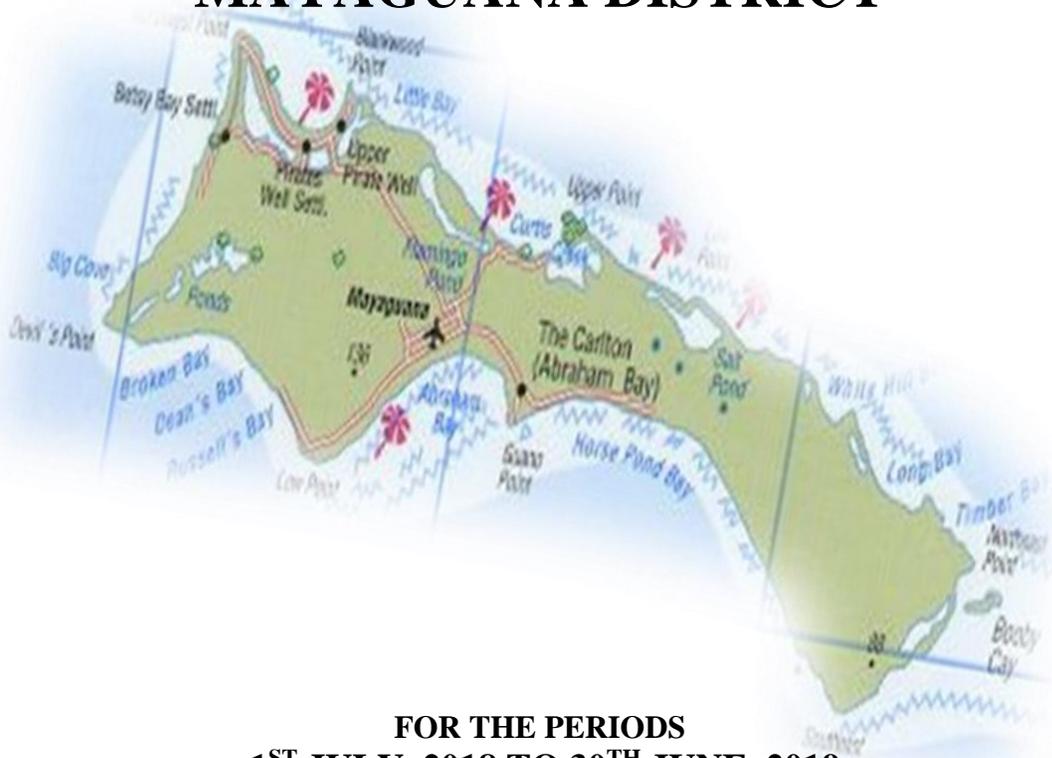
AUDIT REPORT
ON
***THE ACCOUNTS OF LOCAL
GOVERNMENT***
MAYAGUANA DISTRICT

FOR THE PERIOD
JULY 2018 – FEBRUARY 2021



OFFICE OF THE AUDITOR GENERAL

AUDIT REPORT ON THE MAYAGUANA DISTRICT



FOR THE PERIODS
1ST JULY, 2018 TO 30TH JUNE, 2019
1ST JULY, 2019 TO 30TH JUNE, 2020 &
1ST JULY, 2020 TO 28TH FEBRUARY, 2021

Reference No. **OAG/C.9/1/049**



OFFICE OF THE AUDITOR-GENERAL
P. O. Box N-3027
Nassau, The Bahamas

Permanent Secretary
Ministry of Transport & Local Government
Nassau, Bahamas

November 5th, 2021

**RE: AUDIT REPORT – MAYAGUANA DISTRICT FOR THE PERIODS
JULY 2018 – JUNE 2019, JULY 2019 – JUNE 2020 & JULY 2020 – FEBRUARY 2021**

We conducted an audit of the subject accounts for the period July 2018 to February 2021. The purpose of the examination was to determine whether the accounting functions were being performed in accordance with the Financial Administration and Audit Act 2010, and the Financial Regulations 1975, also to access the internal control system and to determine whether the accounting records are being maintained according to good accounting practices.

Our audit examination was carried out on a sample basis. The findings arising from our audit along with the recommendations are set out in the attached report. These points arose from our normal audit procedures, which are designed primarily for the purpose of forming an opinion on the accounts of the Government. Consequently, our work did not involve a detailed review of all the weaknesses that exist, or all improvements that might be made.

A handwritten signature in blue ink, appearing to read 'Terrance S. Bastian'.

Terrance S. Bastian (Mr.)
Auditor General

CEB/nt/lc

Attch.

cc. Financial Secretary, Ministry of Finance
Treasurer, Public Treasury Department
Director, Local Government

**AUDIT REPORT - MAYAGUANA DISTRICT
FOR THE PERIODS
JULY 2018- JUNE 2019, JULY 2019 –JUNE 2020 & JULY 2020 - FEBRUARY 2021**

INTRODUCTION

An examination of the Central and Local Government accounts of the Mayaguana District for the period July 2018 through February 2021 was carried out during the week of March 8th - March 12th 2021. The audit covered the revenue and expenditure documentation procedures and also examined the accounting system.

OBJECTIVES

The objectives of the examination were to determine whether:

- (a) Revenue was collected and deposited on a timely basis;
- (b) Accounting records were properly and accurately maintained;
- (c) Expenditure vouchers were completed, proper supporting documents attached, payments were properly approved and amounts fairly recorded in the underlying accounting records;
- (d) Funds had been applied to the purposes intended by the Legislature; and
- (e) The Financial Administration and Audit Act, 2010, The Financial Regulations, 1975, The Local Government Act, 1996, The Treasury's Accounting Procedural Manual, Manual of Local Government Procedures and other directives were being complied with.

SCOPE

Our examination included a general review of the accounting procedures, tests of the accounting records and related supporting evidence as deemed necessary.

METHODOLOGY

The audit was conducted by interview, observation and examination of documents.

FINDINGS AND RECOMMENDATIONS

We have highlighted the main points arising from our audit and their related recommendations. These points arose from our normal audit procedures, designed to form an

opinion on government accounts. Consequently, our work did not involve a comprehensive review of all of the aspects of the system and cannot be regarded as a comprehensive statement of all existing weaknesses, or all potential improvements.

1.0 ***Handing Over Procedure***

We were informed that a handing over procedure was to be conducted between the outgoing Administrator, Mr. Leonard Dames and the incoming Administrator, Ms. Millie Dawkins during the week of our arrival.

A letter was obtained indicating that the outgoing Administrator was to be deployed to the Central Andros District on or before 12th March, 2021; however, during our departure the Administrator remained in the Mayaguana District.

