



GOVERNMENT OF JAMAICA

**PUBLIC EXPENDITURE AND FINANCIAL
ACCOUNTABILITY (PEFA) PERFORMANCE
ASSESSMENT REPORT 2024**

Final Report

14 June 2024

PEFA Check endorsement.



Jamaica

**Public Expenditure and Financial Accountability (PEFA)
Assessment**

September 2024

The PEFA Secretariat confirms that this report meets the PEFA quality assurance requirements and is hereby awarded the '**PEFA CHECK**'.

PEFA Secretariat
September 28, 2024

Assessment management and quality assurance

Oversight and Management

The PEFA assessment was led by the Ministry of Finance (MoF) of the Government of Jamaica (GoJ) and funded by the IMF's Caribbean Regional Technical Assistance Center (CARTAC). The Permanent Secretary of the Ministry of Finance and Public Service, Darlene Morrison chaired the Oversight Committee. The oversight team also included Lorris Jarrett, Deputy Financial Secretary, Public Expenditure Division; Trevor Anderson, Principal Director, Fiscal Policy Branch; Barrington Thomas, Principal Director, Public Investment Policy Coordination Division; Rahja Harrison, Deputy Accountant General; Omar Alcock, Technical Senior Technical Officer. Ms. Jarrett led the in-country field work meetings and discussions with the assessment team.

The assessment team was led by Colin Owen, PFM Adviser, CARTAC and included the following IMF short-term experts: Martin Bowen, Nordia Campbell, Dana Frey, and Kris Kauffman. Quality assurance has been applied in accordance with the PEFA Secretariat guidelines and both the concept note, and the report, have been reviewed by the following four institutions: Ministry of Finance and Public Service of GoJ (MoFPS), PEFA Secretariat, IMF and World Bank. For further details on the assessment management and quality assurance arrangements see Annex 1.

Methodology

Type of assessment:

The PEFA assessment was undertaken in accordance with the PEFA 2016 methodology using the 'AgilePEFA' approach.

Number of indicators used:

The assessment covers all 31 indicators and 94 dimensions of the PEFA 2016 framework.

Scope and coverage:

The scope of the PEFA assessment covers the central government, i.e. entities receiving budget allocations from the central government's budget, extrabudgetary operations and, to the extent that they present a fiscal risk to the government, public corporations and self-funded public bodies. The list of public sector agencies covered by the assessment is presented at Annex 2.

For the purposes of the agile assessment, all budgetary units and all identified extrabudgetary units and a sample of public corporations (based on information provided by authorities) were reviewed as part of this assessment.

Timelines:

In-country field work:	June 3 – 14, 2024
Country fiscal year:	1 April – 31 March
Last three fiscal years covered:	2023/24, 2022/23, 2021/22
Latest budget submitted to legislature:	2023/24
Time of assessment (cut-off):	June 14, 2024

A consolidated list of documents used for this assessment, including by indicator, are presented in Annex 3. The names of all persons interviewed are listed in Annex 4.

Exchange Rate (effective as of June 14, 2024)

Unit of currency = Jamaican dollar (\$J)

USD 1 = \$J 158

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Abbreviations and Acronyms

AFS	Annual Financial Statements
AG	Auditor General
AGD	Accountant General Department
AMD	Asset Management Unit (of the MoFPS)
COFOG	Classification of Functions of Government
DMB	Debt Management Branch
EBU	Extra-Budgetary Unit
FAA	Financial Administration and Audit Act 1959
FPP	Fiscal Policy Paper
FY	Fiscal Year
GDP	Gross Domestic Product
GOJEP	Government of Jamaica Electronic Procurement
GFSM	Government Financial Statistics Manual
GFMIS	Government Financial Management Information System
GRB	Gender Responsive Budgeting
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
KPI	Key performance indicator
LG(FFM)	Local Government (Financing and Financial Management) Act
MoEY	Ministry of Education and Youth
MoFPS	Ministry of Finance and the Public Service
MOHW	Ministry of Health and Wellness
MLGCD	Ministry of Local Government and Community Development
MTDMS	Medium-Term Debt Management Strategy
PNPAC	Public Accounts Committee
PC	Public Corporation
PEFA	Public Expenditure and Financial Accountability
PIAB	Public Investment Appraisal Branch (of MoFPS)
PFM	Public Financial Management
PIMS	Public Investment Management System

PPPs	Public Private Partnership
PS	Permanent Secretary
PSC	Ports Security Corp Limited
PSIP	Public Sector Investment Program
RHA	Regional Health Authorities
SDG	Sustainable Development Goals
SNG	Sub-National Government
\$J	Jamaican Dollar
VAT	Value Added Tax

INTRODUCTION

This report presents the findings of the Government of Jamaica (GoJ) Public Expenditure and Financial Accountability (PEFA) assessment 2024. It is one of more than 800 assessments carried out by the PEFA program worldwide and applies the PEFA Secretariat's 'Agile PEFA' approach.

The report assesses the current performance of GoJ's public financial management (PFM) systems using an objective, internationally recognized standard. It identifies the key weaknesses in the country's PFM and tracks the country's performance against the previous PEFA assessment undertaken in 2017. In accordance with PEFA Secretariat guidelines, this report does not make recommendations for reforms or action plans, but acknowledges actions taken by the government to reform PFM systems by describing recent and ongoing measures.

It is expected that the assessment will be used by the authorities to report progress against GoJ's existing PFM Roadmap - reforms, milestones and deadlines - and will provide a basis for discussions within the government to determine future PFM reform priorities. This will also assist the GoJ to engage in dialogue both within government and with their development partners to update the reform road map and plan their technical support in accordance with the country's needs and priorities.

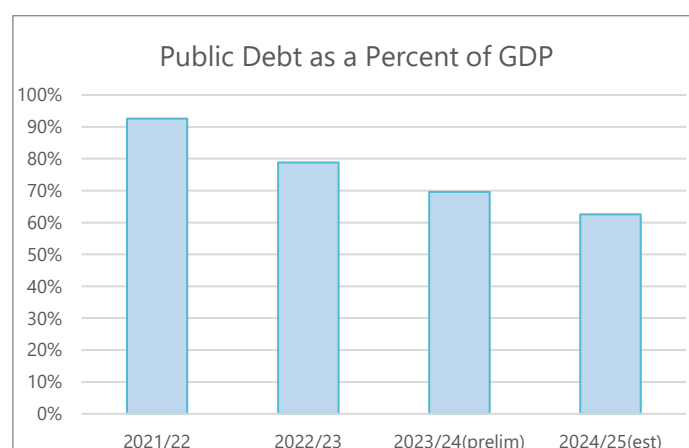
Economic context

The population of Jamaica is estimated at 2.73 million (2019 est.) with a per capita income of US \$5,738 (2019 est.)¹ The last few years have seen strong growth as the economy recovers from the pandemic. Tourism has exceeded pre-pandemic levels and alumina production has recovered from a 2021 outage, yielding a GDP growth that rebounded from an 11.7 percent decline in 2021/22 to an 8.2 percent increase in 2022/23 and a of 4.7 percent increase last year. The unemployment rate fell to 4.5% in July 2023, and inflation has declined double-digit levels in 2021/22 to around 5 percent in 2024/25 in line with the Bank of Jamaica targets. Key economic indicators are set out in table 1.

Table 1: Selected key economic indicators

	2021/22	2022/23	2023/24(p)
GDP (\$J billions)	2,322	2,752	2,992
Real GDP growth (%)	8.2	4.7	1.7
Consumer price inflation (e.o.p.)	11.3	6.2	7.0
Gross government debt (% of GDP)	94.2	77.1	71.8
Current account balance (% of GDP)	-0.7	2.0	1.0
External debt (% of GDP)	92.6	78.8	69.6
Gross official reserves (weeks of import value)	6.4	5.6	5.5

¹ 2024 Article IV Consultation: Staff Report, IMF Country Report No. 241/69, March 2024

Figure 1

Source: 2024 Article IV Consultation: Staff Report, IMF Country Report No. 241/69, March 2024

Fiscal trends

Along with the economy, the fiscal environment has also improved during the assessment period. Revenue has grown at an average rate of 13.3 percent and expenditures at a rate of 10.2 percent, yielding an almost three-fold increase in the primary surplus. Much of the revenue growth has been in consumption taxes, accounting for over sixty percent of the growth during this period. Capital expenditures have been relatively stable during this period, increasing by only about three percent per year; recurrent expenditures have grown by about ten percent annually. Most of that growth has been in employee compensation, increasing by nineteen percent per year, with compensation costs growing from 46 percent of total non-debt recurrent expenditures in 2021/22 to 57 percent in 2023/24.

Table 2: Aggregate fiscal data

	2020/21	2021/22	2022/23	2023/24(p)
Revenue & Grants	575,401	720,225	827,775	947,666
Expenditures	635,911	698,896	819,989	938,524
<i>Of which interest:</i>	<i>129,038</i>	<i>137,048</i>	<i>151,375</i>	<i>172,728</i>
Fiscal Balance (Surplus + / Deficit -)	(60,510)	21,329	7,786	9,142
Loan Receipts	221,925	149,635	118,294	206,452
Other Inflows (inc. PetroCaribe Devel Fund)	3,339	3,268	4,877	22,124
Other Outflows	36,967	19,268	-	14,687
Amortization	159,086	159,791	161,631	138,627
Overall Balance (Surplus + / Deficit -)	(31,299)	(4,827)	(30,674)	84,404
Primary Balance (Surplus + / Deficit -)	68,528	158,377	159,161	181,870
Total Payments	831,964	877,955	981,620	1,091,838

Source: MoFPS Fiscal Policy Paper, 2024 Final

PFM legal framework

Constitution

Chapter VIII of the 1962 Constitution of Jamaica comprehensively established key financial provisions for the fiscal management and accountability of the country. It covers the establishment of the Consolidated Fund, the process for annual estimates of revenue and expenditure, the responsibilities of the finance minister, authorization of expenditure through Appropriation Bill, regulation of Consolidated Fund withdrawal, stipulates disbursement through Minister's Warrant; provisional allocation if the law is not enacted before the start of the year, provision for parliamentary dissolution, establishment of a Contingencies Fund for unforeseen financial exigencies and the charging of Jamaica's public debt on the Consolidated Fund.

The Financial Administration and Audit Act (1959) and Regulation (2017)

The **Financial Administration and Audit Act (FAA)** Act, initially passed in 1959 and subject to subsequent amendments, serves as a comprehensive framework for controlling and managing public finance in Jamaica. It is complemented by the instructions in the FAA Act (2019). The Act and its accompanying regulations govern various aspects of public finance, including the Consolidated Fund, maintenance and publication of accounts, authorization of expenditure, payments by warrant, bank accounts, investment, public debt, deposits, write-offs, surcharges, and provisions for the issuance of regulations. The Constitution and the FAA Act mandate external audits of financial statements. Recent amendments to the Act include:

- The FAA Amendment Act 2020 – This amendment lengthens the period for the automatic correction following a breach of the specified threshold relating to cumulative deviations from the required fiscal balance. It facilitates a reduction in the minimum required adjustment in any one year.
- Further the Act extends the target date for achieving the 60 percent debt-to-GDP ratio from end-FY 2025/26 to end-FY 2027/28. This change follows the significant fiscal and economic impact of the COVID-19 pandemic, which distorted the downward trajectory of the debt-to-GDP ratio.
- The FAA (Amendment) (No. 2) Act (2023) subsumed the role of the Audit Commission into the Internal Audit Directorate.
- The Fiscal Commission Act of 2021 created the Independent Fiscal Commission, a parliamentary body aimed at promoting sound fiscal policy and management to ensure sustained fiscal discipline. This Commission is responsible for providing the public with informed and independent evaluations of Jamaica's fiscal position and policies, aligning with the Fiscal Responsibility Framework specified in Part VII of the FAA Act. Furthermore, the Commission will examine the Fiscal Policy Paper (FPP) components outlined in section 48B(2) of the FAA Act, thereby relieving the Auditor General of this duty.

The Public Bodies Management and Accountability Act

The Public Bodies Management and Accountability Act outlines the financial responsibilities of Statutory Bodies, Authorities, and Government companies (excluding executive agencies) in Jamaica. It assigns the minister the responsibility to formulate expenditure estimates for the upcoming financial year, including public investments. The Act mandates the preparation of financial statements adhering to Generally Accepted Accounting Principles (GAAP), ensuring consistency and transparency in financial reporting. Moreover, it establishes clear guidelines for the involvement of the Auditor General and mandates adherence to Government Procurement regulations.

Other Relevant PFM Acts

Several other key Acts are crucial in Public Financial Management (PFM). For example:

- The Public Debt Management Act (2012) empowers the Minister of Finance to manage public debt effectively.
- The Public Procurement Act (2015) and the 2018 supplemental amendment consolidate and modernize the legislation governing the public sector's procurement of goods, works, and services. It addresses related matters and assigns an office responsible for developing and implementing policy guidelines and advising public practitioners. Those involved in public procurement are legally obligated to comply with these regulations. The Act aims to enhance efficiency and transparency in procurement processes. It seeks to promote fair competition, reduce corruption, and optimize value for money in public spending.
- The Contractor-General Act (1999) establishes the Commission of Parliament, known as the Contractor-General, to function in that Commission for matters connected in addition to that or incidental to that. It is designed to ensure accountability and transparency within government contracting processes. It requires strict oversight of the awarding and implementation of government contracts and safeguards against malpractice, favoritism, and the misuse of public funds.
- The Civil Service Establishment Act (2023) outlines the list of established offices in the public service and salary scales. It is supported by the Staff Orders (2004).
- The Constitution (Amendment) (Local Government) Act of July 2015 established local government as a constitutional entity. Subsequently, the Local Government Act of 2016 initiated a thorough reform of Jamaica's local government system. This reform grants Local Authorities increased scope and autonomy in managing local affairs, providing them with a more extensive mandate that includes promoting good governance, ensuring sustainable development, maintaining civic order within their jurisdictions, and addressing various related issues.
- There are a large number of public bodies which operate under their own enabling legislation (a list of 146 was provided, of which 93 are classified as General Government entities). Many of these public bodies rely upon budget funding to operate and receive such support in the form of subsidies. It is a unique feature of PFM in Jamaica that some of these grants are included within the budget as generic subsidies, whereas other amounts are budgeted under the economic category of salaries. These entities exercise their own internal controls, including operation of separate bank

accounts, and the execution of their budgets is not recorded in the Treasury (beyond the record of the transfer of the subsidy amounts). Such entities are not included within the coverage of financial reports of the consolidate fund.

1.SUMMARY OF FINDINGS

2.1 PFM strengths and weaknesses

The PEFA assessment shows that budget reliability at an aggregate level is generally sound with actual revenues and expenditures within a 10 percent variance of the original budget estimates for 2021/22 and 2022/23, narrowing to within 5 percent in 2023/24. At the same time, there have been variations in the administrative classification of expenditures, which appear to be partly due to mid-year reorganizations and reallocations. Together with the frequent use of supplementary estimates and reallocation of resources, particularly to employee compensation and debt service, this raises questions about the credibility of the overall initial budget. The capital budget outturns have also consistently fallen short of targets.

The chart of accounts and budget classification are well-detailed, offering administrative, economic, program, and functional classifications of receipts and payments at the Government finance statistics (GFS) 5-digit level. Nonetheless, the way in which concepts of capital and recurrent spending are distinguished in the budget (where capital spending does always results in acquisition of an asset), and the inclusion of financing items within receipts and payments, does not fully reflect international norms. In addition, the inclusion of a portion of the grants for public bodies within the “compensation of employees” object code line items is unorthodox and belies the otherwise opaque nature of the support to these entities². Other than such specific grants for compensation of employees, the manner in which the general grants received by such entities, and the revenue that they collect, is not fully disclosed and results in these entities being assessed as EBUs. Some budget entities also collect and retain own-source revenues which are not budgeted or disclosed and the extent of these EBUs also cannot be quantified at this time.

Budget documentation includes most of the essential elements required by the PEFA framework, such as fiscal balance, current year estimates, medium-term fiscal forecasts, and data on debt stock, fiscal risks, deficit financing, financial assets, and tax expenditures. A table setting out the fiscal implications of all revenue measures announced in the budget is also included with the budget documentation, but a similar document is not prepared for new expenditure policy initiatives. There is no reconciliation of the budget estimates with the previous year’s forward estimates. The budget documents also lack outturns for the most recently completed fiscal year, providing only ‘provisional’ actuals.

The GoJ's policy-based fiscal strategy and budgeting have been reinforced by amendments to the FAA Act, which set specific requirements for the budget call circular and the FPP as well specifying a fiscal rule on debt to GDP ratio. The FPP includes detailed macroeconomic projections and fiscal forecasts, supporting informed decision-making and strategic planning. The introduction of medium-term budget estimates has enhanced the credibility and comprehensiveness of fiscal planning.

