

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



**AUDIT REPORT ON *THE ACCOUNTS OF*  
THE POST OFFICE NICHOLL'S TOWN,  
ANDROS**

FOR THE PERIOD  
**1 JULY 2018 – 14 APRIL 2021**

Reference No. **OAG/C.9/1/047**



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

Postmaster General  
Post Office Department  
Nassau, Bahamas

27th September, 2022

**AUDIT EXAMINATION OF THE ACCOUNTS OF THE  
POST OFFICE – NICHOLLS TOWN, ANDROS  
FOR THE PERIOD JULY 1ST, 2018 TO APRIL 14TH, 2021**

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We have conducted an audit of the subject accounts for the period July 1st, 2018 to April 14th, 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 assess 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/Corporation. Consequently, our work did not involve a detailed review of all aspects of the system and cannot be regarded as a comprehensive statement of all weaknesses that exist, or all improvements that might be made.

Sincerely,

  
Terrance Bastian (Mr.)  
Auditor General

CB/nt  
Attch.

cc. Financial Secretary, Ministry of Finance  
Accountant General, Public Treasury Department

**AUDIT EXAMINATION OF THE ACCOUNTS OF THE  
POST OFFICE – NICHOLLS TOWN, ANDROS  
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**INTRODUCTION**

An audit examination has been carried out on the Revenue and Expenditure Accounts of the Post Office, Nicholls Town, Andros District for the period January 1st, 2018 to April 14th, 2021.

The primary function of the Post Office Department is the conveyance and transfer of mail, which includes, by definition letters, parcels, etc... sent, collected or delivered both nationally and internationally.

The Post Office also provides minimum banking facilities through the Savings Bank and the sale and encashment of money orders that allow clients to remit and receive funds both nationally and internationally. Prior to commercial banks moving branches to the Family Islands, the Post Office Savings Bank was the only available facility.

**OBJECTIVES**

Our primary objectives of the audit were to determine whether:

- a) The accounting functions were being performed in compliance with the Financial Administration and Audit Act, 2010, The Financial Regulation, 1975; The Post Office Act, Chapter 300, and all other directives were being complied with.
- b) Generally Accepted Accounting Principles were being practiced in the maintenance of the accounting records.
- c) Funds collected were being accurately recorded and deposited to the Deposit Fund Account in a timely manner;

**SCOPE**

Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances which included:

- 1) Verifying Stamp Imprest.
- 2) Verifying stock of Money Order Receipt Books.

**METHODOLOGY**

The audit was conducted by interview, observation and examination of the accounting records.

## **FINDINGS AND RECOMMENDATIONS**

We have set out below the main points arising from our audit and their related recommendations. These points arose from our normal audit procedures, 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 aspects of the system and cannot be regarded as a comprehensive statement of all weaknesses that exist or, of all potential improvements that might be made.

### **1.0 IMPREST & MONEY ORDERS**

1.1 We conducted a Stamp Imprest examination on April 12th, 2021 which resulted in the following:

| <b>AMOUNT AUTHORIZED</b> | <b>AMOUNT ON HAND</b> |               | <b>SURPLUS (\$)</b> |
|--------------------------|-----------------------|---------------|---------------------|
|                          | <b>CASH</b>           | <b>STAMPS</b> |                     |
| 400.00                   | 245.90                | 154.65        | 0.55                |

1.2 We also conducted a cash count on the following accounts:

| <b>DATE</b> | <b>ACCOUNT</b>         | <b>CASH ON HAND (\$)</b> | <b>RECEIPTS (\$)</b> | <b>SURPLUS/ SHORTAGE( \$)</b> |
|-------------|------------------------|--------------------------|----------------------|-------------------------------|
| 12-April-21 | Savings Bank           | 15,130.19                | 14,868.99            | 261.50                        |
| 12-April-21 | Parcel Post            | 50.03                    | 50.03                | -                             |
| 13-April-21 | Box Rent               | 43.60                    | 43.60                | -                             |
| 13-April-21 | Box Rent – Fresh Creek | 33.60                    | 33.60                | -                             |

**1.3 It is recommended that the surplus of \$261.50 be brought to account and be made available for audit review.**

### **2.0 REMITTANCE**

2.1 The last remittance of funds for the Savings Bank was sent on January 25th, 2021 for the month of November 2020.

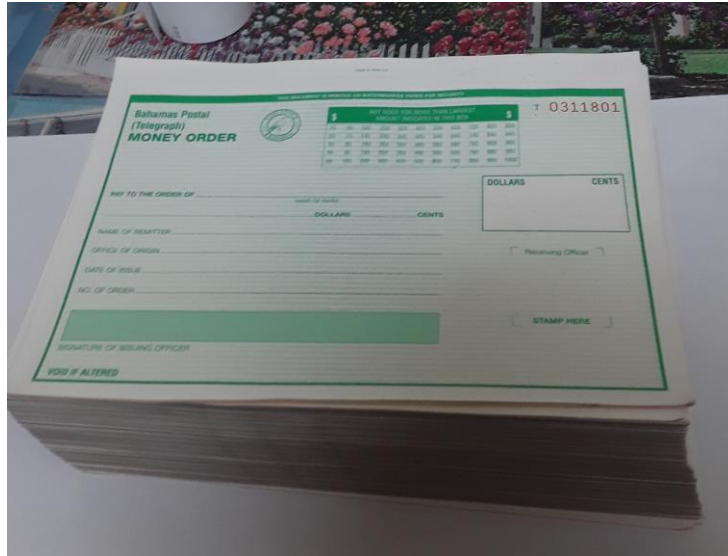
### **3.0 UNUSED MONEY ORDERS (USMO)**

3.1 During our review of the Money Orders, the following unused money orders were on hand at the Post Office to facilitate the collection and pay out of funds.