1.1 ***Handing Over Statement***

We noted that the outgoing Administrator prepared a handing over statement dated 12th March, 2021 which reflected the following:

General Cash

Month	Central Government	Local Government	Total
December	\$ 25,527.32	\$ 22,751.23	\$ 48,278.55
January	\$ 34,839.78	\$ 20,001.75	\$ 54,841.53
Total	\$83,418.52	\$46,604.38	\$130,022.90

Consolidated Fund Account

Month	Amount
December	\$2,125.00
Total	\$2,125.00

Deposit Fund Accounts

Month	Amount
December	\$45,293.38
Total	\$45,293.38

Cheques

Stale dated cheques in the amount of \$23,016.76 was in the safe.

Stamp Imprest

Amount	Stamp Value
3	.65¢
10	.25¢
28	.20¢
134	.15¢
183	.10¢
232	.05¢

Cash Stamp Imprest

Stamp Imprest \$136.90(Tina Johnson)
(\$270.02) dated 5th April, 2018

Amount	Stamp Value
3	.65¢
2	.25¢
9	.15¢
46	.10¢
84	.05¢

Cash Stamps Imprest \$66.60

Amount	Stamp Value
37	.20¢
181	.10¢
366	.05¢

1.2 *Errors on the Handing Over Statement*

During our review, we noted that the amounts highlighted for the Central and Local Government were incorrect. Additionally, the total columns were incorrect upon recalculation.

Administrator's Response

The Administrator stated that the Handing Over Statement was not the final document and changes would be made.

Implication

The document should have been checked and verified; to suggest that it was not final would compromise the handing over process.

- 1.3 It is recommended that the Statement be prepared accurately to indicate the Cash position at the time of the handing over procedure. We further recommend that the document be reviewed for accuracy before being presented to an Administrator.

2.0 **Cash Count**

Cash in the Amount of Two Hundred Fifty Seven Thousand, Three Hundred Twenty Seven Dollars and Fifty One Cents (\$257, 327.51) was counted at the current Administrator's office; however, it was not designated to any particular account.

Administrator's Response

We were informed by the outgoing Administrator that he was unable to state the amount of cash on hand as he was in the process of making cash payments and attaching cash to payment vouchers for disbursements.

Implication

Poor record keeping of funds.

- 2.1 It is recommended that internal controls for cash payments be strengthen; the amount of cash needed to execute the payment process should be determined prior to payments being made. Receipts should be attached to the payment vouchers and posted in their related cash book. We further recommend that a cash log be implemented and maintained to report cash movements.
- 2.2 *Analysis of Cash Received in the District 5th March 2021(3rd Quarter Jan-Mar, 2021)*

Account	Treasury Remittance	Cash Book Balance \$	Treasury Amount \$	Total Exp \$	Cash Count \$	Surplus \$	Shortage \$
Central Government Recurrent	3 rd Quarter Jan-Mar,2021		93,140.96	0.00	93,140.96	-	-
Local Government Current	3 rd Quarter Jan-Mar,2021		81,250.00	0.00	81,250.00	-	-
Deposit Fund Expenditure	3 rd Quarter Jan-Mar,2021		50,000.00	0.00	50,000.00	-	-
National Insurance	3 rd Quarter Jan-Mar,2021		32,936.55	0.00	32,936.55	-	-
Total			\$257,327.51	\$ 0.00	\$257,327.51	-	-

2.3 Analysis of Cash Received in the District (2nd Quarter October- November, 2020)

Account	Treasury Remittance	Cash Book Balance \$	Treasury Amount \$	Total Exp \$	Cash Count \$	Surplus \$	Shortage \$
Central Government Recurrent	2 nd Quarter Oct-Nov,2020	23,963.92	106,172.96	104,196.61	1,976.35	-	-
Local Government Current	2 nd Quarter Oct-Nov,2020	548.18	81,250.00	80,849.05	400.95	147.23	-
Consolidated Fund	Feb 12 th & Mar 8 th ,2021	5,176.00			5,186.00	10.00	-
Deposit Fund Expenditure		253,510.40			175,620.65		77,889.75
Total					183,173.95	157.23	77,889.75

Implication

The cash of Seventy Seven Thousand, Eight Hundred Eighty Nine Dollars & Seventy Five Cents (\$77,889.75) show that the Department of Local Government must take immediate action to recover these funds; it appears that the responsible Administrator has neglected to properly maintain public funds and records.

2.4 It is recommended that the responsible Administrator reconcile the Deposit Fund Account shortage in the amount of (\$77,889.75). It is further recommended that if a reasonable justification is not provided, local government should have the matter investigated further.

3.0 Contents of Safe

We noted that the office safe remained at the previous Administrator complex in Abrahams Bay. During our verification of the contents of the safe, we observed the following:

- a) Cash in the amount of Two Hundred Thirty-Two Thousand, Eight Hundred & Ninety-One Dollars (\$ 232,891.00) was in the safe. The cash was not identified to a designated account, as detailed below:

BSD\$ Currency

Number Value B\$	Currency	BSD(\$)
1100 X	\$100.00	\$110,000.00
1100 X	\$ 50.00	\$55,000.00
2100 X	\$ 20.00	\$42,000.00
1700 X	\$ 10.00	\$17,000.00
1500 X	\$ 5.00	\$ 7,500.00
1391 X	\$ 1.00	\$ 1,391.00
	Total	\$ 232,891.00

- b) An envelope with Stamp Sales in the amount of Sixty-Six Dollars (\$66.00);
- c) Stamp Imprest in the amount of One Hundred & Fifty Dollars(\$150.00); however, after further examination an amount of Two Hundred & Forty Three Dollars (\$243.00) was found in the safe ;
- d) Documentation of funds remitted to the Public Treasury 2017;
- e) Post Office Savings book numbers: S10326, P3442 and P311;
- f) Bahamas United States Postal Money Order Number 1237850 (blank);
- g) Twenty (20) Live Rounds;
- h) Stamp pad belonging to Betsy Bay Post office; and
- i) A Bahamas Government Service envelope containing Two Dollars & Twenty Three Cents (\$2.23).

Implication

- 3.1 All attempts must be made to install a safe at the new Administrator’s Complex; given the history of robberies at the prior office; it is urgent that funds be quickly removed. In addition, funds should only be sent when needed by the district.**
- 3.2 It is recommended that Funds be designated to a particular account along with the proper record keeping of balances after cash transactions have been made. It is further recommended that a safe be installed at the new Administrator’s Complex, which will reduce the risk associated with moving large amounts of cash.**

4.0 Local Government Payment Vouchers

We observed ten (10) payment vouchers totaling \$17,490.18 in the month of February, 2021 that lacked payment numbers attached to their vouchers. In addition, three (3) payment vouchers had bills to support their spending and six (6) payment vouchers were not approved by either the Local Government Agency and/or the District Administrator.

Implication

Payment documents without relevant details affixed signals a high level of inefficiency.

4.1 It is recommended that due care and attention be exercised during the processing of vouchers. The requisite approvals should be attached to all vouchers.