The absence of a formal process for preparing and considering high-priority new spending proposals (and savings options) is a weakness. The absence of cabinet-approved (rather than ministry-approved) budget ceilings before the issuance of the budget call circular.

² Under international norms, the economic category of “compensation of employees” would not extend to cover grants from budgetary central government to extrabudgetary units or to public corporations. Such grants would all be classified as transfers (in this case grants), irrespective of whether the grant was to be used to compensate the employees of the respective grant recipient.

Regarding asset and liability management, the GoJ receives timely financial information from public corporations and subnational governments, enabling effective fiscal risk assessment. The development of a detailed fiscal risk statement and the implementation of the Public Investment Management System (PIMS) would provide a structured approach to identifying and mitigating fiscal risks. The Debt Management Branch (DMB) of the Ministry of Finance (MoF) has also strengthened debt management by implementing a monthly reporting system and producing a comprehensive Medium-Term Debt Management Strategy (MTDMS).

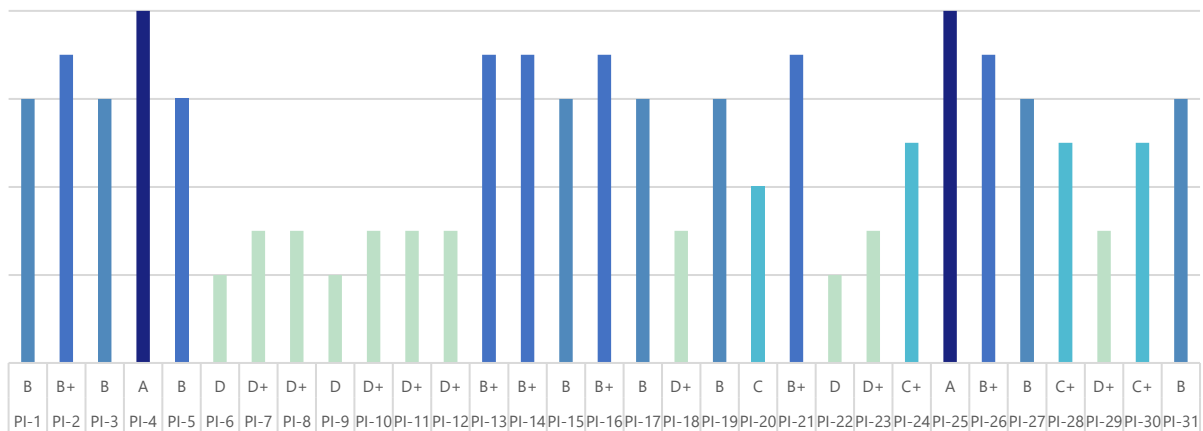
Public investment management has some weaknesses, with inadequate economic analysis for major investment projects. The absence of a centralized register for fixed assets, except for land, and incomplete asset management policies further exacerbate this weakness. The financial performance information for subnational governments and public corporations is not published in a timely manner, reducing transparency.

Budget execution is underpinned by a strong risk-based approach to compliance and control, systematic cash management, and the implementation of the Treasury Single Account (TSA). The use of the Government Financial Management System (GFMS) ensures reliable internal controls and segregation of duties, enhancing the integrity of financial transactions. Supplementary budget adjustments, although frequent, are conducted transparently, allowing for flexibility in addressing budget pressures. Predictability and control in budget execution, however, face challenges due to significant revenue arrears and gaps in revenue reconciliation between entities.

The presence of budget execution reports without analytical insights further limits the effectiveness of budget monitoring, and delayed bank reconciliations for budgetary and non-budgetary units for accounts outside the Treasury impact the integrity of financial records. While the financial parameters outlined in the FAA Act are commendable, the multiple outstanding audit certifications for budgetary and non-budgetary units are unacceptable for effective financial management and corporate governance.

The external scrutiny and audit process is robust, characterized by adherence to International Standards of Supreme Audit Institutions (ISSAI) and the INTOSAI Code of Ethics. The Auditor General’s Department (AuGD) conducts comprehensive audits covering most government expenditures and revenues, with audit reports submitted timely to the Legislature. The independence of the AuGD and its unrestricted access to records ensure effective and impartial audits, contributing to accountability and transparency.

Figure 2.1: Summary of PEFA scores by indicators – PEFA 2016 framework



A summary of observations on internal control is included in Annex 5.

A summary table of the scores of all indicators and dimensions is included in Annex 6.

2.2 Impact of PFM performance on three main fiscal and budgetary outcomes

The main objective of PEFA and PFM reform is to support sustainable development and better and more effective service delivery outcomes that meet the citizens' needs and priorities. Progress is measured through the contribution of PFM systems and processes to the following three main fiscal and budgetary outcomes.

1. Aggregate fiscal discipline

Reforms in Public Financial Management (PFM) in recent years have supported the achievement of aggregate fiscal discipline in Jamaica, including amendments to the FAA which established a quantitative target for a debt-to-GDP ratio of 60 percent or lower by the end of FY 2027/28 and a fiscal balance that supports the achievement of the debt-to-GDP ratio. The progress towards these targets is notable, with gross government debt as a percentage of GDP decreasing from 94.2 percent in 2021/22 to 71.8 percent in 2023/24, reflecting prudent fiscal policies and effective debt management strategies. Fiscal discipline was also supported through general reliability in fiscal aggregate outturns (although challenges remain in terms of the reliability of the administrative and economic outturns).

The GoJ produces annually a Fiscal Policy Paper. The FPP, among other things, sets out the government's fiscal strategy. It includes the Fiscal Responsibility Statement, a Macroeconomic Framework, and a Fiscal Management Strategy. The Macroeconomic Framework assesses economic growth prospects, underpinned by underlying assumptions and indicators of the medium-term trajectory for main macroeconomic variables. The FPP also references several qualitative objectives including improvements in simplicity, equity and efficiency of the revenue systems to support economic growth, commitment to fiscal discipline (in respect of declining expenditure ratio) and reduction in public debt interest.

The Fiscal Management Strategy within the FPP presents fiscal indicators, including annual public sector borrowing, fiscal balance, and primary balance, enabling measurement of economic performance and establishing targets. The FAA mandates that the FPP compare the outcomes of these fiscal indicators with previous targets and provide reasons for any deviations. Additionally, an interim FPP, is prepared as a mid-year update and includes the economic outturn of the previous fiscal year, fiscal performance of the first quarter, projections to the end of the fiscal year, and updated medium-term economic and fiscal projections.

Both the annual and interim FPPs contain a Fiscal Risk Statement, which outlines and assesses the government's exposure to fiscal risks. These risks include deviations from the macroeconomic assumptions used in preparing the FY 2023/24 budget and medium-term projections, as well as scenarios related to contingent liabilities from natural disasters, public bodies, public-private partnerships, judicial awards, wage settlements, and monetary policy. The statement highlights measures taken and those being explored by the government to mitigate these risks.

The availability of essential elements in budget documentation, such as fiscal balances, medium-term forecasts, debt stock data, and fiscal risks, supports effective fiscal planning. This information enables policymakers to make informed decisions on budget allocations, deficit financing, and managing financial assets. However, the lack of explanations for new expenditure policy initiatives and incomplete outturns for the most recent fiscal year may hinder comprehensive fiscal planning. The lack of financial

reports covering Appropriations-in-Aid (AIA) and budget-funded public corporations, despite their significant share in expenditure and revenue.

The MoFPS Debt Management Branch's (DMB) implementation of a system for monthly reporting and the preparation of a detailed MTDMS have contributed to prudent debt planning and monitoring. This strategy, tabled in the legislature alongside annual estimates, outlines the government's borrowing plan and ensures that debt levels remain sustainable. By having a structured approach to debt management, the government can mitigate fiscal risks associated with borrowing and maintain fiscal discipline by adhering to predetermined borrowing limits and strategies.

The framework for managing and controlling budget execution, including revenue and expenditure, is generally sound. This contributes positively to fiscal discipline by ensuring that resources are obtained and used as intended. The risk-based approach to compliance and control implemented by revenue collection agencies helps in meeting revenue targets, although significant revenue arrears older than 12 months remain a concern. Nonetheless, internal reconciliation and systematic transfer of revenues to treasury accounts support effective cash management within the TSA, enabling the MoF to forecast and manage cash flows effectively. This capability reduces the risk of overspending and helps in accommodating spending plans of Ministries, Departments, and Agencies (MDAs).

While treasury-managed accounts are generally reconciled within a six-week period, backlogged reconciliations for ministries such as the Ministry of Health and Wellness (MOHW), Ministry of Education and Youth (MoEY), and Ministry of Local Government, indicate delays and potential inaccuracies in financial reporting. This can impact the reliability and timeliness of financial information crucial for decision-making and fiscal management.

Requirements for audited financial statements under the FAA Act are essential for transparency and accountability. In the Jamaican context, two sets of consolidated financial statements are required to be prepared: (1) those of the Consolidated Fund which are not submitted for audit (but tabled directly in the Parliament) as required by Section 24(G) of the FAA Act, and (2) those which are required by Section 24(H) of the FAA Act which are required to be submitted for audit. In addition, individual ministries and agencies must prepare their own financial statements, which are subject to audit. However, in practice, the GoJ consistently produces the financial statements of the consolidated fund which are not required for audit but is highly inconsistent and untimely in preparing those that are required to be submitted for audit. In relation to the financial statements of individual MDAs, there are significant backlogs in the completion of these audits, particularly for large ministries like Health and Education. The overall lack of timely audited financial statements raises concerns about the timeliness and reliability of financial information provided to stakeholders. Delays in audits can hinder effective fiscal oversight and decision-making, impacting aggregate fiscal discipline.

2. Strategic allocation of resources

The introduction of medium-term budget estimates and program based presentation with the budget estimates document provides a solid foundation for the strategic allocation of resources. The Estimates of Expenditure for FY 2024/25 include detailed medium-term forecasts and strategic priorities for each ministry. This alignment of ministry-specific goals with national and sector objectives supports strategic planning. However, the estimates do not include performance indicators of outputs and outcomes for most ministries.

The absence of a formal process for ministries to submit new policy proposals and identify savings within the budget cycle limits the ability to systematically introduce and evaluate new spending initiatives and/or reprioritize budget allocations. Instead, ministries are instructed to submit 'unbudgeted expenditures' via memoranda, which is not the most efficient or transparent method for

incorporating new spending priorities. In addition, while the budget ceilings are issued through the Budget Call Circular, there is no evidence that these ceilings receive Cabinet approval prior to issuance. This lack of formal high level government approval may undermine the strategic direction and political buy-in necessary for effective budget planning and prioritization.

The inclusion of a Fiscal Responsibility Statement, Macroeconomic Framework, and Fiscal Management Strategy within the FPP, along with the Public Sector Investment Program, promotes a holistic approach to fiscal planning and resource allocation. The annual and interim FPPs include comprehensive fiscal forecasts and explanations for deviations from previous projections, enhancing transparency and accountability. The Fiscal Risk Statement included in the FPP provides an assessment of potential risks, including economic uncertainties and contingent liabilities. However, the lack of specific fiscal scenarios based on alternative macroeconomic projections limits the government's ability to anticipate and plan for different economic outcomes.

Government prepares a Revenue Measures table with the budget documentation, which sets out the fiscal implications of any changes to tax policy and administration. There is no equivalent document for expenditure measures, which could provide a clearer picture of the policy and financial implications of new spending initiatives and reallocations. Similarly, the system of rolling medium term budget estimates, while intended to facilitate medium-term planning, is not adhered to.

Variance in fiscal outcomes by economic classification generally reflects additional resources assigned to employee compensation and debt service. Some of these resources have been from savings in capital expenditures, savings likely attributable to an overly ambitious capital budget. Capital budget outturns have been less than budget for all three years under assessment. The reallocation to compensation has been significant in the last two years, accounting for most of the interim increases. In terms of strategic allocation, it is important that public sector investment plans and capital budgets reflect realistic expectations.

3. Efficient use of resources for service delivery

The detailed chart of accounts and budget classification, which includes administrative, economic, program, and functional classifications of receipts and payments at the GFS 5-digit level, provides a solid basis for allocating expenditures and monitoring budget execution.

For entities using the Government Financial Management Information System (GFMIS), internal control is generally reliable, with embedded access controls, segregation of duties, budget controls over commitments and payments, and audit trails. However, for entities maintaining accounts outside the consolidated fund and not using the GFMIS, controls are less reliable, though audit reports indicate that these entities still produce reliable reports. The internal audit function is well-established, with broad coverage including entities outside the TSA and GFMIS, adherence to international standards, and defined activity plans. Recommendations from internal audits are generally acted upon.

The absence of program performance information (output and outcomes) in the budget documentation means that there is limited information available to regularly and systematically monitor how efficiently and effectively public resources are being utilized in achieving specific service delivery goals. Performance audits conducted by the Auditor-General provide an independent evaluation of the efficiency and effectiveness of selected service delivery programs. These audits are publicly available, ensuring that findings and recommendations are accessible to stakeholders. However, the frequency and coverage of these audits could be improved to ensure more comprehensive oversight.

The transparent and rules-based transfer of property taxes and motor vehicle license duties to municipal corporations, represents a significant portion of total transfers and assists with predictable and equitable

funding for local governments. This approach helps municipal corporations plan and deliver services effectively. The provision of additional discretionary ‘needs based’ grant funding through budget allocations by the Ministry of Local Government and Community Development for purposes such as drought relief, natural disasters, and road rehabilitation, introduces an element of flexibility that can address urgent local needs but also requires careful oversight to prevent misuse and ensure that funds are directed to the highest priority areas.

2.3 Performance change since previous assessment

The analysis in this report shows considerable improvement in the performance of the PFM systems since the 2017 assessment. Figure 2.2 shows a significant shift towards higher scores, with 10 of 31 indicators scoring higher in 2024 than in 2017. Five indicators scored lower in 2024, and 16 remained the same. At the dimension level the progress is a little less pronounced. For the 92 dimensions that are rated (one was not applicable), 25 scored higher in 2024 than in 2017, 12 scored lower, and 55 were unchanged.

As Figure 2.3 shows, much of the progress was in Pillar 5, predictability and control of the annual budget. In this section alone, four of the eight indicators in this section showed an increase; in other pillars results remained relatively stable. The lowest scores continue to be in pillars 2 and 3, completeness, transparency and management of assets and liabilities. With respect to the latter, it should be noted that the indicators are lagging, in that they are affected by decisions made some time earlier as is pointed out in the discussion on PI-11 and 12.

Figure 2.2: Comparison of the distribution of indicator scores between the assessment in 2017 and the assessment in 2024 using the 2016 framework

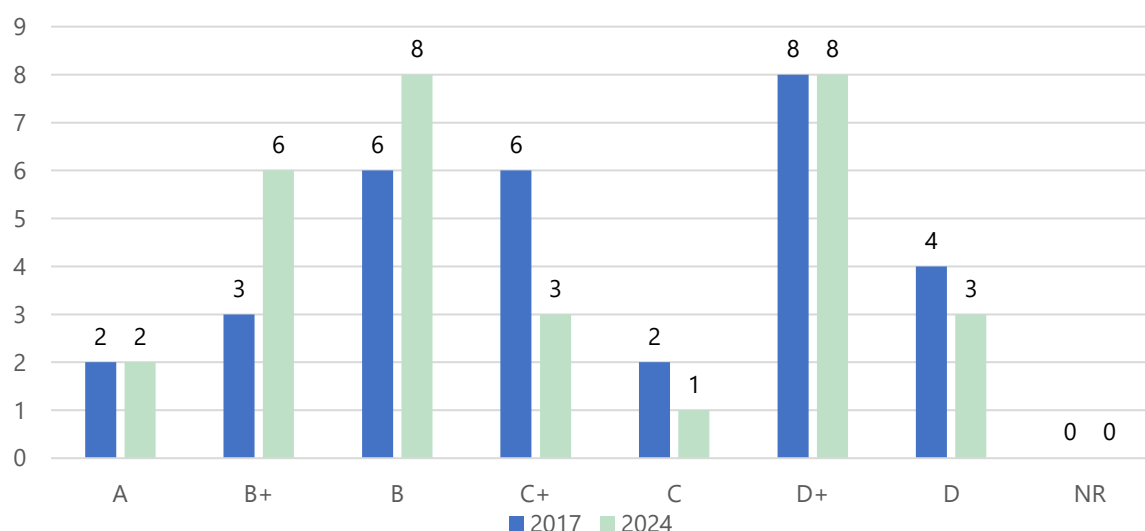
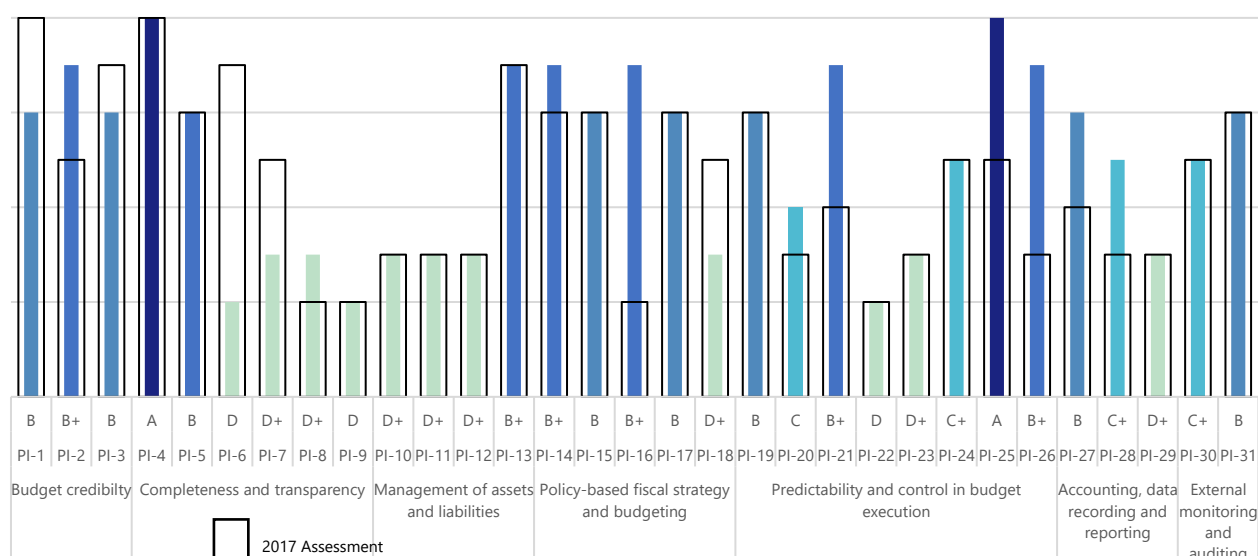


Figure 2.3: Comparison with the previous assessment in 2017 using the 2016 framework



2.4 Progress in Government PFM reform program

Over the last four decades, the Government of Jamaica has committed to implementing public financial management (PFM) reforms. PFM reforms are embedded in the 2002-2012 Public Sector Modernization Vision and Strategy with bi-partisan support. There have been two PEFA assessments (2012 and 2017) in recent decades.