| <b>TMO SOLD</b> | <b>TMO PAID</b>     | <b>DMO SOLD</b>   | <b>USMO SOLD</b>      |
|-----------------|---------------------|-------------------|-----------------------|
| 185351 – 185400 | T0374221 – T0374336 | D124051 – D124100 | US1347891 – US1347950 |
| 185401 – 185450 |                     |                   |                       |

3.2 We also observed unused Telegraph Money Order number T0311801 – T0312000. We were informed by the Officer in charge that she was advised not to use the money orders. Further, we were informed that the money orders were left by a former Officer in 2014.

### Unused Telegraph Money Order Sold



**3.3 It is recommended that the General Post Office be notified and a decision be made as to the Telegraph Money Orders.**

#### **4.0 BOX RENT**

4.1 During our review of the Box Rent, we noted that there are a total of one hundred (100) postal boxes however, only eleven (11) boxes are rented (active). We were informed that many of the locks need to be changed.



**4.2 It is recommended that the locks be changed and the postal boxes be offered for rent in order to boost revenue.**

## 5.0 SAFE

- 5.1 We observed two (2) safes in the Post Office; however, the Officer in charged informed us that access could not be gain to one of the safe which included entry by combination and key. It is our understanding that the former Officer in charge of the Post Office had access to the safe.



- 5.2 **It is recommended that access to the safe be obtained. The Officer should have been given the Keys and the combination changed upon the new Officer receiving the post.**

## 6.0 MAIL BAG

- 6.1 The mail bag is usually left at the airport in the care of the airline for a long time because the Post Office does not have a mail man. The office has to rely on the Administrators or his staff to pick up the bags. We were told that the airline indicated that they will not be held responsible for any lost or damage with the mail. We observed the bags are being stored at the airport as shown in the pictures below.



- 6.2 **It is recommended that a decision be made to address the mail bags remaining at the airport for an inordinate period as bags can end up lost or damaged.**

## 7.0 ALLOCATIONS

7.1 The allocation for supplies is not adequate to support the office operations. We were informed that \$127.60 is sent per quarter to be used to purchase water, cleaning and office (paper and ink) supplies.

**7.2 It is recommended that a projection be done on the estimated funds needed to operate the office and the budget be adjusted accordingly.**

## 8.0 FRESH CREEK POST OFFICE CLOSURE

8.1 The Post Office in Fresh Creek has closed resulting in an increase of business in the Nicholl's Town office. However, it has also caused the closure of some accounts. Persons are not willing or able to make the journey from Central Andros District to North Andros District.

## 9.0 SAVINGS BANK

9.1 The last report for the Savings Bank was remitted to the General Post Office for November 2020, Reference: PO/NT/155 dated: 25th January, 2021.

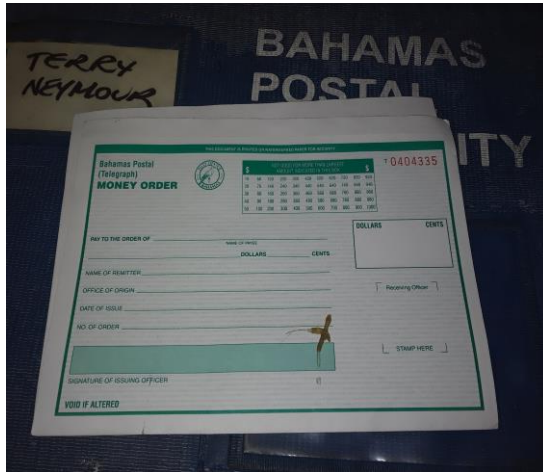
## 10.0 POST OFFICE – FRESH CREEK, ANDROS

10.1 The Post office in Fresh Creek has been closed by management due to the alleged misappropriation of funds. The current Administrator is in possession of the Post Office Imprest in the amount of one thousand three hundred ninety dollars (\$1,390.00) consisting of eight hundred seventy six dollars and seventy five (\$876.75) and stamps valued at five hundred and thirteen dollars (\$513.00). At the time of our review, the imprest could not be located; however, since our visits the imprest has been found.



**10.2 It is recommended that Management review the possibilities to restore operations at the Post Office in Fresh Creek as the residents depend on the vital service provided.**

10.3 During our review of the Post Office we observed unused Telegraph Money Orders Sold that was maintained in the Administrators safe as follows: T0404335 – T0404360.



**10.4 It is recommended that the General Post Office be made aware of the unused Telegraph Money Orders documents.**