4.2 We noted that payment voucher files for the months of April and May 2019 were not presented for examination. A review of the cashbooks for the above months showed that total expenditure of \$28,841.01 in April 2019 and \$22,347.64 in May 2019 amounts to \$51,188.65; being the value of transactions that were not verified.

Implication

The payment documents along with receipts provide proof of legitimacy to the volume of disbursements. Not presenting the payment documents provides no means by which payment validity can be verified.

4.3 It is recommended that payment voucher files be maintained and be made available for audit inspection.

5.0 Local Government Cashbook (20551-20600) & (16901-16950)

While confirming the accuracy of the Local Government cashbook recordings in the following casebook numbers (20551-20600) and (16901-16950) to the payment vouchers, we observed that payment vouchers for the months of October through December 2020 were posted in a non-sequential order.

Implication

Our concerns are centered on the fact that irregularities could be perpetuated and concealed, given that cash receipts and disbursements are recorded twice in separate cash books.

5.1 It is recommended that the responsible Administrator provide an explanation for the recording of payment vouchers for the months of October through December seen in both Cash Books (20551-20600) and (16901-16950). It is recommended that the responsible administrator provide an explanation for the discrepancies seen in both cashbooks.

6.0 Remittances not posted

While tracing and agreeing the cashbooks recordings of Treasury remittances, it was discovered that a number of cash transmittals were not recorded in the following accounts as listed below:

Date	Detail Account	Amount \$
07/09/2018	Deposit Fund Expenditure account	\$ 50,000.00
22/11/2018	Central Government account	\$ 189,906.02
19/11/2019	Deposit Fund Expenditure (National Insurance Pension Fund Oct- Dec, 2019.	\$ 34,113.36
30/11/2019	Deposit Fund Expenditure (National Insurance Pension Fund 2 nd Quarter Oct – Dec 2020.	\$38,436.287

Implication

It is important to ensure that all remittances received from the Public Treasury are posted in the journals; not doing so can lead to cash balances being incorrect, and if not checked, cash transmittals can remain unrecorded.

6.1 It is recommended that due diligence be exercised in posting Treasury remittances in the various cashbooks, in an effort to facilitate the audit process.

7.0 Independence Celebrations

It was noted that the Mayaguana District received an amount of \$2,500 in the fiscal period 2019/2020 to host the 47th independence celebration.

Further, it was observed that the District spent an amount of \$4,199.12 that exceeded the amount given as seen below.

Fiscal Period	Amount Received	Amount Spent	Balance
2018/2019	\$ 5,000.00	\$4,999.87	.13
2019/2020	\$ 2,500.00	\$4,199.12	-1,699.12
Total	\$ 7,500.00	\$9,198.99	-1,698.99

Implication

It is important that expenses be aligned with the approved allocation amounts authorized by the legislature and any deviation of the same can be viewed as not following established policies and procedures.

7.1 It is recommended that expenses be aligned with the approved allocation amount authorized by the legislator.

8.0 Cash Books Balances as of February 2021

The following balances were noted in the underlying cash books as of January/ February 2021, as seen below:-

Month	Cash Book	Balance Recorded	Balance Not Recorded	Comments
January 2021	Central Govt.	-	-	A machine tape was attached to indicate a balance forward total of \$18,422.26 ; with the total Payment voucher posted of \$ 5,263.66 .
February,2021	Deposit Fund Income.	-	-	The amount of \$28,792.85 was recorded as being remitted to the Public Treasury on payment voucher #1; however the funds remained in the District.
February 2021	Deposit Fund Expenditure.	175,620.65	-	The balance amount of \$253,510.40 was verified on 8 th March, 2021. Afterwards, the balance was altered to \$175,620.65 ; as a result we cannot give reliance on any of the postings in this cashbook. Additionally, the Administrator was made aware however, he did not sign the Cash Inspection form.
February 2021	Consolidated Fund	2,720.00	-	The amount of \$2,720.00 remained in the District.
February 2021	Local Government	39,500.00	-	The Cashbook was not properly completed; neither the month nor the year was affixed to the pages. In addition, the back page was signed by the outgoing Administrator but was not dated. Also, vouchers were posted up to # 158 and a carried forward balance was not indicated; although the District was to be turned over.

Implication

Based on our review of the cashbooks, they were not maintained properly. The unrecorded carried forward cash balances indicated instances of the lack of adherence to internal controls, policies, and procedures.

- 8.1** It is recommended that the Cashbooks be reviewed by the responsible Administrator and brought up-to-date under the guidance of the Treasury Department.

9.0 Expenditure

9.1 District Council

- 9.2** *District Council Funds use for the relocation and construction of the Administrator's office and the Chief Councilor office.*

The Mayaguana District Council assisted with payments for the Relocation and Construction/Repairs of Administrator's Office, District Council office, Postal Service and adjoining Conference Rooms.

Government Complex in the Mayaguana District



We were provided with a copy of unsigned minutes of a meeting that was held 17th September, 2020; however, none was obtained for 8th October, 2020 where a letter made reference to the sum of Eighteen Thousand One Hundred Dollars (\$18,100.00) being approved to pay the following expenses:-

I.	Cesspit Construction	\$4,200.00
II.	Partition of Entrance & Kitchen Area	\$3,900.00
III.	First Arch (Building Front)	\$1,300.00
IV.	Back Office Partition	\$1,200.00
V.	Male & Female Bathroom Construction	\$7,500.00

Total **\$18,100.00**

We requested to view the file for the above project, but were not provided with any; we were advised that one was not maintained. However, we noted payments made with respect to the retrofit of the new Administrator Complex totaling \$16,056.31. The total cost according to the contracts amounted to \$19,092.62; a difference of \$3,036.31. Examples are as follows:

Date	Voucher No.	Amount \$	Quotes	Description
24.09.20	23	2,100.00	1	Cost incurred in cesspit construction. Total contract was \$4,200.00, 50% mobilization \$2,100.00 (paid 24 th September). Balance on contract \$2,100.00. Quote was used for payment.
24.09.20	24	2,100.00	1	Cost incurred in cesspit construction, Final payment \$2,100.00.
30.09.20	140	1,985.20	1	To erect two partition wall for office space. Total Contract \$3,970.40, 50% mobilization \$1,985.20, Balance on contract \$1985.20. Quote was used for payment no formalized contract.
31.08.20	139	1,300.00	1	Scope of work which consist of the opening and framing of a door at the proposed Administrator's Building, August, 2020.
9.09.20	53	1,061.11	1	To erect partition wall in Government Complex the month of September, 2020. Amount \$2,122.22. District
16.10.20	77	3,750.00	1	Construction of male & female bathroom at the proposed new Administrator's complex. Total contract \$7,500.00, 50% mobilization \$3,750.00; balance \$3,750.00
16.10.20	81	3,750.00	1	Final payment (\$3,750.00) of male & female bathroom at the proposed new Administrator's complex. Total contract \$7,500.00.
	Total	16,056.31		

Additionally, we noted payment vouchers numbers 1 and 2, both dated September 9th, 2020, for work done at the Government Building to erect two partition walls for office space totaling \$1,985.20. This appeared to be duplicated on payment voucher number 140 dated September 30th, 2020.