Active engagement in PFM reforms began after the 2012 PEFA, with multiple technical assistance programs supported by the IMF-CARTAC, the European Union, and the World Bank on budget reforms, treasury and public investment management. Following the publication of the 2017 PEFA assessment report, technical assistance was funded through the CARTAC to update the PFM Reform Action Plan and develop a framework to monitor the reform initiatives, which was undertaken in May 2017, and the EU supported the implementation of the action plan.

Thirty-four (34) targets over the medium term 2017-2021 were identified by the Government for implementation and formed part of the reform action plan. The pandemic has slowed the implementation efforts. Key focus areas relevant to PFM included:

- Aggregate Fiscal Discipline
 - Maintaining Budget Credibility
 - Expenditure arrears Reduction
 - Strengthening of Revenue Collection
- Strategic Allocation of Resources
 - Aligning budget formulation and execution to government policies

- Medium-term and Results Based Budgeting
- Efficiency in Resource Use
 - Improvement in Cash Management
 - Improvement in public procurement competitiveness
 - Appraisal of Public Investment projects for value for money
 - Management of non-financial assets
 - Payroll management and system strengthening
- External accountability
 - Improvement in the reporting mechanism to Parliament
- Public Access to fiscal information

Of the 34 targets, 20 (or 59 percent) have been reported by the MOF&PS as achieved, with another 9 (or 26 percent), at the advanced completion stage. Five targets (or 15 percent) were not achieved. Reform targets that were fully or partially achieved included the consolidated reporting of debt by public bodies, reduction in expenditure arrears and tax refunds, strengthening of the payment procedures, developing an enterprise risk management framework, and implementing the policy to deter and detect fraud and corruption. The implementation of medium-term and results-based budgeting using a new budget preparation and management system and the citizens' guide to the budget document and quarterly and annual budget execution reports have made substantial progress. Significant progress has been made to produce the reconciliation from the general ledger, revise the IFMIS roadmap and quantification of fiscal risks, conduct impact analyses on fiscal balances, and implement risk-based performance management. The Ministry of Finance reported that no progress had been made on publishing an annual procurement plan, a non-financial asset management policy, a centralized asset management system, and a consolidation policy to include executive agencies and public bodies.

Overall, the 2024 PEFA assessment shows significant progress in PFM reform, particularly around the policy-based fiscal strategy and budgeting with the introduction of multi-year budgeting, program performance budgeting, budget timing and macroeconomic forecasting improvements and cash management procedures.

2.5 Summary of performance indicators

Table 2.1: Summary of performance indicators

PFM PERFORMANCE INDICATOR		SCORING METHOD	DIMENSION RATINGS				OVERALL RATING
			i	ii	iii	iv	
Pillar One: Budget reliability							
PI-1	Aggregate expenditure outturn	M1	B				B
PI-2	Expenditure composition outturn	M1	B	B	A		B+
PI-3	Revenue outturn	M2	B	B			B
Pillar Two: Transparency of public finances							
PI-4	Budget classification	M1	A				A
PI-5	Budget documentation	M1	B				B
PI-6	Central government operations outside financial reports	M2	D*	D*	D*		D
PI-7	Transfers to subnational governments	M2	C	D			D+
PI-8	Performance information for service delivery	M2	C	D	D	C	D+
PI-9	Public access to fiscal information	M1	D				D
Pillar Three: Management of Assets and Liabilities							
PI-10	Fiscal risk reporting	M2	C	D	C		D+
PI-11	Public investment management	M2	C	D	C	C	D+
PI-12	Public asset management	M2	C	D	C		D+
PI-13	Debt management	M2	C	A	A		B+
Pillar Four: Policy-based fiscal strategy and budgeting							
PI-14	Macroeconomic and fiscal forecasting	M2	A	A	C		B+
PI-15	Fiscal strategy	M2	D	A	A		B
PI-16	Medium-term perspective in expenditure budgeting	M2	A	A	A	D	B+
PI-17	Budget preparation process	M2	A	C	C		B
PI-18	Parliamentary scrutiny of budgets	M1	A	B	A	D*	D+
Pillar Five: Predictability and control in budget execution							
PI-19	Revenue administration	M2	A	A	C	D	B
PI-20	Accounting for revenue	M1	A	A	C		C
PI-21	Predictability of in-year resource allocation	M2	A	A	A	C	B+
PI-22	Expenditure arrears	M1	D*	D			D
PI-23	Payroll controls	M1	D*	A	D*	C	D+
PI-24	Procurement management	M2	A	C	C	D	C+
PI-25	Internal controls on non-salary expenditure	M2	A	B	A		A
PI-26	Internal audit	M1	A	A	B	B	B+
Pillar Six: Accounting and reporting							
PI-27	Financial data integrity	M2	D	NA	A	B	B
PI-28	In-year budget reports	M1	A	B	C		C+
PI-29	Annual financial reports	M1	C	D	C		D+
Pillar Seven: External scrutiny and audit							
PI-30	External audit	M1	B	B	A	C	C+
PI-31	Parliamentary scrutiny of audit reports	M2	C	A	A	D	B

2.ANALYSIS OF PFM PERFORMANCE – Pillars, indicators, and dimensions

This section provides an assessment of each of the 31 indicators and 94 dimensions that make up the PEFA framework. Each dimension score is calibrated to reflect the level of PFM practice as set out in the table below. Dimension scores are aggregated using PEFA Framework guidance to arrive at indicator-level scores.

SCORE	LEVEL OF PFM PRACTICE
A	High level of performance that meets good international practices.
B	Sound performance in line with many elements of good international practices.
C	Basic level of performance.
D	Either less than the basic level of performance or insufficient information to score (D*).

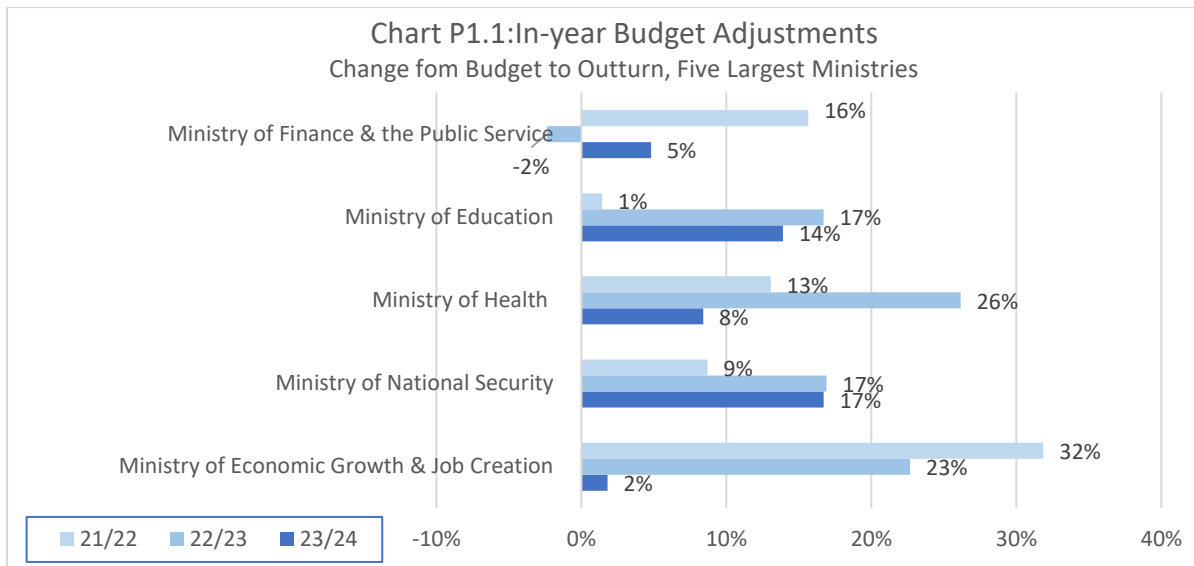
PILLAR ONE: Budget Reliability

Pillar one includes three indicators which assess whether the government budget is realistic and is implemented as intended. This is measured by comparing actual revenues and expenditures (the immediate results of the PFM system) with the original approved budget.

Overall performance

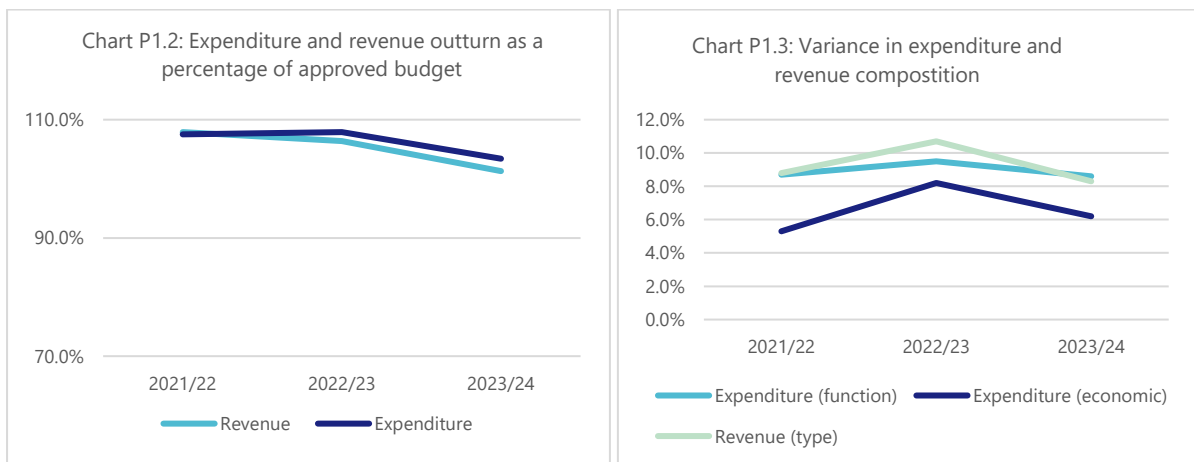
The GoJ budget has been a good predictor of aggregate fiscal outcomes during the assessment period. Both expenditure and revenue outturns were within 10 percent of the original budget estimates in 2021/22 and 2022/23 and within five percent in 2023/24. In all three years revenues exceeded estimates which suggests a degree of conservatism in forecasting.

There has been a modest amount of variation in fiscal outcomes by administrative classification of expenditures over the past three years. Some of this results from mid-year reorganizations that moved budgetary programs from one MDA to another in both 2021/22 and 2023/24; there have also been a number of reallocations through supplementary estimates, with four in 2022/23 and in 2023/24. These supplementary estimates were the vehicle for these reorganizations and to allocate new and reallocate existing resources among MDAs. These mid-year adjustments are facilitated by contingency funds appropriated to the MoFPS for allocation to MDAs and for loans to public bodies. These sums available are significant, ranging between four and six percent of the non-debt recurrent budget over the three-year period. This, in combination with new revenues, allows for some substantial reallocation during the year, as Chart P1.1 illustrates, to some extent questioning the credibility of the initial budget.



Variance in fiscal outcomes by economic classification generally reflects additional resources assigned to employee compensation and debt service. Some of these resources have been from savings in capital expenditures, savings likely attributable to an overly ambitious capital budget. Capital budget outturns have been less than budget for all three years under assessment. The reallocation to compensation has been significant in the last two years, accounting for most of the interim increases.

Revenue estimates have been consistently conservative, with actual collections exceeding estimates by between four and six percent in the three years reviewed, or \$J 54 to 109 million. All, or nearly all, of this excess was in tax revenues in 2021/22 and 2022/23 except for 2023/24, when non-tax revenues exceeded estimates by \$J 28.8 million, or 32 percent. Charts P1.1 and 1.2 show the outturns and variance for revenues and expenditures over the assessment period, and Charts P1.3 and P1.4 compare budget to actual revenues and expenditures for that same period. Detail on budgets and outturn is contained in Annex 7.



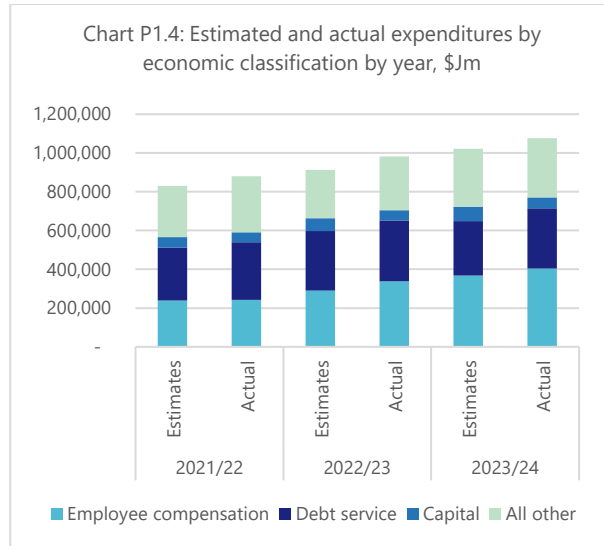
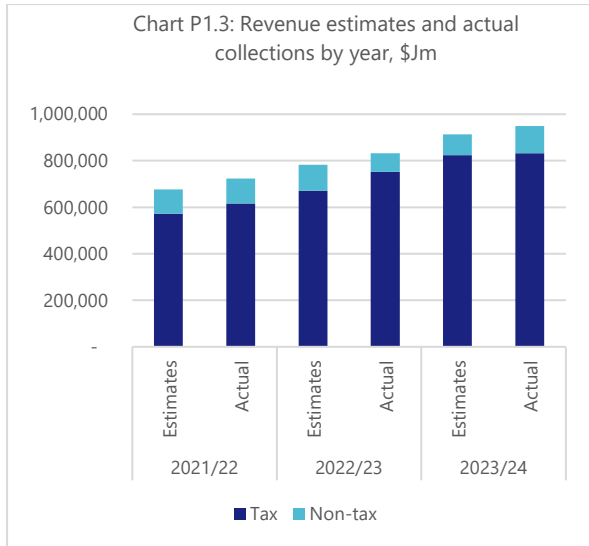
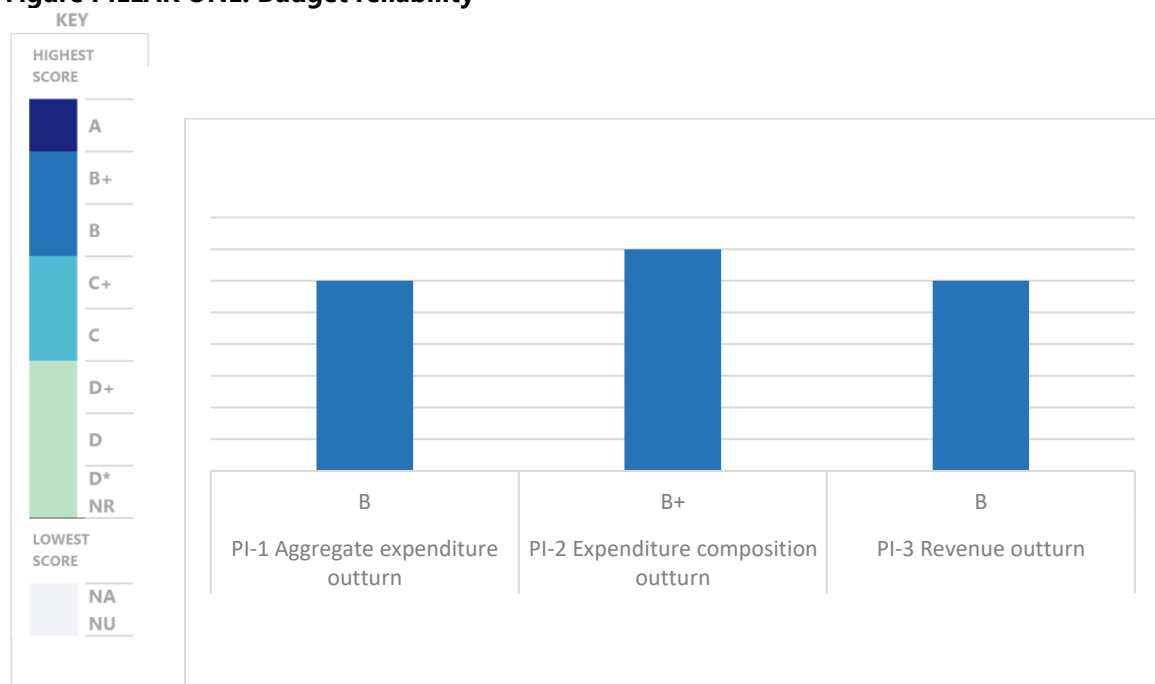


Figure PILLAR ONE: Budget reliability



Recent and ongoing reform activity

The 2017 reform plan assessment spoke to continuous monitoring to keep outturns in the 95 percent to 105 percent range. This has been slightly exceeded in this assessment and would require improvements in revenue estimation and as well as an improved assessment of expenditure needs to reduce the use of supplementary assessments for mid-year adjustments.

Data issues

There are three issues that affect the assessment of budget reliability under this pillar. The first is the widespread use of appropriations-in-aid to offset expenditures. Section 8(A) of the FAA gives the Minister of Finance the authority to allow revenues received in the form of “fee, penalty, proceeds of sale or by way of other receipts whatsoever arising from the activities” of the MDA to be treated “in whole or in part as an appropriation in aid of the moneys provided by Parliament” for that MDA. These receipts are not paid into the consolidated fund, but instead supplement the appropriation from the Consolidated Fund. They are identified in the annual estimates document, but as they are not paid from the Consolidated Fund, this understates total appropriations by about two percent for each of the three years of this assessment.

The second related issue is the exclusion of the Jamaica Customs Agency under revenue and expenditure totals through an appropriations-in-aid structure. The Jamaica Customs Agency is organized under the Customs Act and has been designated by the Minister of Finance as a self-financing body. This means that the budget of this agency is paid from the fees collected by this agency, payments to the Consolidated Fund are net of this amount. Resulting in the understatement of both the revenues and the expenditures of the Consolidated Fund by about 1.5 percent. However, neither this nor the issue with appropriations-in-aid will change any of the scores below.

The third issue is the use of provisional estimates for reporting on budget outturns. As noted elsewhere in this document, the GoJ does not produce audited financial statements. Instead, the Accountant General produces an annual financial statement at a relatively high level of detail. All else being equal, the use of estimates tends to bias expenditures upward, as appropriated amounts must substitute for actual expenditure data.

PI-1 Aggregate expenditure outturn

This indicator measures the extent to which aggregate budget expenditure outturn reflects the amount originally approved, as defined in government budget documentation and fiscal reports. Coverage is BCG for the last three completed fiscal years.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-1: Aggregate expenditure outturn (M1)		B
1.1 Aggregate expenditure outturn	Aggregate expenditure outturn has been above the budget plan at 105.9%, 107.7%, and 103.3% for FY 2021/22, 2022/23 and 2023/24, respectively.	B

Evidence for score

Annex 7 presents the PEFA framework spreadsheets showing the original budgets approved by parliament compared with the actual outturns from the Ministry of Finance. All data are provisional, and the 2023/24 data are preliminary and subject to revision.

Table 1.1: Aggregate expenditure outturn (Last three completed fiscal years)

Aggregate expenditure (amount)	FY 2021/22	FY 2022/23	FY 2023/24
Original approved budget	830,780,887	912,003,440	1,021,672,645
Outturn	879,470,818	982,431,384	1,055,516,690
Outturn as a percentage of original approved budget (%)	105.9	107.7	103.3

Data source: [2021 - 2025 Annual Estimates Documents](#), [2021-2025 Fiscal Policy Papers](#), Summary spreadsheet from MoF

PI-2. Expenditure composition outturn

This indicator measures the extent to which reallocations between the main budget categories during execution have contributed to variance in expenditure composition. Coverage is BCG for the last three completed fiscal years.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-2. Expenditure composition outturn (M1)		B+
2.1 Expenditure composition outturn by administrative classification	Variance in expenditure outturn by administrative classification was 7.3%, 10.3% and 8.8% for 2021/22, 2022/23 and 2023/24, respectively. Major sources of the variation were mid-year reorganizations of departments and supplementary estimates to allocate new resources.	B
2.2 Expenditure composition outturn by economic type	Variation in expenditure outturn by economic type were 6.0%, 8.5% and 6.2% for 2021/22, 2022/23 and 2023/24, respectively. Major sources of this variance were mid-year increases in funding for employee compensation, adjustments to funding for debt service, and reduction in funding for capital projects.	B
2.3 Expenditure from contingency reserves	The GoJ maintains contingency reserves for natural disasters and for costs that will arise during the course of the year. Average contingency fund expenditure was 0.01% of total expenditures during the three-year period. ³	A

Evidence for score

³ Funds from these contingency reserves are formally allocated to MDAs over the course of the year through supplementary estimates. PEFA guidance states that "In cases where the contingency allocation is transferred from the contingency vote to another vote, the funds should be included as actual expenditure in the destination vote, and not as expenditure on the contingency vote."

Annex 7 presents the PEFA framework spreadsheets showing the original budgets approved by parliament compared with the actual outturns from the Ministry of Finance. All data are provisional, and the 2023/24 data are preliminary and subject to revision. Details of calculations are included in these spreadsheets.

Table 2.1, 2.2 and 2.3: Expenditure composition outturn compared to original approved budget and expenditure from contingency reserves (last three completed fiscal years)

	FY 2021/22 (%)	FY 2022/23 (%)	FY 2023/24 (%)
Administrative classification	7.3%	10.3%	8.8%
Economic classification	6.0%	8.5%	6.2%
Actual expenditure charged to a contingency vote	0%	0.02 %	0.02%

Data source: [2021 - 2025 Annual Estimates Documents](#), [2021-2025 Fiscal Policy Papers](#), Summary spreadsheet from MoF

PI-3. Revenue outturn

This indicator measures the change in revenue between the original approved budget and end-of-year outturn. Coverage is BCG for the last three completed fiscal years.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-3. Revenue outturn (M2)		B
3.1 Aggregate revenue outturn	Actual revenue was 107.9%, 106.4%, and 101.3% of the approved budget for FY 2021/22, FY 2022/23, and FY 2023/24, respectively.	B
3.2 Revenue composition outturn	The variance in revenue composition by category was 8.8%, 10.7%, and 8.3% for FY 2021/22, FY 2022/23, and FY 2023/24, respectively.	B

Evidence for score

Annex 7 presents the PEFA framework spreadsheets showing the original budgets approved by parliament compared with the outturns for those same years. As noted earlier, no audited financial statements are available for the three years under review. Data are from the Fiscal Policy Paper for 2021/22 and the Central Government Operations summary for FY 2022/23, reconciled with the Annual Financial Statements for those same years. FY 2023/24 data are from the Central Government Operations summary for that year. Details of these calculations are included in the spreadsheets for these years.

Table 3.1 and 3.2: Aggregate outturn and composition of revenue

Total revenue (amount)	FY 2021/22	FY 2022/23	FY 2023/24
Original approved budget (\$Jm)	677,017.1	782,294.7	913,393.4
Outturn (\$Jm)	730,218.4	832,356.4	925,717.1
Outturn as a percentage of the original approved budget (%)	107.9	106.4	101.3
Composition Variance (%)	8.8	10.7	8.3

Data source: [Central Government Operations, March 2024](#), [Central Government Operations, March 2023](#), [Central Government Operations, March 2022](#), [Financial Policy Paper, 2024 Final](#), Annual Financial Statements for FY 2021/22 and 2022/23

PILLAR TWO: Transparency of Public Finances

Pillar two includes six indicators which assess whether information on public financial management is comprehensive, consistent and accessible to users. This is achieved through comprehensive budget classification, transparency of all government revenue and expenditure including intergovernmental transfers, published information on service delivery performance and ready access to fiscal and budget documentation.

Overall performance

The chart of accounts and budget classification are well-detailed, offering administrative, economic, program, and functional classifications of receipts and payments at the GFS 5-digit level.

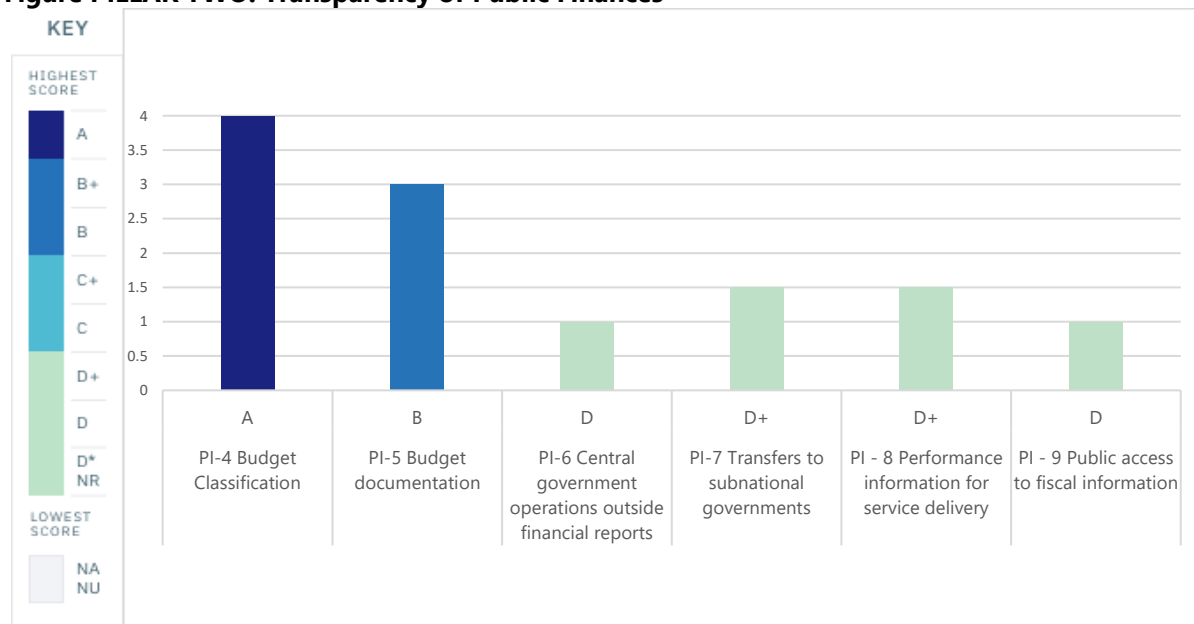
The budget documentation includes most of the essential elements required by the PEFA framework, such as fiscal balance, current year estimates, medium-term fiscal forecasts, and data on debt stock, fiscal risks, deficit financing, financial assets, and tax expenditures. The budget documents do not explain the implications of new expenditure policy initiatives and lack outturns of the most recently completed fiscal year, providing only provisional actuals.

Transfers of property taxes and motor vehicle license duties to municipal corporations (representing 68 percent of total transfers) are transparent and rules based. Additional discretionary grant funding is provided through budget allocations by the Ministry of Local Government and Community Development and allocated on a 'needs basis' including for such things as drought relief, natural disaster and road rehabilitation.

While all ministries and departments provide objectives and planned activities in the Jamaica Annual Estimates of Expenditure, only 30 percent of ministries include output and outcome indicators for service delivery for only some programs. Performance audits by the Auditor-General are conducted and publicly available, ensuring an independent evaluation of service delivery programs. However, the frequency and coverage of performance audits could be improved to ensure more comprehensive oversight.

Financial reports do not cover expenditure or revenue of Appropriations-in-Aid (AIA) and budget-funded public corporations. Analysis of budget estimates show that budget funded public corporations represent more than 10 percent of budget expenditure and between 1 percent and 5 percent of revenue.

Figure PILLAR TWO: Transparency of Public Finances



Recent and ongoing reform activity

Since the 2017 PEFA, the annual estimates of expenditure are now presented by program and function, strengthening transparency. They also include vision, mission, result framework, vision 2030 goals and objectives, national/sector priorities, department objectives, program description and activities (PI-8);

The introduction of a tax expenditure statement provides greater transparency on the revenue foregone from such initiatives. (PI-5)

PI-4. Budget classification

This indicator assesses the extent to which the government budget and accounts classification is consistent with international standards. Coverage is BCG for the last completed fiscal year.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-4. Budget classification		A
4.1 Budget classification	The chart of accounts, budget and budget execution reporting present administrative, economic, function and program classification of receipts and payments at GFS 5-digit level.	A

Evidence for score

Evidence of the classification scheme in use is available in the form of the chart of accounts (manual), budget estimates documents, the fiscal policy papers, monthly operations reports, annual financial statements of the consolidated fund, additional annual reports required by the FAA Act (Accountant General) and monthly reports prepared by ministries.

The chart of accounts is highly detailed, both in terms of the segments and the codification within each segment. The segments include administrative, economic, program and functional classification in addition to source of funds and project segments. The economic segment elaborates receipts and

payments, as well as assets and liabilities, at a high level of detail – at least equivalent to GFS 5-digit level (which is mapped within the manual). The budget is presented according to administrative, economic, program and function at a level of detail equivalent to GFS 5-digit.

Aggregate budget execution reporting by the MoFPS is almost universally presented according to the administrative and economic category. However, more detail is included within the financial reports prepared by line ministries which are submitted to the MoFPS monthly and at year end. These reports include budget and expenditure data by economic classification (equivalent to GFS 5-digit level), functional classification, as well as program and activity (with detail in the program classification at least equivalent to COFOG sub-function). Score A.

Table 4.1: Budget classification and chart of accounts (Last completed fiscal year)

Element	Classification structure						
	Administrative (Y/N)	Economic: No. of digits and GFS compliance (Y/N)			Function (Y/N)	Subfunction/ Program (S/P/Y/N) ⁴	COFOG Compliant (Y/N)
		Revenue	Recurrent	Capital			
Chart of accounts	Y	Y5	Y5	Y5	Y3	Y P	Y
Budget formulation	Y	Y5	Y5	Y5	Y3	Sub function & program	Y
Budget execution and reporting	Y	Y5	Y5	Y5	N	Y Program with detail equivalent to COFOG	Y
Interim Fiscal Policy Paper	Y	Y5	Y2	Y2	N	N	N
Internal MDA reporting to MoF	Y	Y2	Y5	Y5	N	Y	N
Operations Tables	N	Y5	Y2	Y2	N	N	N
Annual Financial Statements for Consolidated Fund	Y	Y2	Y2	Y2	N	N	N
Fiscal Policy paper	Y	Y5	Y2	Y2	N	N	N

* **Note:** S = Subfunction; P = Program; Y=Yes and N = No,

Data source: Central Government Operations, March 2023, [Central Government Operations, March 2022, Financial Policy Paper, 2024 Final](#), Annual Financial Statements for FY 2023/24, Budget Estimates 2023/24, Various Ministry financial reports for 2023/24 (including Health and Education).

PI-5. Budget documentation

This indicator assesses the comprehensiveness of the information provided in the annual budget documentation, as measured against a specified list of four basic and eight additional elements. Coverage is BCG for the last budget submitted to the legislature.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-5. Budget documentation		B
5.1 Budget documentation	The Budget documents fulfil nine elements, including at least three basic elements between 1-4.	B

Evidence for score

The documentation package presented to the Parliament included the Estimates of Revenue, Estimate of Expenditure, the Fiscal Policy Paper, Tax Expenditure Statement and the Medium-Term Debt Strategy.

⁴Detail provided at S – Subfunction; P – Program and N – No.