Administrator's Response

The Administrator stated that not all of the funding was obtained from the District Council to retrofit the new Administrator Complex.

Implication

It is important to ensure transparency and efficiency; without proper documentation payments become questionable.

9.3 We recommend the following:

- I. The Treasury Accounting Procedural Manual states, "Three quotations from suppliers (goods/service not approved in a tender exercise....) will normally be required, before requisitions are authorized, unless written explanatory notions are provided with respect to the non-availability of the requisite number of suppliers" be adhered to.**
- II. Further explanation/details of how the above costs for the Government Complex in Abraham's Bay were determined.**
- III. Future Expenditures relating to projects be maintained in a file with the source of funding identified and made available for audit inspection.**

9.4 During our review of payment vouchers posted in the District Council Cashbook, we noted the following:-

- I. A number of payment vouchers were completed using copies;**
- II. There were inadequate supporting documents attached to payment vouchers in support of some payments. For example, receipts and contracts were not found attached to some vouchers;**
- III. Line item numbers against which payments were charged were not indicated on the payment vouchers.**
- IV. Some vouchers were not approved by agency personnel and only included the preparer's signature.**

Implication

Funds disbursed, if not properly checked, may not be in line with the intended purposes for which they were given.

9.5 It is recommended that:

- I. Payment documents be completed using approved vouchers. When this is not possible an adequate supply should be requested and maintained in an effort to minimize the need to use copies;**
- II. Adequate supporting documents/invoices be provided to substantiate all payments made;**
- III. Line item numbers against which payments were charged be provided for audit review; and**
- IV. All payments be approved by the agency personnel prior to disbursement.**

9.6 During our review of payment vouchers, we noted a contract for the repairs to the Community Centre in Betsy Bay in the amount of \$5,000.00. The scope of work includes:

- 1. Repairing of roof on the Community Centre
- 2. Changing of windows and replacement of exterior door.
- 3. Complete with joint compound finishing.

BETSY BAY COMMUNITY CENTER/ROOF/DOORS



BETSY BAY COMMUNITY CENTER/WINDOWS



Payment received as indicated in the table below.

Date	Voucher Number	Amount \$
06/05/20	102	2,500.00
25/05/20	178	2,500.00
TOTAL		5,000.00

We interviewed the vendor who stated that he was not involved in the building project; however, he performed work on the roof for a period of three (3) days and was paid an amount of one hundred and fifty dollars (\$150.00) per day for a total of four hundred and fifty dollars (\$450.00). Further, he noted that there were also three (3) other persons that worked along with him.

A check was done on the 11th March, 2021 to verify that the scope of work was carried out. There was evidence found of the roof being repaired with the exception of a section pointed out by the vendor. No evidence of the windows being changed from the building was built, doors appear to be the same and the front door handle is missing. Also, there is no evidence of joint compound finishing being done to the building.

Additionally, no certificate of inspection by Ministry of Work's personnel was found attached to payment documents along with bids to suggest that a bidding process was used to select suitable contractors.

Implication

Without a contract progress form being presented for review; the amount of payments made and the recipients are unknown, as a result there is no way of ensuring that value for funds spent was received.

9.7 It is recommended that:

- I. A detailed costing of each job included in the scope of work be provided for audit review;**
- II. A contract progress form be used to display the name of the contractor, the contract amount, date completed, Item numbers, and total; and**
- III. Documentation of the bidding process used to select contractors be provided for audit review.**

9.8 While reviewing the payment vouchers, we noted that voucher number 103 dated 6th May, 2020 in the amount of \$1,500.00 was related to the cleaning and removal of old stoves, refrigerators etc.. and the spreading of curry (fill) at the Community Centre in Betsy Bay.

REMOVING STOVE, REFRIGERATOR ETC AND SPREADING OF CURRY (FILL)



An assessment was done on the 11th March, 2021 to ensure that the work was carried out; evidence of the refrigerator and other material was seen discarded at the back of the building.

Implication

Lack of proper documentation of works carried out could imply inefficiencies in management of the project.

9.09 It is recommended that more vigilance be exercised during the issuing of contracts to ensure that works identified be carried out are duly completed.

9.10 During our review of payment vouchers, we noted a receipt for repairs to a basketball court in Abraham’s Bay in the amount of \$5,000.00. The scope of work includes the cost of materials, labour and freight as follows:

- I. Replace backboard
- II. Painting floor
- III. Changing rims and net
- IV. Repairing cracks and raising the floor ½ inch.

Payment received as indicated in the table below.

Date	Voucher Number	Amount \$
06/05/20	104	2,500.00
26/05/20	189	1,250.00
TOTAL		3,750.00

***BASKETBALL COURT ABRAHAMS BAY
CHANGED BACKBOARD AND RIMS WITH NETS***



FLOORING



We noted no record of final payment of One Thousand, Two Hundred and Fifty Dollars (\$1,250.00) posted in the cash book.

An assessment was done on the 11th March, 2021 to ensure that the scope of work was carried out. However, evidence found revealed that only half of the court had been raised to ½ inch. Further, we noted that the backboard had never been replaced along with the rims and net changed, in addition to the floor painted. The second half of the floor displayed cracks of being repaired or raised to ½ inch.

- 9.11 It is recommended that evidence of the posting for payment voucher 189 be provided for audit review.**
- 9.12** During our review of payment voucher number 5 dated: 4th September, 2020 in the amount of \$1,600.00 with respect to pumping and cleaning the water tanks in Pirates' Well, we observed that the voucher was posted in the District Council cashbook in the month of December 2020. However, the attached receipt was dated 4th September, 2020. Additionally, upon interview of the vendor he confirmed that he had never pumped or cleaned any water tanks at Pirates Well.
- 9.13 It is recommended that proper accounting principles be adhered to in relation to the recording of payment disbursements related to completed contract work/services. Internal controls pertaining to the recording of payments should be revised, approved, implemented and enforced.**
- 9.14** While examining payment vouchers, we noted vouchers written in the Administrator's name in respect to reimbursement for various items purchased. A sample of these vouchers is indicated in the following table:

Date	Voucher Number	Description	Amount \$
24/04/2020	87	Reimbursement for paying vendor to purchase electrical materials for installation of lighting at the Administrator Residence for the month of October, 2019.	1,000.16
9/06/2020	230	Reimbursement for 32" smart television and bracket.	500.00
29/06/2020	231	Reimbursement for items purchase for sea rescue boat.	305.91
30/06/2020	N/A	Reimbursement for equipment/protective gears for the Mayaguana District for the month of June, 2020	1,811.72

9.16 It is recommended that the practice of writing payment vouchers in Administrator's names for reimbursements be minimized, where possible business names should be used to provide greater transparency.

9.17 While reviewing payment vouchers we noted the amount of Eleven Thousand, One Hundred and Twenty Five Dollars (\$11,125.00) spent to repair the teachers' cottage to be used as a quarantine centre during the (COVID-19) pandemic.

TEACHER'S COTTAGE



Payment Vouchers to repair the teacher's cottage include:

Date	Voucher Number	Description	Amount \$
10/06/2020	78*	Repairs done to quarantine cottage	2,000.00
04/05/2020	79*	To begin repairs at quarantine teachers cottage.	1,000.00
30/04/2020	80	Painting work done at teachers cottage during COVID-19	1,400.00
29/04/2020	84	Removing wood of windows, replacing screens and operators on all windows at the quarantine building.	500.00
30/06/2020	93	Two pairs of hanging curtains provided for the COVID-19 quarantine building,	30.00
30/06/2020	100	Cleaning around the quarantine building (teachers cottage) and maintenance to the building during the COVID-19.	1,500.00
03/04/2020	102*	Hanging curtains in the quarantine building.	300.00
30/06/2020	103	Sanitizing and cleaning the quarantine building for the quarantine building during the COVID-19.	1,000.00
30/06/2020	107	Repairs done in the ceiling at the Teachers Cottage and informing tourist not to come to shore because of Emergency Orders.	900.00
30/06/2010	108	Plumbing work done at the quarantine residence.	800.00
30/06/2020	110	Maintenance work done at the quarantine residence.	1,000.00
30/06/2020	118	Payment required for gas stove and gas line provided for quarantine residence during COVID-19.	695.00
		Total	11,125.00

** We did not see the payment voucher number 102 dated 3rd April 2020 in the monthly expenditure file. Further, a number of the bills attached were hand written and as a result we could not determine if the payments were the actual amount received by individuals.*

ENTRANCE TO QUARANTINE CENTRE



SIDE PANELS AND ROOF QUARANTINE CENTRE



During our review, we noted that none of the works were executed by a formalized contract. We visited the Teacher's Cottage and observed that some works were done; however, we were not satisfied that the taxpayer's monies were spent economically.

Additionally, we noted that payment voucher number 107 dated 30th June, 2020 amount \$900.00 for repairs done to the ceiling, was not carried out. The description on the voucher indicated that it was for warning tourists not to come to shore due to the Emergency Orders in affect. The description on the voucher did not indicate that payment was made in relation to the repairs to the Teacher's Cottage.

ROOMS AT THE QUARANTINE CENTRE



BLINDS AND FANS AT THE QUARANTINE CENTRE



BATHROOM AT THE QUARANTINE CENTRE



FURNITURE AT THE QUARANTINE CENTRE



PLUMBING WORK DONE AT THE QUARANTINE CENTRE



CEILING AT THE QUARANTINE CENTRE



Implication

This may create a lack of transparency in regards to bill payments for work performed.

9.18 It is recommended that adequate supporting documents, i.e. contracts and bills be stored and maintained in a safe environment for the purpose of validating payments for work and services performed/received on a contract basis.

9.19 *ADMINISTRATOR'S RESIDENCE*

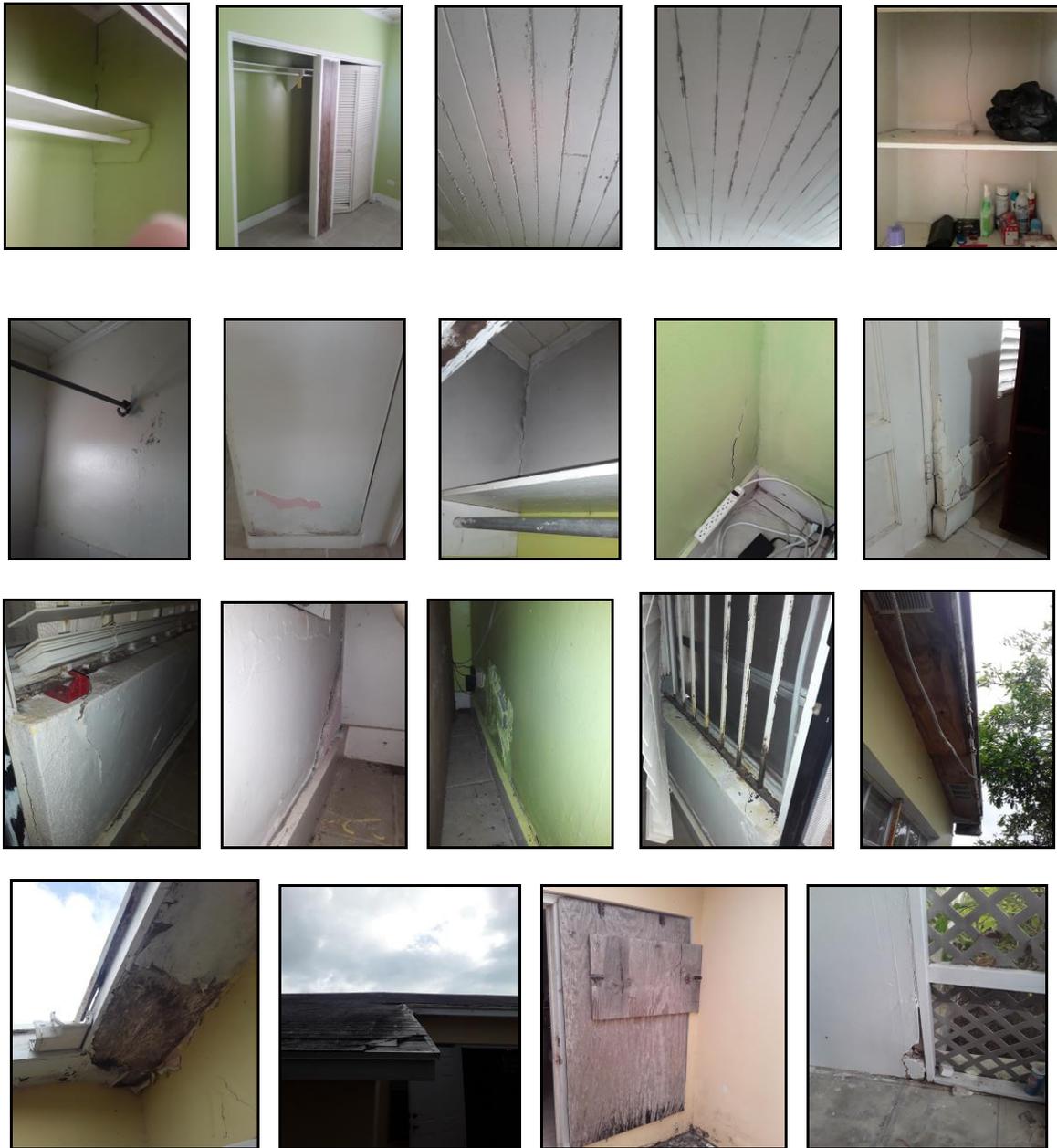
The Administrator's Residence is in need of repairs; a scope of work done was performed on November 29th, 2019 by a private company, but it was observed that the work was never completed. We noted that Ministry of Works sent an invitation for tenders with a February 21st, 2020 deadline. This deadline was extended to February 24th 2020. However, during our audit of the Administrator's office; a visit to the residence revealed the following:

- I. Roof need to be changed.
- II. Walls displaying cracks needs to be repaired.
- III. Ceiling scraped and painted.
- IV. Interior doors changed.
- V. Remove damaged woods.