Table 5.1 Budget documentation (Last budget submitted to the legislature)

Item		Included (Y/N)	Source of evidence and comments
Basic elements			
1	Forecast of the fiscal deficit or surplus or accrual operating result.	Yes	Summary on Page 14 of the Jamaica Revenue Estimates 2024/2025 For the Financial Year Ending 31st March 2025 shows the statement of financing with projected deficit for 2024-2025 to be funded from prior years' cash balance. The information is also available at, https://www.mof.gov.jm/wp-content/uploads/2024-2025-REVENUE-ESTIMATES.pdf .
2	Previous year's budget outturn, presented in the same format as the budget proposal.	No	<p>Source Document 1: The source document is the Jamaica Estimates of Expenditure 2024-2025 For the Financial Year Ending 31st- March 2025, available at https://www.mof.gov.jm/wp-content/uploads/2024-2025-As-Passed-Estimates-of-Expenditure.pdf. In this case, the previous fiscal year is 2022-2023; information in the budget is provisional performance. The current fiscal year is FY 2023-2024. However, only the original estimate and revised estimate columns are included in the source document, and there is no evidence of a forecasted outturn for the FY Expenditure from 2023 to 2024.</p> <p>Source Document 2: GOJ Fiscal Policy Paper for FY 2024/25, available at https://www.mof.gov.jm/wp-content/uploads/FPP-2024-Final.pdf was also a potential source document. Information in the column labelled FY 2022-2023 was labelled "revised estimates" notably, the information in this column was also found in the revised estimates column for FY 2023-2024.</p>
3	Current fiscal year's budget presented in the same format as the budget proposal. This can be either the revised budget or the estimated outturn.	Yes	Information for FY 2023-2024 presented in Original and Revised Estimate format in the Jamaica Estimates of Expenditure 2024-2025 For the Financial Year Ending 31st- March 2025, available at https://www.mof.gov.jm/wp-content/uploads/2024-2025-As-Passed-Estimates-of-Expenditure.pdf .
4	Aggregated budget data for both revenue and expenditure according to the main heads of the classifications used, including data for the current and previous year with a detailed breakdown of revenue and expenditure estimates.	Yes	Aggregated budget data including data for current and previous years with a breakdown of revenue and expenditure estimates, can be found in both the Jamaica Estimates of Expenditure 2024-2025 For the Financial Year Ending 31st- March 2025, available at https://www.mof.gov.jm/wp-content/uploads/2024-2025-As-Passed-Estimates-of-Expenditure.pdf and the Jamaica Revenue Estimates 2024/2025 for the Financial Year Ending 31st March 2025, available at, https://www.mof.gov.jm/wp-content/uploads/2024-2025-REVENUE-ESTIMATES.pdf .
Additional elements			
5	Deficit financing, describing its anticipated composition.	Yes	Deficit financing discussed on pages 11-12, Jamaica Revenue Estimates 2024/2025 For the Financial Year Ending 31st March 2025, available at, https://www.mof.gov.jm/wp-content/uploads/2024-2025-REVENUE-ESTIMATES.pdf
6	Macroeconomic assumptions, including at least estimates of GDP growth, inflation, interest rates, and the exchange rate.	Yes	Fiscal policy paper 2024-2025, available at, https://www.mof.gov.jm/wp-content/uploads/FPP-2024-Final.pdf includes the forecast of GDP growth and inflation. However, the information on the exchange and

			interest rates is prepared but marked as market-sensitive. Information on interest and exchange rates is included for prior years.
7	Debt stock, including details at least for the beginning of the current fiscal year presented in accordance with GFS or other comparable standard.	Yes	The GOJ Medium Term Debt Management Strategy 2024-2025 provides details of the debt stock in a comparable standard format for 2024-2025 -2027/2028. The document is available online at, https://www.mof.gov.jm/wp-content/uploads/MTDS-FY202425-FY202728.pdf
8	Financial assets, including details at least for the beginning of the current fiscal year presented in accordance with GFS or other comparable standard.	No	The possible sources are the annual estimates of Revenue, Expenditure, and the Fiscal Policy paper for FY 2024-2025. Financial assets are not reflected in the documents.
9	Summary information of fiscal risks, including contingent liabilities such as guarantees, and contingent obligations embedded in structure financing instruments such as public-private partnership (PPP) contracts, and so on.	Yes	Summary information of the potential fiscal risks sources and contingent liabilities are detailed in the Fiscal policy paper 2024-2025, available at https://www.mof.gov.jm/wp-content/uploads/FPP-2024-Final.pdf in Table VI (a): Fiscal Risk Sources on page 2.
10	Explanation of budget implications of new policy initiatives and major new public investments, with estimates of the budgetary impact of all major revenue policy changes and/or major changes to expenditure programs.	No	The budget documentation does not explicitly discuss the implications of new policy initiatives and public investments. New policy initiatives for revenue and expenditure are generally incorporated during the publication of the interim fiscal policy paper, approximately six months after the start of the FY. It is also not explicitly stated.
11	Documentation on the medium-term fiscal forecasts.	Yes	Evidence of the Medium-term fiscal forecast is embedded in Table 1B: Medium Term Fiscal & Debt Indicators in the Fiscal policy paper 2024-2025 presented to the Parliament in February 2024, available at, https://www.mof.gov.jm/wp-content/uploads/FPP-2024-Final.pdf .
12	Quantification of tax expenditures.	Yes	Evidence of the quantification of tax expenditures is available in the document Tax Expenditure Statement 2024 presented to the Parliament with Budget Documents in February 2024 at https://www.mof.gov.jm/wp-content/uploads/Jamaicas-Tax-Expenditure-Statement-2024.pdf .

PI-6. Central government operations outside financial reports

This indicator measures the extent to which government revenue and expenditure are reported outside central government financial reports. Coverage is CG for the last completed fiscal year.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-6. Central government operations outside financial reports (M2)		D
6.1 Expenditure outside financial reports	Both the use of the untied grants (under object 27) made available to budget-funded public bodies, and the use of any funds collected and retained by these bodies, are not covered by financial reports. The amount of such expenditure is at least 16% of total budget expenditure, being the value of grants and appropriation-in-aid which is included in budget	D*

	estimates (but not reported) but the full extent of such expenditure cannot be estimated from the evidence available.	
6.1 Revenue outside financial reports	The collection of revenues by some budgetary and all extrabudgetary unit, except for those recorded as appropriation-in-aid, is not included within financial reports. The amount of such expenditure cannot be estimated from the information provided.	D*
6.3 Financial Reports of Extrabudgetary Units	There is no evidence available of the ex-post financial reports of extrabudgetary units.	D*

Evidence for score

The budget estimates include a highly detailed presentation of the approved budget of the central government, including some amounts budgeted for the support of budget-funded public bodies (which are distinguished from self-funded public bodies). These budget funded public bodies do not charge economically significant prices in a market and therefore rely upon funding from government. There are 93 such entities and they include universities, colleges, hospitals and regional health authorities, which are listed in Annex 2. The support for such entities is allocated within the GoJ budget in two ways: (1) amounts are allocated under economic category 27-*Grants, contributions and subsidies*, and (2) amounts are also allocated under the economic category 21-*Compensation of Employees*. The value of such subsidies was 16 percent of total expenditure in 2024. Amounts received by bodies under Object 27 can be spent according to the plans of each body (effectively as own-source revenue of the respective entity), whereas Object 21 may be spent by the receiving public body only for compensating employees. In addition, the budget includes an estimate of some of the receipts that such public bodies will collect and spend (reflected as appropriation-in-aid (AIA)).

However, all public bodies (including those that are budget-funded) operate outside the treasury system of the Accountant-General. They each operate their own bank accounts and control the use of the funds that they receive. Most apply accrual standards for their accounting and reporting. Their funding does not flow through the consolidated fund (other than the subsidies, which originate in the CF). How each body uses such funds is therefore not captured in the consolidated fund accounts and therefore not included within the coverage of the annual financial statements of the consolidated fund. There is currently no other financial reporting which provides coverage of the actual receipts and payments of such entities.

The value of the budgeted grants to budget-funded public bodies is equivalent to 16 percent of the budget in 2023-24 (including appropriation-in-aid). This does not represent the total value of all expenditure by such entities as many collect other revenues which are not recorded in the budget and cannot be estimated from the data available (as they are not reported).

Table 6: Identification of Extrabudgetary Operations (Last completed fiscal year)

Existence of extrabudgetary operations	Within budget documents (Y/N)	Within central government financial reports (Y/N)	Financial reporting to government (Y/N)	Any additional off-budget elements (describe/ N)
Budgetary Units	Y	Y	Y	Y
Budget-funded public bodies	Partial	N	NA	Y
Development Partners and Donors:				
· Project funds managed through host country systems	Y	Y	Y	N

· Project funds managed by project implementation units outside country systems	Y	Y	Y	N
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Data source: 2023/24 Budget Estimates

Table 6.1 and 6.2: Expenditure and revenue outside financial reports (Last completed fiscal year)

Entity	Type of revenue outside government financial reports	Estimated amount of revenue reported outside government financial reports	Type of expenditure reported outside government financial reports	Estimated amount of expenditure reported outside government financial reports	Evidence and reporting (Y/N)
Budgetary units					
1. Budget entities	Some own source revenues which do not flow through the CF and are not recorded as AIA.	NA	Spending of own source revenues which do not flow through the CF and are not recorded as AIA	NA	N
2. Budget-funded public bodies	Own-source revenue which are not recorded as AIA.	NA	Spending of budget-funded public bodies (except grants under object 21).	Spending of subventions received by public bodies is equivalent to 16% of total expenditure 2023-24.	N

Data source: 2023-24 Budget Estimates

PI-7. Transfers to subnational governments

This indicator assesses the transparency and timeliness of transfers from central government to subnational governments with direct financial relationships to it. It considers the basis for transfers from the assessed government and whether subnational governments receive information on their allocations in time to facilitate budget planning. This covers CG and the subnational governments with direct financial relationships with CG for the last completed fiscal year.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-7. Transfers to subnational governments (M2)		D+
7.1 System for allocating transfers	Local Government (Financing and Financial Administration) Act specifies that 90% of all property taxes fees collected in each parish each month are paid to the relevant municipality. The remaining 10% of the property taxes are paid into and equalization and distributed to each Municipality based on the '...needs of the relevant parish upon application made to the Minister by the Municipal Corporation and after consultation by the Minister with the Municipal Corporation'.	C

	<p>In addition, the Act specifies that 75% of license duties are distributed to each municipal corporation '...on the basis of the number of parochial roads in the relevant parish expressed as a percentage of the number of parochial roads in Jamaica.' The remaining 25% is allocated on the basis of the amount paid in the respective parish.</p> <p>In addition to revenue sharing, the Ministry of Local Government allocates discretionary grants from the budget to municipalities. There is no formal formula for the transfer of these grants, but the MLGCD advised that generally, and historically, the parishes with the largest population receive greater support. Other transfers from the grants are allocated on a 'needs basis' on request from the Municipal Corporations including for example natural disasters, drought, and road rehabilitation.</p> <p>In 2023/24, budget grants and the 10% of property taxes allocated based on need totaled 31.6% of total transfers to the municipalities.</p>	
7.2. Timeliness of information on transfers	There is no formal budget calendar issued by the Ministry of Local Government and Community Development (MLGCD), which manages the municipal corporations budget process. For 2023-24, formal advice on transfers was provided to the municipal corporations by MLGCD on April 13, 2023, for submission of budgets by April 17, 2023. Notification of final approved allocations occurred after the commencement of the new fiscal year.	D

Evidence for score

Table 7.1: System for allocating transfers (Last completed fiscal year)

Type of transfer	Budget			Actual			Source of rules
	Amount J\$bn	% of total	Transparent and rule-based (Y/N)	Amount J\$bn	% of total	Transparent and rule-based (Y/N)	
Property Tax - section 14.1(a) 90%	9.482	44.0%	Y	8.375	41.3%	Y	Local Government (Financing and Financial Administration) Act
Property Tax – section 14.1 (c) 10%	1.054	4.9%	N	0.931	4.6%	N	
Licence Duties - section 14.1(b) 25%	5.278	24.5%	Y	5.299	26.1%	Y	
Licence Duties – section 14.1(c) 75%							
Grants/transfers from the budget (72000)	5.760	26.7%	N	5.691	28.0%	N	MLCCD advise that generally, and historically, the parishes with the largest population receive greater support.
Total allocation to Municipalities	21.573	100%		20.295	100%		

Data source: Ministry of Local Government and Community Development

Table 7.2: Timeliness of information on transfers (Last completed fiscal year)

Type of transfer	Date when advice regarding transfers is received by SNGs	Source of evidence - date of advice on transfers
Property tax	Unknown	No information on final allocations of transfers for 2023/24 budget was available.

License duties	Unknown	
Grants from budget	Unknown	

Data source: Ministry of Local and Community Development

PI-8. Performance information for service delivery

This indicator examines the service delivery performance information in the executive's budget proposal or its supporting documentation and in year-end reports. It determines whether performance audits or evaluations are carried out. It also assesses the extent to which information on resources received by service delivery units is collected and recorded. Coverage is CG for all four dimensions and for PI-8.1, performance indicators and planned outputs and outcomes for the next fiscal year; for PI-8.2, outputs and outcomes of the last completed fiscal year; and for PI-8.3 and 8.4, last three completed fiscal years.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-8. Performance information for service delivery (M2)		D+
8.1. Performance plans for service delivery	All ministries and departments present information on objectives in the published Jamaica Annual Estimates of Expenditure and their planned activities for the budget year. While the format of the annual estimates requires ministries to present performance indicators, this is being rolled out progressively and currently only 30% of ministries (as a percentage of service delivery expenditure) presented output and outcome indicators and then only for a few of their service delivery programs in the 2024/25 Estimates of Expenditure.	C
8.2. Performance achieved for service delivery	Information on the quantity of outputs produced and outcomes achieved in 2022/23 - the most recent completed financial year for which data was available at the time of the 2024/25 budget - is presented for only few programs of 30% of ministries (as percentage of total service delivery expenditure) in the 2024/25 Estimates of Expenditure. No information is provided on the activities performed in the most recently completed financial year.	D
8.3. Resources received by service delivery units	Reports on resources received by frontline service delivery units are not received centrally by the Ministries of Education and Health. Reports compiling information on resources received by service delivery units of the largest two ministries are also not prepared.	D
8.4. Performance evaluation for service delivery	The main source of independent evaluation of efficiency and effectiveness is the performance audits of the Auditor-General. Performance Audits have been undertaken for some ministries at least once in the last three fiscal years (i.e. Ministry of Health and Wellness, Ministry of Economic Growth and Job Creation; Ministry of Tourism; and Ministry of Local Government and Community Development). The audits are publicly available on the Auditor-General website.	C

Evidence for score

The format for the Jamaica Annual Estimates of Expenditure 2024/25 presents, for each ministry, description of the head of estimates (budgetary institutions covered); vision statement; mission statement, results framework; vision 2030 goals and outcomes; medium-term national/sector strategies and ministry objectives. At the program level, ministries present a description of the program (setting out purpose and objectives) and activity description.

The approved format for the annual estimates also includes a performance reporting template for programs – setting out national Goal; national outcome; sector outcome; strategic objectives; program objectives; and performance indicators (output, outcome efficiency) for the most recent actuals, budget and forward estimates. However, the requirement to present performance information is being rolled out progressively, with currently only 30 percent of ministries (as a percentage of identified service delivery expenditure) submitting performance information and then, only for a few of their programs (Ministry of Agriculture, Fisheries and Mining; Ministry of Health and Wellness and Departments; Ministry of Industry, Investment and Commerce and Departments; and Ministry of Tourism).

Tables 8, 8.1 and 8.2 present data from a large sample of service delivery ministries representing 73 percent of total expenditure for 2024/25. The ministries were selected for the sample as they reflect most public services delivered by the GoJ.

The main source of independent evaluation of the efficiency and effectiveness of service delivery is through performance audits. The Auditor-General prepares (as an internal document) a three-year strategic audit performance plan that identifies ministries and programs for performance audit. The Auditor advised that the broad criteria for selecting performance audits includes priorities set out in the national development plan, sustainable development goals, budget allocation, and susceptibility to poor performance. The Auditor-General has undertaken seven performance audits across four ministries in the last three completed fiscal years as presented in table 8.4. These four ministries represent some 42.8 percent of the budgets of ministries' service delivery programs set out in table 8.

As noted in PI-26, all ministries have established or are covered by internal audit committees. Based on a sample of internal audits provided to the team by the MoFPS the periodic internal audits assess the efficiency and effectiveness of most ministries' programs. However, internal audits are not made publicly available.