ADMINISTRATOR'S RESIDENCE



ADMINISTRATOR'S RESIDENCE



Tenders opened on 5th March, 2020 according to a memorandum reference DLG/MYG/OA, DLG/MYG/LA. However, at the end of our audit, repairs had not yet started, as contracts had yet to be approved and awarded to vendors.

Implication

There was a considerable lapse of time, approximately one year between the tenders opening and our visit to the District; if this is allowed to continue the amounts spent for rental accommodations for the Administrator will continue to rise.

9.20 It is recommended that the repairs to the Administrator’s Residence be completed. It is also recommended that internal controls related to the approval and awarding of contracts be reviewed, revised, authorized, documented, enforced and adhered to.

10.00 CENTRAL GOVERNMENT

10.01 It was noted that payment voucher number 123 in the amount of \$575.00 dated July 30th, 2019 was a payment with respect to items provided for the Independence Celebrations. This payment voucher did not reflect details of what that the amount was charge against; as a result the head, activity centre and line item numbers were unknown. We also noted that the bill attached did not provide a list of items purchased.

10.02 It is important to ensure that the Financial Administration and Audit Act (chapter 359), which provides the guidelines for the expenditure of public funds is being adhered to; if guidelines are not followed the Administrator’s will be liable for related public funds.

10.03 It is recommended that all invoices include an itemized list of purchases, in an effort to substantiate payment. It is further recommended that all payment vouchers are duly completed indicating the head, activity center and line item numbers.

10.04 While examining payment vouchers, we noted vouchers written against Central Government Agencies of which expenses were not included in the 2019/2020 budget; A sample of these vouchers is indicated in the table below:

Date	Voucher Number	Head Number	Description	Amount \$
30.06.2020	172	18	Erect three cubicles in Government Complex; Total Contract \$4,328.46. Final Payment \$2,164.23	2,164.23
30.06.2020	171		Total to erect partition wall \$2,122.22 to include one door opening; 50% of the amount submitted will be paid by Central Government	1,061.11
30.06.2020	145	35	Erect partition wall to include one door opening. Total Contract \$4,328.46; 50% Mobilization \$2,164.23	2,164.23

10.05 It is recommended that expenditure instructions agreed to in Parliament, be adhered to and that internal controls be implemented to prevent public funds from being spent for purposes other than those tabled and agreed to in Parliament.

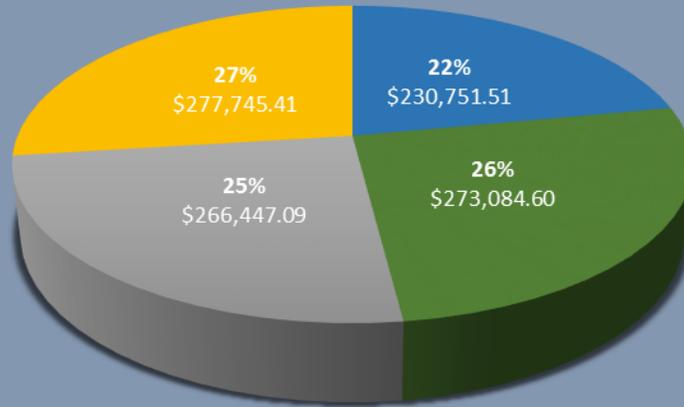
10.06 We noted that payment voucher number 87 dated June 30th, 2020 in the amount of \$1,900.00 was with respect to repairs for roofing at the Health Care Centre inclusive of labour and materials for the month of April, 2020. We noted that the invoice attached was dated April 16th 2020, with no dollar amount indicated. Further, a review of the allocation folder revealed that the amount was not recorded in the said folder.

10.07 It is recommended that Section 8.0, Procedures for Payment of Bills in the Treasury Accounting Procedural Manual, which states that: "Invoices should have printed numbers, date and amount" be adhered to. It is further recommended that all expenditures be indicated in the allocation ledgers; in an effort that a record of expenses and analysis of the same can be maintained.

11.00 *TREASURY REMITTANCES*

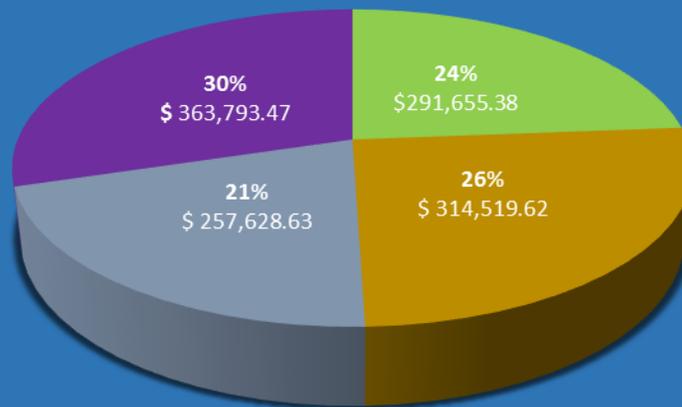
Treasury remittances forwarded for Central Government Recurrent and the Local Government accounts for the fiscal year 2018/2019 amounted to \$1,048,028.61, in contrast to \$1,227,597.10 for the 2019/2020 financial year. This indicated an increase of \$179,568.49 of approximately 15%. Additionally, Treasury remittances received in the District for the First, Second and Third Quarter of 2020/2021 amounted to \$892,007.73. Details are as follow:-

MAYAGUANA QUARTERLY RELEASE 2018/2019



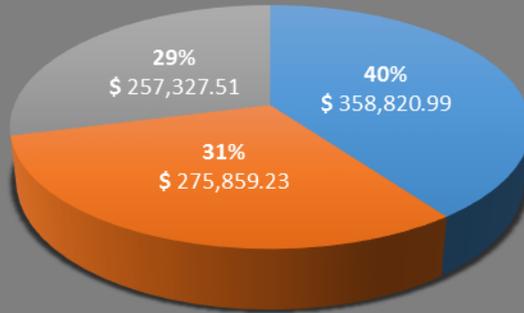
■ 1st QUARTER RELEASE ■ 2nd QUARTER RELEASE ■ 3rd QUARTER RELEASE ■ 4th QUARTER RELEASE