For PI-8.3 the two largest delivery service ministries, Education and Health were selected, representing over 50 percent of service delivery expenditure. The MOHW advised that, apart from a small number of hospitals (which received budget allocations directly), budget allocations for frontline health services (health centers and regional hospitals) are allocated through Regional Health Authorities (RHA), which are established as public bodies. The RHAs also receive resources from other sources including the National Health Fund, development partners and private donations. Resources received by the RHA are then allocated to the health centers and regional hospitals. Financial reports of these health services are provided to the RHA and data consolidated and incorporated into the RHA financial statements submitted to the MOHW. The Ministry does not prepare a report compiling information of resources received by health service delivery units.

Similarly, for the MoEY, apart from some higher education institutions, resources for schools are allocated through regional education authorities. Schools also receive some own source revenues through fund raising and donations. Financial reports are prepared for the regional education centers. There is no report prepared by the ministry compiling information on resources received by schools.

Table 8: Service delivery agencies

Name of service delivery ministry or other unit as appropriate	Budget		
	Total (amount \$m)	Service delivery (amount \$m)	Percentage of total service delivery (%)
Ministry of Agriculture, Fisheries and Mining	15.7	13.2	2.4%
Ministry of Culture, Gender, Entertainment and Sports	6.2	5.1	0.9%
Ministry of Economic Growth and Job Creation and Departments	18.7	10.9	1.9%
Ministry of Education and Youth and Departments	164.5	164.5	29.4%
Ministry of Finance and the Public Service and Departments (ii)	651.9	60.1	10.8%
Ministry of Health and Wellness and Departments	136.5	136.5	24.4%
Ministry of Industry, Investment and Commerce and Departments	6.6	5.5	1.0%
Ministry of Justice and Departments	16.0	12.3	2.2%
Ministry of Labour and Social Security and departments	20.0	16.7	3.0%
Ministry of Local Government and Community Development and departments	24.3	20.4	3.6%
Ministry of National Security and Departments (i)	133.8	65.6	11.7%
Ministry of Science, Energy, Telecommunications and Transport	24.5	22.4	4.0%

Ministry of Tourism	13.8	12.8	2.3%
Office of the Prime Minister	17.2	13.0	2.3%
Total service delivery programs of selected ministries		559	100.0%

Data source: Jamaica Estimates of Expenditure 2024-25

- (i) Service delivery includes Police, Correctional Services, Passport, Immigration and citizen agency but excludes national security component (defence), which is not considered service delivery under the PEFA 2016 Framework.
- (ii) Service delivery includes pensions and tax administration. Total excludes public debt interest and amortization.

Table 8.1: Performance plans of the largest service delivery agencies (next fiscal year)

Name of service delivery ministry or other unit as appropriate	Program objectives specified (Y/N)	Key performance indicator (Y/N)	Planned performance		
			Planned outputs (Y/N)	Planned outcomes (Y/N)	Information on activities planned to be undertaken (Y/N)
Ministry of Agriculture, Fisheries and Mining	Y	Y	Y	Y	Y
Ministry of Culture, Gender, Entertainment and Sports	Y	N	N	N	Y
Ministry of Economic Growth and Job Creation and Departments	Y	N	N	N	Y
Ministry of Education and Youth and Departments	Y	N	N	N	Y
Ministry of Finance and the Public Service and Departments (ii)	Y	N	N	N	Y
Ministry of Health and Wellness and Departments	Y	Y	Y	Y	Y
Ministry of Industry, Investment and Commerce and Departments	Y	Y	Y	Y	Y
Ministry of Justice	Y	N	N	N	Y
Ministry of Justice and Departments	Y	N	N	N	Y
Ministry of Labour and Social Security	Y	N	N	N	Y
Ministry of Local Government and Community Development	Y	N	N	N	Y
Ministry of National Security and Departments (i)	Y	N	N	N	Y
Ministry of Science, Energy, Telecommunications and Transport	Y	N	N	N	Y
Ministry of Tourism	Y	Y	Y	Y	Y
Office of the Prime Minister	Y	N	N	N	Y
Ministry of Local Government and Community Development	Y	N	N	N	Y
Ministry of Justice	Y	N	N	N	Y
Ministry of Finance and the Public Service and Departments (ii)	Y	N	N	N	Y

Data source: Jamaica Estimates of Expenditure 2024-25

- (iii) Service delivery for the Ministry of National Security includes Police, Correctional Services, Passport, Immigration and citizen agency but excludes national security component (defence) which is not considered service delivery under PEFA 2016 Framework.
- (iv) Service delivery includes pensions, and tax administration.

Table 8.2: Performance reporting of the largest service delivery agencies (Last completed fiscal year)

Name of service delivery agency ministry or other unit as appropriate	Data on actual outputs produced (Y/N)	Data on actual outcomes achieved (Y/N)	Information on activities undertaken (Y/N)
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Ministry of Agriculture, Fisheries and Mining	Y	Y	Y
Ministry of Culture, Gender, Entertainment and Sports	N	N	N
Ministry of Economic Growth and Job Creation and Departments	N	N	N
Ministry of Education and Youth and Departments	N	N	N
Ministry of Finance and the Public Service and Departments (ii)	N	N	N
Ministry of Health and Wellness and Departments	Y	Y	Y
Ministry of Industry, Investment and Commerce and Departments	Y	Y	Y
Ministry of Justice	N	N	N
Ministry of Justice and Departments	N	N	N
Ministry of Labour and Social Security	N	N	N
Ministry of Local Government and Community Development	N	N	N
Ministry of National Security and Departments (i)	N	N	N
Ministry of Science, Energy, Telecommunications and Transport	N	N	N
Ministry of Tourism	Y	Y	Y
Office of the Prime Minister	N	N	N

Data source: Jamaica Estimates of Expenditure 2024-25

- (i) Service delivery programs for the Ministry of National Security includes Police, Correctional Services, Passport, Immigration and citizen agency but excludes national security component (defence) which is not considered service delivery under PEFA 2016 Framework.
- (ii) Service delivery includes pensions, and tax administration.

Table 8.3: Resources received by service delivery units (Last three completed fiscal years)

Ministry or other unit as appropriate	Annual estimates by service delivery unit (Y/N)	Actual resources received by service delivery unit (Y/N)	Annual report prepared (Y/N)
Ministry of Health			
• Regional Health Care Centres	N	N	N
• Hospitals	Y	Y	Y
Ministry of Education			
• Early childhood education	N	N	N
• Primary schools	N	N	N
• Secondary schools	N	N	N
• Universities, colleges and other tertiary institutions	Y (some)	Y (some)	N

Data source: Jamaica Estimates of Expenditure 2023/24; 2022/23; 2022/21; Financial reports of MOHW and MoEY

Table 8.4: Performance evaluation for service delivery (Last three completed fiscal years)

Ministry or other unit as appropriate	Ministries' total service delivery as	Program or service evaluated	Type of evaluation	Independent (Y/N)	Efficiency assessed (Y/N)	Effectiveness assessed (Y/N)
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	a percentage of all service delivery (%)	within last 3 years (Y/N)				
Performance audit (Auditor-General) in last three fiscal years						
Ministry of Health	24.4%					
• Effectiveness of Jamaica's institutional framework in enabling a strong and resilient national public health system		23/03/23	Performance Audit	Y	Y	Y
• Nutrition Products Limited (NPL)		21/09/21	Performance Audit	Y	Y	Y
Ministry of Tourism	2.3%					
• Tourism Product Development Company		9/03/22	Performance Audit	Y	Y	Y
Ministry of Economic Growth and Job Creation	1.9%					
• National Works Agency: Managing the Main Road Network		5/09/23	Performance Audit	Y	Y	Y
Ministry of Local Government and Community Development	3.6%					
• Jamaica Fire Brigade (Management of Fire Prevention Services)		5/09/23	Performance Audit	Y	Y	Y
• Solid Waste Management		26/07/22	Performance Audit	Y	Y	Y
Ministry of Finance and Public Service	10.7%					
• Urban Development Corporation		5/08/22	Performance Audit	Y	Y	Y
Total coverage of ministries with a performance audit in last three financial years	42.8%					

Data source: Auditor-General website: <https://auditorgeneral.gov.jm/reports/>

PI-9. Public access to fiscal information

This indicator assesses the comprehensiveness of fiscal information available to the public based on nine specified elements (five basic and four additional elements) of information to which public access is considered critical. Coverage is BCG for the last completed fiscal year.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-9. Public access to fiscal information		D
9.1 Public access to fiscal information	The government makes available online to the public two basic elements and three additional elements within the specified timeline	D

Evidence for score

Table 9.1: Budget documentation (Last completed fiscal year)

Element/Requirement	Criteria met (Y/N)	Within timeframe (Y/N)	Explanation (including specification of the actual timeframe)	Source of evidence
Basic elements				
1 Annual executive budget proposal documentation. A complete set of executive budget proposal documents (as presented by the country in PI-5) is available to the public within one week of the executive's submission of them to the legislature.	Y	Y	Annual budget proposal documentation is available online from February 14, 2023; this falls within one week of the executive's submission to the legislature	https://www.mof.gov.jm/wp-content/uploads/2022-2023-ESTIMATES-OF-EXPENDITURE.pdf https://www.mof.gov.jm/wp-content/uploads/2023-2024-REVENUE-ESTIMATES.pdf https://www.mof.gov.jm/wp-content/uploads/Fiscal-Policy-Paper-FY2023-24.pdf
2 Enacted budget. The annual budget law approved by the legislature is publicized within two weeks of passage of the law.	Y	Y	The annual budget was passed on March 21, 2024, and placed online on the same date.	https://www.mof.gov.jm/wp-content/uploads/Estimates_of_Expenditure_2023-2024_compressed.pdf Information was also validated by emails to web. admin instructing uploads.
3 In-year budget execution reports. The reports are routinely made available to the public within one month of their issuance, as assessed in PI- 28.	N	N	Monthly in-year budget execution reports provided by budgetary units are not online.	
4 Annual budget execution report. The report is made available to the public within six months of the fiscal year's end.	N	N	Annual budget execution reports are not online.	
5 Audited annual financial report, incorporating, or accompanied by the external auditor's report, as assessed in PI-29 and PI-30. The	N	N	No evidence of audited financial statements was found online at the https://auditorgeneral.gov.jm/ and or https://www.treasury.gov.jm/ although Section 24H.-(1) of the FAA Act requires that at least four months after the closure of the financial year the Accountant	https://auditorgeneral.gov.jm/ and or https://www.treasury.gov.jm/

	reports are made available to the public within twelve months of the fiscal year's end.			<p>General shall prepare, sign, and submit to the Auditor-General statements showing –</p> <ol style="list-style-type: none"> Current assets and liabilities of Consolidated Fund Revenue actually paid into the Consolidated Fund Actual expenditure from the Consolidated Fund Principal Bank Account as compared with the estimates of expenditure Public debt of Jamaica, showing transactions for the relevant year of account and the balance of sinking funds held against redemption; Advances and loans from the Consolidated Fund showing transactions for the year of account and for those accounts in respect of which no recovery is reported during that year, the date of the most recent recovery Capital investments of the Consolidated Fund show transactions for the year of account, the securities held and the proportion of equity held on behalf of the Government. 	
Additional elements					
6	Prebudget statement. The broad parameters for the executive budget proposal regarding expenditure, planned revenue, and debt are made available to the public at least four months before the start of the fiscal year.	Y	N	<p>The Fiscal Policy Paper (FPP) was published online and tabled in the Houses of Representatives along with the annual estimates of revenue and expenditure on February 14, approximately 6 weeks (about 1 and a half months) before the start of the FY and not the minimum 4 months.</p> <p>An interim FPP published on September 30, 2023, referenced the requirement for the budget call circular for FY 2024-2025 to be issued but broad parameters for the preparation of the estimates were not included.</p>	<p>https://www.mof.gov.jm/wp-content/uploads/Fiscal-Policy-Paper-FY2023-24.pdf</p> <p>https://www.mof.gov.jm/wp-content/uploads/Policy-Paper-2023-24-Interim.pdf</p>
7	Other external audit reports. All nonconfidential reports on central government consolidated operations are made available to the public within six months of submission.	Y	Y	Several other external audit reports were identified on the Auditor General's website. However, their submitted dated and publication thereafter all fall within the six months timeline.	https://auditorgeneral.gov.jm/category/report-type/special-reports/

8	Summary of the budget proposal. A clear, simple summary of the executive budget proposal or the enacted budget accessible to the nonbudget experts, often referred to as a "citizens' budget," and where appropriate translated into the most commonly spoken local language, is publicly available within two weeks of the executive budget proposal's submission to the legislature and within one month of the budget's approval.	Y	Y	<p>A concise version of the Estimates is found online labeled "Citizens' Guide to the Budget", it was published in the print media on Sunday, March 19, 2024. This is five weeks after the tabling of the estimates and two days before approval of the estimates by the legislature.</p> <p>There is also a post-budget tour across some secondary education institutions and copies of the Guide distributed to students in secondary schools across the country;</p>	<p>Citizens' Guide to the Budget Publication date on the document available at https://www.mof.gov.jm/wp-content/uploads/citizens_guide_to_the_budget-publication_2023_web.pdf</p> <p>Meeting with the Public Expenditure Division</p>
9	Macroeconomic forecasts. The forecasts, as assessed in PI-14.1, are available within one week of their endorsement.	Y	Y	<p>The Macroeconomic forecasts are embedded in the Fiscal Policy Paper published online on February 14, 2024.</p>	<p>https://www.mof.gov.jm/wp-content/uploads/Fiscal-Policy-Paper-FY2023-24.pdf</p>

PILLAR THREE: Management of Assets and Liabilities

Pillar three includes four indicators which assess the effectiveness of the government's management of assets and liabilities and the extent to which this ensures that public investments provide value for money, assets are recorded and managed, fiscal risks are identified, and debts and guarantees are prudently planned, approved, and monitored.

Overall performance

The varied outcomes in this pillar are mainly due to the speed at which planned reforms are being implemented and a reliance on internal documents which are not published. In general, the reform plan adopted by the GoJ addresses many of the weaknesses in this pillar.

The central government receives timely information on the financial performance of public corporations and subnational governments. The CG can use this information for assessing and managing the associated fiscal risks. Enhanced analysis of risks associated with SNGs and public bodies, as well as development of fiscal risk statements were elements of the PFM Action Plan of 2017. A detailed fiscal risk statement is prepared which discusses the risks associated with economic factors, natural disaster, and Public-private partnerships (PPPs), as well as guarantees of borrowing (which are themselves quantified within the medium-term debt strategy). However, the information available to the public in relation to the financial performance of SNGs and public corporations is less timely, with most not having published audited financial statements for several years.

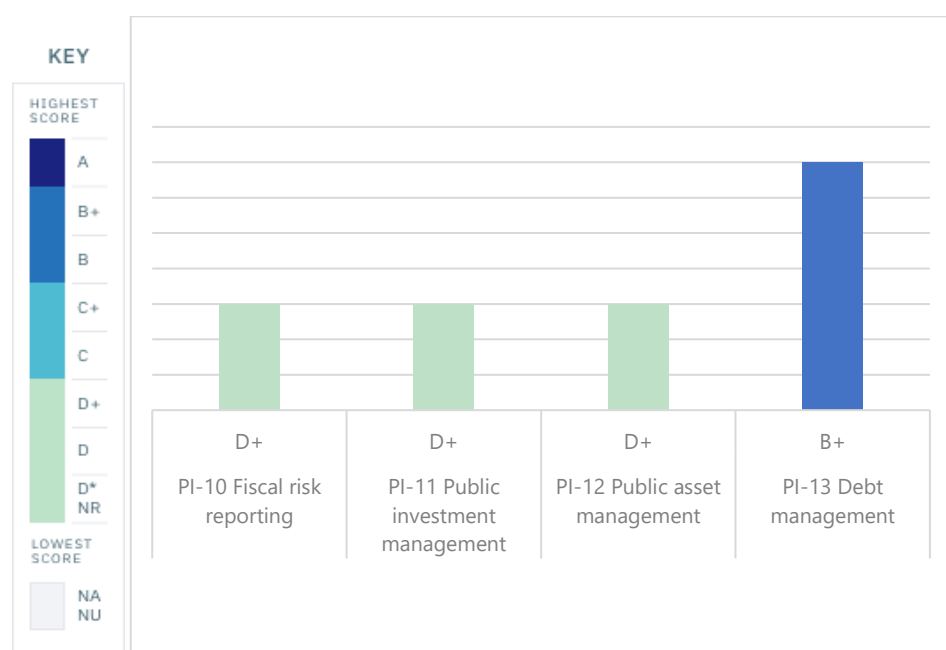
Public investment management continues to be a weakness despite an extensive reform program under the umbrella of the PIMS, created in 2014. The impact of these reforms is difficult to ascertain, as the three programs that qualify as the major investment programs evaluated under this indicator were developed prior to the most recent changes. The Public Investment Appraisal Branch (PIAB) was created in mid-2021 and the development of a formal project evaluation and prioritization structure is being developed. The 2017 PFM action plan called for the implementation of a public investment management information system to provide monthly monitoring and progress reports. This has been implemented. Of the three projects that qualify as major under PEFA guidelines, an economic analysis was performed for only one, the Southern Coastal Highway, and that with a full cost-benefit analysis.

The FAA governs the deposits of public money, management of bank accounts and assigns responsibility for the management of the Consolidated Fund to the Accountant General. The Accountant General maintains a register of stocks held by the GoJ and a listing of all bank accounts held by the government. Asset management has been decentralized and, although accounting officers are required to maintain a list of fixed assets there has heretofore never been a centralized register of physical assets except for land owned by the GoJ. The MoFPS approved an Asset Management Policy in 2020 which requires the creation of an asset register and stipulates procedures for the acquisition, reporting, and disposal of fixed assets, creating an Asset Management Unit in the MoFPS for that purpose. Information on the sales of land is provided to the legislature, and a limited record of asset disposal does exist but is not publicly available.

Debt is regulated by the Debt Management Act of 2012 as amended in 2017 which assigns responsibility for debt management to the Minister of Finance, the Debt Management Branch (DMB) of the MoF. The DMB has implemented a system of monthly reporting, and produces a detailed MTDMS, which is tabled in the legislature along with the annual estimates documentation. Approval of the MTDMS also serves to approve the government's borrowing plan for the coming year.

The results of the assessment under this pillar are summarized in the figure below.

Figure PILLAR THREE: Management of Assets and Liabilities



Recent and ongoing reform activity

The PFM reform plan adopted by the MoFPS in 2017 includes several actions relating improvements under this pillar, many of which are underway or have been completed at the time of this assessment. With respect to fiscal risk reporting, an objective was to introduce a risk-based performance monitoring system for all public bodies. That has not been implemented at this time; a 2021 update listed this activity as in process. A second area of reform was to strengthen fiscal risk statements in the Fiscal Policy Paper. That has been largely achieved with a significant expansion of that statement, with new sections on climate risk, a limited sensitivity analysis with respect to GDP growth, and expanded mitigation strategies.

Considerable progress has been made or is underway in public investment management. A new central agency, the PIAB, has been created in the MoFPS to evaluate and monitor public investment projects. The PIAB has developed a set of formal project preparation and evaluation forms and templates and is in the process of developing a standard set of criteria for project prioritization.

Asset management has been a weakness in PFM in the GoJ addressed by the PFM action plan. There is still no published register of public financial assets with current and acquisition prices, but there has been some progress in fixed asset management with a comprehensive policy governing asset acquisition, reporting, and disposition adopted in 2020 and an Asset Management Unit (AMU) formed to implement this policy. The AMU has begun assembling a register of fixed assets, management of which has been decentralized.

Debt management has also been a subject of reform, improving the coverage of the debt management strategy to include a new section on performance against the prior year's strategy.

PI-10: Fiscal risk reporting

This indicator measures the extent to which fiscal risks to central government are reported, including risks associated with subnational governments, public corporations, and contingent liabilities from the central government's own programs and activities, including extra-budgetary units. For the last completed fiscal year (FY 2022/23 to enable scoring), this indicator covers CG-controlled public corporations for PI-10.1, subnational government entities that have direct fiscal relations with CG for PI-10.2, and CG for PI-10.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-10: Fiscal risk reporting (M2)		D+
10.1. Monitoring of public corporations	All self-financing corporations publish audited financial statements more than 6 months after the end of the fiscal year. However, all such corporations provide unaudited financial reports to the government within 9 months.	C
10.2. Monitoring of subnational governments	All subnational governments are delayed in preparing, submitting for audit and publishing their annual financial statements. All SNGs provide financial reports to the Ministry of local government but these are not consolidated or published.	D
10.3. Contingent liabilities and other fiscal risks	The government prepares and publishes detailed quantitative analysis of loan guarantees. Other fiscal risks are elaborated twice a year in fiscal policy papers. This includes PPPs, which represent a significant contingent liability, but these are not quantified in public reports.	C

Evidence for score

Public Corporations are observed to consistently take longer than 6 months to prepare, audit and publish their annual financial statements. As there are a large number of public corporations a sample of 5 was taken, which includes those entities which are understood to be the largest. As the assessment is being undertaken within six months of the end of the fiscal year, the assessment for this indicator covered the period ended 31 March 2023. None of the entities sampled published audited annual financial statements for 2022/23. However, all of the entities sampled did submit unaudited financial statements to the MoFPS within nine months of the end of the year.

Table 10.1: Monitoring of public corporations (Last completed fiscal year)

Public corporations	Total expenditure (Amount) '000	Percentage of sample of public corporations	Date of publication of audited financial report	Date financial report submitted to government	Financial report includes revenue, expenditure, assets, liabilities and long-term obligations (Y/N)	Consolidated report published annually (Y/N)
Airports Authority of Jamaica	2,927.02	1%	Not yet audited	19 April 2023	Y	Yes – Fiscal Policy Paper presents consolidated financial data of PCs and examines financial performance.
National Water Commission	45,342.12	15%	Not yet audited	22 April 2023	Y	
Petrojam Limited (Audited)	236,649.23	79%	Not yet published	31 July 2023	Y	
Port Authority of Jamaica (Audited)	11,799.39	4%	Not yet published	31 July 2023	Y	
Urban Development Corporation	3,230.78	1%	Not yet audited	1 May 2023	Y	
Total	299,948.54					

Data source: 2022/23 Annual Financial Statements of respective entity. Correspondence evidencing submission of AFS to MoF.

Twelve Municipal Councils and the Portmore city municipality, which represent the SNGs of Jamaica, have not prepared financial statements for 2022/23. The Auditor General includes within her annual report a table which shows the outstanding submissions of annual financial statements of the SNGs. As presented in table 10.2, most of the SNGs are multiple years behind in submitting financial statements for audit and therefore no audited reports of SNGs are published for 2022/23. It is understood that SNGs consistently provide unaudited financial reports to the Ministry of Local Government, but such reports are not consolidated or published. PI-10.2 Score D.

Table 10.2: Monitoring of subnational governments (Last completed fiscal year)

Subnational government	2023/24 Financial Statement Prepared	Most recent AFS (submitted for audit)	Date of publication of audited financial report	Date financial report submitted to government	Consolidated report published annually (Y/N)
1. Manchester MC	N	2021/22	NA	NA	No
2. St James MC	N	2018/19	NA	NA	
3. St Thomas MC	N	2012/13	NA	NA	
4. Portland MC	N	2020/21	NA	NA	
5. Kingston & St Andrew	N	2015/16	NA	NA	
6. Portmore City Municipality	N	2019/20	NA	NA	
7. Westmoreland MC	N	2013/14	NA	NA	
8. Clarendon MC	N	2015/16	NA	NA	
9. Trelawny MC	N	2019/20	NA	NA	
10. St Mary MC	N	2014/15	NA	NA	
11. Hanover MC.	N	2018/19	NA	NA	
12. St Catherine	N	2018/19	NA	NA	
13. St Ann	N	2008/09	NA	NA	

Data source: Auditor General's Department Annual Report December 2023, audited financial statements of respective municipality supplied by the Ministry of Local Government.

The GoJ includes a detailed Fiscal Risk Statement within its annual Fiscal Policy Paper and Interim Fiscal Policy Paper. This statement covers risks associated with economic variables (growth, inflation, interest rates, exchange rates etc.), as well as exposure to natural disasters and contingent liabilities associated with SNGs, public bodies, PPPs, and judicial awards (court cases). It also discusses the risks associated with wage claims and potential unexpected changes in monetary policy (impacting how the government may need to fund the BoJ). This analysis includes both self-funded and budget-funded public bodies (noting that that budget-funded public bodies are EBUs, which are covered extensively in the budget documents - but become EBUs only due to limited reporting). Many of these risks are quantified, including with sensitivity analysis.

The fiscal risk statement covers two significant contingent liabilities (CLs), loan guarantees and PPPs. The loan guarantees are quantified in the Medium-Term Debt Strategy, which is also published annually, and represent 55 percent of the quantified CLs as of 31 March 2024. The CLs associated with PPPs are not published but estimates provided by the GoJ suggest that these are equivalent to 45 percent of the total as of 31 March 2024. Both represent a CL that is more than

0.5 percent of budgeted expenditure. Therefore, less than 50 percent of the significant CLs are quantified.

Table 10.3: Contingent liabilities and fiscal risk (Last completed fiscal year)

Coverage	Loan guarantees (Central Government)		PPPs		Date published	Consolidated report (Y/N)
	% of CL	Quantified	% of CL	Quantified		
Budgetary Units	55%	Y	45%	N	26 Sept 2023 15 Feb 2024	Y

Data source: Medium Term Debt Management Strategy 2024/25 to 2027/28 (15 February 2024). Interim Fiscal Policy Paper 2023/24 (26 September 2023)

PI-11 Public investment management

This indicator assesses the economic appraisal, selection, costing, and monitoring of public investment projects by the government. It also assesses the extent to which the government publishes information on the progress of the project, with an emphasis on the largest and most significant projects. Coverage is CG for the last completed fiscal year.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-11 Public investment management (M2)		D+
11.1 Economic analysis of investment proposals	An economic analysis was conducted for the Southern Coastal Highway Project prior to funding. It was reviewed only by the implementing agency and was not published.	C
11.2 Investment project selection	None of the major projects listed were prioritized by a central agency prior to their inclusion in the budget.	D
11.3 Investment project costing	Projections of the total capital cost of major investment projects, together with a year-by-year breakdown of the capital costs for the next three years are included in the budget documents. No estimates of recurrent costs are included for the major projects, nor are life cycle costs incorporated.	C
11.4 Investment project monitoring	Information on implementation of major investment projects is prepared annually and incorporated in the estimates documentation submitted to the legislature. There are no standard procedures and rules for project monitoring in place.	C

Evidence for score

Only three projects qualify as “major” under PEFA guidelines, which stipulate that the total project costs must exceed one percent of total current budget, or J\$ 13.4 billion. These projects were approved several years ago: the Southern Coastal Highway project was first funded in 2016/17 and the other two projects were first funded in 2018/19. An economic analysis of the Southern Coastal Highway was conducted by an independent consultant in 2014. This analysis included a cost-benefit analysis of the project, concluding that it had a net present value of US\$250 million. No evidence of any economic analysis of the other two projects exists, hence there could be no publication or reviewing entity.

Of note, all three projects on which this assessment is based predate the creation of the PIAB and consequently cannot reflect the reforms implemented through this agency. The PIAB is in the process

of developing a method for the evaluation and prioritization of projects, but none of the three projects were prioritized by a central agency at the time of adoption as prioritization criteria did not then exist.

The annual estimates document contains a section for each capital projects listing original and revised total project costs, expenditures and progress to date, progress anticipated for the next year, and capital expenditures for the next three years. Life cycle costs are not prepared for any of the projects, nor is there any information on the recurrent cost implications of the project, i.e. the impact on ongoing costs once the project is completed.

The PIAB is charged with monitoring all projects, and although projects do submit reports there are no other guidelines or standard procedures for project monitoring, although such guidelines are being prepared. .

Table 11: Major investment proposals (Last completed fiscal year)

Major investment projects (>1% of BCG expenditure)	Total investment cost of project \$J '000	As a % of the total cost of all listed projects
1. Southern Coastal Highway Improvement Project	70,774,391	61.3%
2. Montego Bay perimeter road	30,377,000	26.3%
3. Prevention and Care Management of Non-Communicable Diseases Programme	14,310,534	12.4%
Total/Coverage	115,461,925	100%

Data source: [2024/25 Estimates as Adopted](#).

Table 11.1: Economic analysis of investment proposals (Last completed fiscal year)

Major investment projects	Completed (Y/N)	Consistent with national guidelines (Y/N)	Published (Y/N)	Reviewing entity	Is reviewing entity the sponsoring entity (Y/N)
1. Southern Coastal Highway Improvement Project	Y	N	N	National Works Authority	Y
2. Montego Bay perimeter road	N	N	N	N	N
3. Prevention and Care Management of Non-Communicable Diseases Programme	N	N	N	N	N

Data source: [2024/25 Estimates as Adopted](#); Meeting with Public Investment Appraisal Branch, Meeting with National Works Authority; copy of economic analysis of the Southern Coastal Highway Improvement Project

Table 11.2: Investment project selection (Last completed fiscal year)

Major investment projects	Prioritized by central entity (Y/N)	Consistent with standard selection criteria (Y/N)
1. Southern Coastal Highway Improvement Project	N	N
2. Montego Bay perimeter road	N	N
3. Prevention and Care Management of Non-Communicable Diseases Programme	N	N

Data source: Meeting with Public Investment Appraisal Branch

Table 11.3: Investment project costing (Last completed fiscal year)

Major investment projects	Life cycle cost in budget documents (Y/N)	Capital cost breakdown in budget documents (Annual/ multi-year/N)	Recurrent costs included in budget documents (Annual/ multi-year/N)
1. Southern Coastal Highway Improvement Project	N	Multi-year	N
2. Montego Bay perimeter road	N	Multi-year	N

3. Prevention and Care Management of Non-Communicable Diseases Programme	N	Multi-year	N
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Data source: [2024/25 Estimates as Adopted](#), [Public Investment Management Guidelines](#)

Table 11.4: Investment project monitoring (Last completed fiscal year)

Major investment project	Total cost (Y/N)	Physical progress (Y/N)	Standard rules and procedures exist (Y/N)	High level of compliance with procedures (Y/N)	Information on total cost and physical progress published annually (Y/N)
1. Southern Coastal Highway Improvement Project	Y	Y	N	NA	Y
2. Montego Bay perimeter road	Y	Y	N	NA	Y
3. Prevention and Care Management of Non-Communicable Diseases Programme	Y	Y	N	NA	Y

Data source: [2024/25 Estimates as Adopted](#).

PI-12. Public asset management

This indicator assesses the management and monitoring of government assets and the transparency of asset disposal. For the last completed fiscal year, coverage is CG for PI-12.1, BCG for PI-12.2, and both CG and BCG for PI-12.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-12. Public asset management (M2)		D+
12.1. Financial asset monitoring	The Accountant General maintains a list of securities held by the government including purchase price and current value. This list is updated annually. A list of bank accounts is also available. Neither list is published.	C
12.2. Nonfinancial asset monitoring	The National Land Agency maintains a listing of all public lands. There is no complete register of nonfinancial assets, only a partial register of assets retained by individual MDAs.	D
12.3. Transparency of asset disposal	Procedures and rules for the disposal and transfer of nonfinancial assets are established and an internal report is prepared but not provided to the legislature or public. Budget reports include information on land sales and mineral revenues. Minor revenue from sales of unserviceable stores without original cost are also reported in the estimates document.	C

Evidence for score

The Financial Administration and Audit Act requires that the Accountant General annually prepare a detailed assessment of the assets and liabilities of the Consolidated Fund including balances and deposits, capital investments, advances and loans, and securities and equities. This information is included in summary form in the annual financial statement. A list of all securities and shares held by the central government for the fiscal year was provided, including both acquisition and present value. This list is not published.

The FAA authorizes the Minister of Finance to prescribe regulations for the proper acquisition, custody, and control of government property, including its disposal. It further directly assigns responsibility for the “acquisition, safe custody, control and disposal of all government property” to accounting officers for their respective departments. To date, this has only been implemented through a decentralized

system at the MDA level, with no information available on total asset holdings other than publicly owned land. An Asset Management Policy was adopted in 2020 that would provide for an asset register, which is currently being developed, beginning with records on asset disposal and condition. No information is provided to the legislature other than revenue from land sales.

The Asset Management Policy contains detailed rules for the disposition of assets, and there is a parallel Land Divestment Policy adopted in 2015 that sets out procedures for the sale of public land. The latter stipulates that land is to be sold at market value except in specific instances, assigns authority to a Commissioner of Lands for divestment, requires annual reporting, and establishes procedures for sale, requiring public notices. The legislature is informed of land sales in the annual estimates documentation.