MAYAGUANA QUARTERLY RELEASE 2019/2020



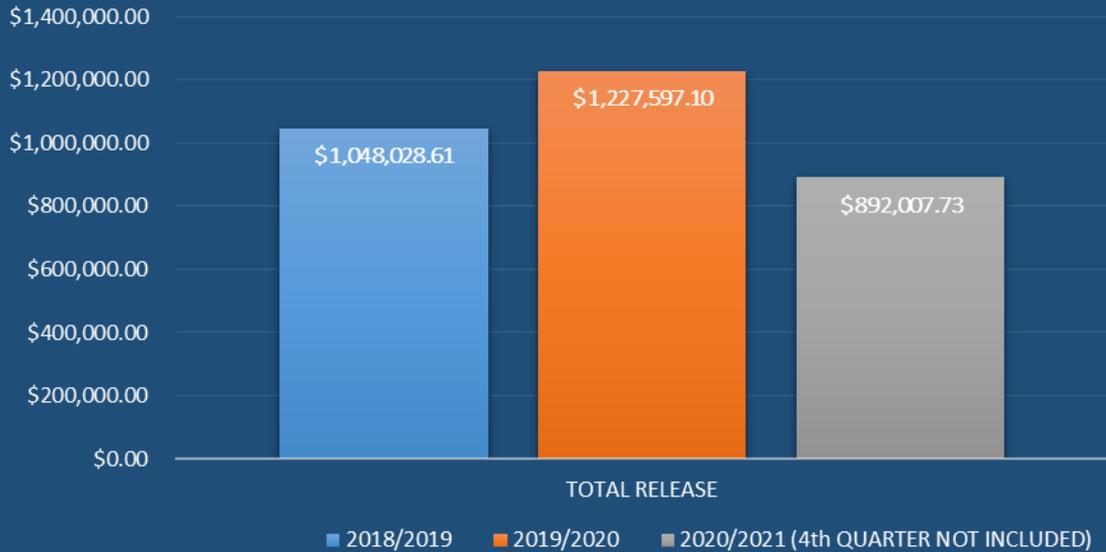
■ 1st QUARTER RELEASE ■ 2nd QUARTER RELEASE ■ 3rd QUARTER RELEASE ■ 4th QUARTER RELEASE

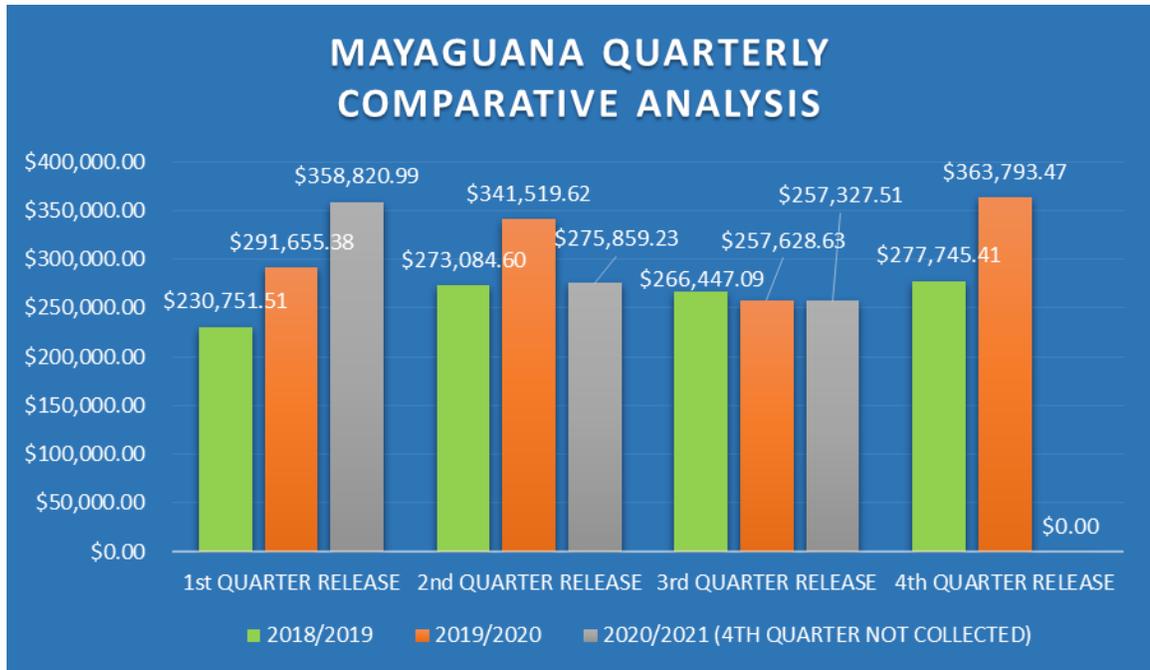
MAYAGUANA QUARTERLY RELEASE 2020/2021



- 1st QUARTER RELEASE
- 2nd QUARTER RELEASE
- 3rd QUARTER RELEASE
- 4th QUARTER RELEASE (NOT COLLECTED)

TOTAL RELEASE BY YEAR





11.01 LOCAL GOVERNMENT EXPENDITURE JULY 2020/JANUARY 2021

Local Government expenditure covering the period July 2020 to January 2021 was in the aggregate of \$ 201,268.57. The Treasury remittances forwarded totaled \$243,550.00; as of January 2021 a balance of \$ 123,731.43 remained to be spent.

11.02 RECONCILIATION OF FIRST, SECOND AND THIRD QUARTERS 2020/2021

During our review of the total allocation received in the District for the First, Second and Third Quarters 2020/2021; we noted that the amount recorded in the ledger was \$892,007.73. However, an examination of the treasury remittances revealed the amount to be \$842,007.73. Details are as follows:

	\$	\$	\$	\$
<u>National Insurance</u>				
October through December, 2020	38,436.27			
July through September, 2020	30,646.41			
January through March, 2021	32,936.55			
Total NIB		102,019.23		
<u>Deposit Fund Expenditure Account</u>				
October through December, 2020	50,000.00			
July through September, 2020	50,000.00			
January through March, 2021	50,000.00			
Total Deposit Fund		150,000.00		
<u>Central Government</u>				
July through September, 2020	197,424.58			
October through December, 2020	106,172.96			
January through March, 2021	93,140.96			
Total Central Government		396,738.50		
<u>Local Government</u>				
July through September, 2020	80,750.00			
October through December, 2020	81,250.00			
January through March, 2021	81,250.00			
Total Local Government		243,250.00		
Total Allocation			892,007.73	
Subtract (Covid -19) Funds			50,000.00	
Subtotal				842,007.73
Total reflected in Allocation book				892,007.73
Difference				<u>50,000.00</u>

Implication

It is important that all expenditure be recorded in the allocation book; in an effort to tract disbursements. If this is not properly done it can have an effect in the balances of items and as a result the true net position in the ledger will be unknown.

- 11.03 It is recommended that an explanation be provided for the difference of \$50,000.00. It is further recommended that the allocation book be properly maintained and balanced to reflect the net position in the items.**

12.00 Revenue

The revenue intake for the periods July 2019 through June 2020 and July 2020 through March 2021, are summarized below:

July 2019 – June 2020

Particulars	Amount \$	%
Clinic Fees	982.00	4
Occasional License	15.00	1
Provisional License	270.00	1
Driver's License	900.00	4
Motor Vehicle License	14,341.15	65
Motor Vehicle Inspection Sticker	2,205.00	10
New License	315.00	1
Town Planning (Permit)	2,241.00	10
Gun License	150.00	1
Flat Fishing	580.00	3
Total	21,999.15	100

July 2020 – March 2021

Particulars	Amount \$	%
Clinic Fees	1,471.00	7
Occasional License	10.00	1
Provisional License	270.00	1
Driver's License	1,500.00	8
Motor Vehicle License	11,740.04	63
Motor Vehicle Inspection Sticker	2,205.00	12
New License	330.00	2
Town Planning (Permit)	675.00	3
Duty Free Agriculture	5.00	1
Flat Fishing	280.00	2
Total	18,486.04	100

12.01 We noted that the Mayaguana District discontinued revenue collection with respect to port fees in September 2018. A sign at the dock stated, "Please be advised that this is not an official port of entry and neighboring ports of entries are Exuma, Inagua, Long Island and San Salvador".

NON-OFFICIAL PORT OF ENTRY SIGN



Additionally, we noted that vessels are still entering Mayaguana shores. An analysis was done to determine the amount of revenue that was collected during the period January 2018 through December 2019. Such details are as follows:

Description	Amount (\$)
Flat Fishing	2,360.00
Custom Boarding Fees	32,435.00
Stamp Tax	850.00
Departure Tax	874.00
Dockage Fees	75.00
Total	36,594.00

Implication

The revenue loss related to the discontinued revenue collection can continue to adversely affect Mayaguana's economy.

12.02 It is recommended that matter of revenue loss to the Mayaguana District be addressed.

12.03 We were informed by way of interview that funds collected for revenue are kept in a non fire proof cabinet. It was noted that the revenue clerk turned over funds at month's end as a precautionary measure due to the number of robberies in the community. It was further noted that the local police in Mayaguana advised that funds ought not to be kept on hand.

Implication

The overall protection of staff and office contents are of vital importance and should in no way be compromised. Therefore, an office safe along with security bars, in addition to an alarm system should be immediately installed; not doing so can lead to the loss of Government property and staff safety.

12.04 It is recommended that management immediately address the security concerns. It is further recommended that a safe be installed at the new Administrator's Complex.

13.00 Consolidated Fund Account

A review on the cash held for March 8th, 2021 revealed a surplus of \$10.00. Details are as follows:

Particulars	Receipt Total (\$)	Cash Total
Drivers License	580.00	31 x 100 = 3,100.00
Decals	735.00	22 x 50 = 1,100.00
Motor Vehicles	3,015.00	4 x 20 = 80.00
Town Planning	325.00	5 x 10 = 50.00
Occasional License	5.00	15 x 5 = 75.00
New License Plate	165.00	20 x 1 = 20.00
Clinic Fees	266.00	B\$ 4,425.00
Provisional License	75.00	US\$ 751.00
Total	5,166.00	5,176.00
		Diff \$10.00(5,176 - 5,166)

14.00 *Human Resources*

14.01 *District Council Employees*

A list was provided with fourteen employees that are employed by the District Council. A review of the list showed that three of the fourteen workers had retired, however there was no supporting documentation to validate the dates of retirement.

14.02 *Central Government Employees*

We examined eight employee files for staffs employed by Central Government. We noted that vacation forms were not attached in the documents. Additionally, the files were void of Annual Confidential Reports (ACR's)

14.03 *Fifty Two Week Workers*

A list was provided with nineteen workers employed under the Government National Job Creation Skills and Enhancement Programme. It is our understanding that an individual performs the duties of a supervisor, however is not paid any additional funds in comparison to individuals she supervises. Further, we were informed that a sign in book was placed in Pirates Well but got damaged and was never replaced. Overall concerns from participants were not being paid on time.

Implication

It is important that the needs of staff are given adequate attention, if this is not done the work environment can become hostile.

14.04 It is recommended that the needs of all staff be adequately addressed. It is further recommended that greater attention be placed on ensuring that permanent records are maintain for all staff inclusive of vacation forms, annual confidential reports and the replacement of a sign in book.

15.00 *Accounting Procedures*

15.01 *Cash Log*

15.02 We noted that a Cash Log was not maintained. The importance of ensuring that the log is updated on a consistent basis cannot be minimized as it is a control feature for the movement of cash.

15.03 It is recommended that the Cash Log be maintained on a consistent basis. It is further recommended that all individuals collecting cash be made to sign evidencing the collection of the same.

15.04 Voucher Register

We noted that a Voucher Register to record all vouchers once they are approved was not maintained by the Administrators office. We requested the register but were informed that none was kept. As a result we could not determine if all vouchers were recorded in the cashbook in numerical order.

15.05 It is recommended that management implement a Voucher Register in an effort to facilitate the audit trail. It is further recommended that as this is a cash District its implementation is critical to assist in identifying vouchers that are valid and properly approved and others that were created for fraudulent orders or cash payments.

15.06 Expenditure Statement

15.07 We noted that Expenditure Statements were not prepared for the month of February 28th 2021 for the Central Government and the District council accounts. As a result the statements were not issued to the Department of Local Government and the Ministry of Finance.

15.08 We recommend that management comply with Treasury circular No.11/14 dated July 1st, 2014 and forward the Expenditure Reports to the relevant agencies in a timely fashion.

Conclusion

Overall, we discovered that the accounts of the Mayaguana District were not maintained at a satisfactory standard in all respects; specifically the duplication of payment vouchers in addition to the absences of Head and Item numbers and cashbooks not being properly maintained and altered after it was discovered that the balances were incorrect. Documents were poorly kept and a number of expenditures under the District council were questionable. Additionally, circumstances surrounding the movement of cash indicate that the District is unaware of the amount and the time of when cash is taken out of the safe.

We further noted that a safe was not installed at the New Government Complex. This presents a safety issue as cash has to be physically moved. Given the history of robberies at the old Administrators' office; this is of concern to the Office of the Auditor General.

Internal controls need to be strengthened to ensure the efficiency and effectiveness of the financial operations within the District. We could not give reasonable assurance to the

correctness and completeness of the accounts because in many instances public funds were disbursed without regard to transparency and accountability.

We recommend that:-

- a) The accounts be reviewed, reconciled and brought up to date under the guidance of the Treasury Department.**
- b) The Administrator explained the reason for the undetermined amount of cash that cannot be accounted for.**