Table 12.1: Financial asset monitoring (Last completed fiscal year)

Asset Type	Record of holdings of financial assets maintained (Y/N)	Acquisition cost recorded (Y/N)	Fair value recognized (Y/N)	In line with international accounting standards (Y/N)	Information on performance published annually (Y/N)
1. Bank accounts	Y	Y	Y	Y	N
2. Capital Investments	Y	Y	Y	Y	N

Data source: Statement of Capital Investments dated June 30, 2023; Listing of accounts from AGD

Table 12.2: Non-financial asset monitoring (Last completed fiscal year)

Register of fixed assets (Y/N)	Information on usage and age (Y/N/Partial)	Register of land assets (Y/N)	Register of subsoil assets (if applicable) (Y/N/NA)	Information on performance published annually (Y/N)
N	N	Y	Y	N

Data source: [Asset management policy](#). Meeting with the Asset Management Bureau, Public Expenditure Policy Coordination Division, MoF; [National Land Agency Cadaster](#)

Table 12.3: Transparency of asset disposal (Last completed fiscal year)

Procedures for non-financial asset transfer or disposal established (Y/N)	Procedures for financial asset transfer or disposal established (Y/N)	Information included in budget documents, financial reports or other reports (Full/Partial)	Information on asset transfer and disposal submitted to legislature (Y/N)
Y	Y	Partial; land sales only	N

Data source: [Asset management policy](#). Meeting with the Asset Management Bureau, Public Expenditure Policy Coordination Division, MoF; [Land-Divestment-Policy-Procedures-Manual](#)

PI-13. Debt management

This indicator assesses the management of domestic and foreign debt and guarantees. It seeks to identify whether satisfactory management practices, records, and controls are in place to ensure efficient and effective arrangements. Coverage is CG for all three dimensions - at time of assessment for PI-13.1, for last completed fiscal year for PI-13.2, and at time of assessment with reference to the last three completed fiscal years for PI-13.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-13. Debt management (M2)		B+

13.1. Recording and reporting of debt and guarantees	Domestic and foreign debt and guaranteed debt records are complete, accurate, and updated annually. Reconciliations with creditors are performed annually and areas where reconciliation requires additional information to be complete are acknowledged as part of documentation of records. Comprehensive management and statistical reports covering debt service, stock, and operations are produced monthly and publicly available.	C
13.2. Approval of debt and guarantees	The Public Debt Management Act gives sole authority to issue debt to the Minister of Finance and specifies how debt is to be issued, recorded, and reported, providing guidance on undertaking debt-related transactions, loan guarantees, and monitoring transactions to a single debt management entity, the Debt Management Branch of the MoF. A debt management information system is in place that records, analyzes and reports public sector debt. There is an agreement between the MoFPS and the Bank of Jamaica for the latter to act as fiscal agent for the MoFPS in the issuance and management of domestic securities. Annual borrowing is approved by the legislature.	A
13.3. Debt management strategy	The DMB of MOFPS prepares a MTDMS. The last was issued 14th February 2024 and covers the fiscal years FY2024/25 to FY2027/28. The document is publicly available on the MOFPS/DMB website. The current strategy contains a report on outcomes against the prior year strategy. Some information is provided for the evolution of the debt portfolio over the prior three years.	A

Evidence for score

Debt records are maintained by the Debt Management Branch of the MoF, who publish management and statistical reports on the internet monthly. Full records are updated annually, with reconciliations performed annually as well. Examples of domestic and foreign reconciliations were provided, which included notation where additional documentation may be needed. As reconciliations are annual.

Public debt management in Jamaica is governed by the Public Debt Management Act of 2012 as amended in 2017. The Act assigns responsibility for debt management to the Minister of Finance, who exercises that authority through the DMB of the MoF. The Act as amended provides detailed instructions on how debt is to be issued, including guidance to borrow, issue new debt and undertake debt-related transactions, issue loan guarantees, and monitor debt management transactions. There is no secondary legislation beyond the general financial management instructions in the FAA instructions, which includes provisions relating to reporting on borrowed funds. There is a separate set of instructions on debt issuance, and the DMB uses the CRS-2000+debt management software developed by the Commonwealth Secretariat, currently migrating to a new version, Commonwealth Meridian. The MoFPS entered into an agreement with the Bank of Jamaica in 2015 to manage the issuance of domestic securities and treasury bills, to act as a banker for the GoJ with respect to such securities and work collaboratively with the MoFPS on debt management.

As directed by the Public Debt Management Act, a Medium-Term Debt Management Strategy (MTDMS) is prepared annually by the DMB with the assistance of a Public Debt Management Committee. The MTDMS serves as the vehicle for parliamentary approval of the annual borrowing plan, a review of overall strategy including risk management, a listing of public obligations including contingent obligations such as guaranteed loans and, beginning in 2024, reporting on result against the prior year's strategy. The past three years' MTDMSs contain data on composition and evolution of the public debt portfolio, and information on public debt including stock of debt, change in amount, and explanations are also included in the Fiscal Policy Papers.

Table 13.1: Recording and reporting of debt and guarantees (At time of assessment)

Type of liability	Records are maintained, complete and accurate (Y/N)	Frequency of update of records (M/Q/A)	Frequency of reconciliation M=Monthly Q=Quarterly A=Annually N=Not done (Add whether All; Most; Some; Few)	Statistical reports (covering debt service, stock and operations prepared) M/Q/A/N	Gaps in reconciliation are documented Y/N
Domestic debt	Y	M	A, All	M	Y
Foreign debt	Y	M	A, All	M	Y
Guarantees	Y	M	A, All	M	Y

Data source: [Debt Management Resources, MoF](#); meeting with the Debt Management Branch, MoF; copies of reconciliation reports.

Table 13.2: Approval of debt and guarantees (Last completed fiscal year)

Primary legislation exists (Y/N; Name of Act)	Documented policies and guidance (complete both columns below but note they are alternatives)		Debt management responsibility (for each column below: Y/N; Name and location of unit)		Annual borrowing approved by government or legislature (Y/N, specify last date of approval)
	Guidance to single debt management entity (Y/N)	Guidance to multiple entities (Y/N, Name of regulation/policy)	Authorization of debt granted to single responsible entity	Transactions reported to and monitored only by single responsible entity	
Yes, Public Debt Management Act (2012) as amended (2017) (PDMA)	Yes, PDMA, Fiscal Agent Agreement with Bank of Jamaica	No	Yes, Minister of Finance; delegated to Debt Management Branch (DMB)	MoFPS DMB; overseen by the Public Debt Management Committee	Yes, February 15, 2024

Data source: [The Public Debt Management Act](#); [The Public Debt Management Act Amendment](#); [Medium-term Debt Strategy 2024-25 to 2027-28](#). Meeting with DMB and subsequent email; Fiscal Agent Agreement with Bank of Jamaica, .

Table 13.3: Debt management strategy (at time of assessment with reference to last 3 completed fiscal years)

Debt management strategy has been prepared (Y/N)	Date of most recent update	Time horizon (No. of years)	Targets included in debt strategy				Annual report on debt strategy submitted to legislature (Y/N, Date)
			Interest rates (Y/N)	Refinancing (Y/N)	Foreign currency risk (Y/N)	Evolution of risk indicators only (Y/N)	
Yes	February 14, 2024	Three	Y	Y	Y	Y	Y, February 14, 2024

Data source: [Medium-term Debt Strategy 2024-25 to 2027-28](#); [MTDMS 2022-23 to 2025-26](#); [MTDMS 2023-24 to 2026-27](#); [Fiscal Policy Paper 2024](#); [FPP 2023](#); [FPP 2022](#); Meeting with DMB, Letter of Transmittal to House of Representatives

PILLAR FOUR: Policy Based Fiscal Strategy and Budgeting

This pillar includes five indicators which assess whether the government's fiscal strategy and the budget are prepared with due regard to government fiscal policies, strategic plans, and adequate macroeconomic and fiscal projections. The indicators also examine the orderliness of the budget preparation process and the legislative scrutiny of budget proposal.

Overall performance

The adoption of amendments to the Financial Administration and Audit Act has strengthened policy-based fiscal strategy and budgeting. The Act sets out specific requirements for the timing and content of the budget call circular, the contents and requirements for Fiscal Policy Paper (incorporating a Fiscal Responsibility Statement, Macroeconomic Framework and Fiscal Management strategy), and a Public Sector Investment Program as part of the budget formulation phase.

The Economic Management Division of the MoFPS prepares the FPP for tabling in the House of Representatives with the annual budget estimates. An interim mid-year FPP is also tabled in September each year. The FPP includes macroeconomic projections and underlying assumptions for GDP, inflation, exchange rates and interest rates for the current and two forward years. Importantly, the PIOJ and the BoJ are major contributors to developing the macroeconomic projections and underlying assumptions.

Fiscal forecasts, including revenues (by type), aggregate expenditure and budget balance for the budget and two forward years together with underlying assumptions, are also presented in the FPP and an updated fiscal forecast published in the interim FPP at the half-year. The document also explains the differences between forecast periods. A Fiscal Risk Statement is appended to the FPP; it discusses the implications of divergence in macroeconomic projections. The statement includes a fan chart and an explanation of the uncertainty surrounding the medium-term projections for real GDP growth. Specific fiscal scenarios based on alternative macroeconomic projections are not prepared. A report on the fiscal performance against the forecast that explains the deviations from objectives and targets is set out in the FPP.

The Economic Management Division prepares the fiscal targets for revenue and expenditure. The budget papers tabled in the House of Representatives include both a Revenue Estimates document and Revenue Measures document. The latter includes the fiscal impact of all proposed revenue measures for the budget year only. New Revenue policies developed through the Tax Policy Unit are generally integrated into the budget process through the updated FPP once the Minister of Finance announces the tax policy.

The Ministry of Finance, through the Budget Call Circular, issues the budget ceilings to the ministries. However, there is no evidence that these ceilings were approved by the Cabinet prior to the Circular being issued. Without a formal new spending proposal process that allows ministries to submit new policy proposals, the Call Circular instructs that accounting officers submit their 'unbudgeted expenditures' via ministry memorandum. Budgetary Units are given eight weeks to prepare and submit completed estimates to the EU-funded Government of Jamaica Budget Preparation and Management System. All budgetary entities comply with the stipulated submission timeline.

The annual FPP includes quantitative and qualitative targets over the medium term, such as a reduction in the debt-to-GDP ratio to less than 60.0 percent by FY 2027/28 and improvements in simplicity, equity and efficiency of the revenue systems to support economic growth, commitment to fiscal discipline (in respect of declining expenditure ratio) and reduction in public debt interest.

The Estimates of Expenditure for the FY 2024/25 include a medium-term forecast for three forward years, 2025/26, 2026/27 and 2027/28 by administrative, economic and program classification. The Estimates of Expenditure for FY 2024/25 include strategic priorities by the ministry along with their mission, vision, results framework, goals and outcomes, national and sector objectives, and ministry objectives.

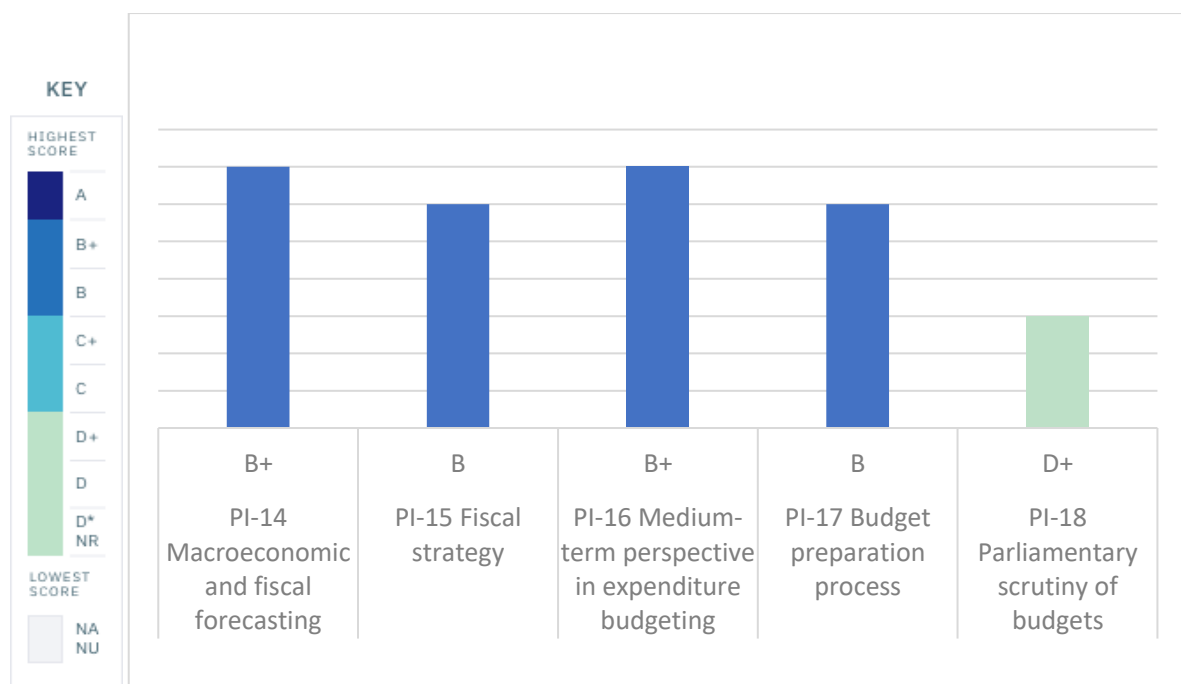
The system of rolling forward estimates is not strictly adhered to because there is no process to reconcile the expenditure estimates using forward-year estimates, in-year adjustments, and approved new proposals. Consequently, it is challenging to determine whether the changes in expenditure ceilings from year to year are due to implementing new policy initiatives, partially or fully funded, or merely additional resources needed to manage current service delivery or operational demands.

The Estimates of Revenue and Expenditure, the Fiscal Policy Paper, the Medium-Term Debt Strategy and the public sector investment plan form part of the budget documentation tabled annually in both Houses of the Parliament for legislative scrutiny. The Office of the Auditor General reviews the Fiscal Policy Paper, and a report on the findings is also tabled in the House of Parliament. Hearing of the scrutiny process is deliberated on air live according to section 65 of the Standing Orders of the House of Representatives of Jamaica. In the last three fiscal years, the Estimates were approved five weeks after tabling but before the start of the FY.

The parameters for executive budget reallocation are clearly defined in the 2019 FAA Act instructions, with restrictions on virement allocation to and from the compensation of employees' vote accounts. Accounting officers are also not allowed to approve reallocating the expenditure budget involving public investment projects without the minister's permission. All reallocation through virement must be formally adjusted via supplementary estimates at least six months after the closure of the fiscal year. No new programmes /activities can be committed through virement.

Quantifying the virements proved difficult as the Ministry of Finance reports do not include information from the Ministries of Health and Wellness and Education, and Youth whose permanent secretaries reported that virement frequently occurs across all budgetary units.

Figure PILLAR FOUR: Policy Based Fiscal Strategy and Budgeting



Recent and ongoing reform activity

Amendments to the FAA Act recently have significantly strengthened policy-based fiscal strategy and budgeting. The FAA Act now establishes fiscal rules and targets for strengthening fiscal discipline, including achieving a debt-to-GDP ratio of 60 percent by 31 March 2026. The amendments have also strengthened budget processes and procedures, including medium-term budget estimates. The Act also sets out specific requirements for the timing and content of the budget call circular, Fiscal Policy Paper (incorporating a Fiscal Responsibility Statement, Macroeconomic Framework and Fiscal Management strategy), and Public Sector Investment Program.

The Independent Fiscal Commission Act 2021 establishes an independent Fiscal Commission. Under the Act, the Fiscal Commission is required to prepare, at least twice a year, (i) Economic and Fiscal Assessment Report and (ii) a Statement of Fiscal Performance. It is intended that the Fiscal Commission will provide independent assessment on the fiscal and economic policies. However, at the time of the assessment the Fiscal Commission had not yet been established.

PI-14. Macroeconomic and fiscal forecasting

This indicator measures the ability of a country to develop robust macroeconomic and fiscal forecasts, which are crucial to developing a sustainable fiscal strategy and ensuring greater predictability of budget allocations. It also assesses the government's capacity to estimate the fiscal impact of potential changes in economic circumstances. For the last three completed fiscal years, coverage is the whole economy for PI-14.1 and CG for PI-14.2 and 14.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-14. Macroeconomic and fiscal forecasting (M2)		B+
14.1. Macroeconomic forecasts	Macroeconomic projections for GDP, inflation, exchange rates and interest rates for the budget and two following fiscal years are prepared by the Planning Institute of Jamaica (PIOJ) and Bank of Jamaica (BoJ). The estimates for GDP and inflation are presented in the annual FPP along with underlying assumptions.	A

	<p>The FPP is prepared by the MoFPS (Fiscal Policy Management Branch) and presented to parliament with the budget and published on the government's MoFPS website. The macroeconomic forecasts are updated once a year and presented in the Interim Fiscal Policy Paper that is also tabled in parliament and published each year. The PIOJ also publishes a Review of Economic Performance quarterly.</p> <p>The Fiscal Policy Paper is reviewed annually by the Auditor-General who produces a report entitled 'Examination of the Components of Fiscal Policy' for the relevant fiscal year. For the three most recent completed fiscal years report was submitted to the House of Parliament on March 4, 2021, February 24, 2022 and February 27, 2023.</p>	
14.2. Fiscal forecasts	Fiscal forecasts including revenues (by type), aggregate expenditure and budget balance for the budget and two following fiscal years together with underlying assumptions are presented in the annual FPP submitted to parliament. Updated fiscal forecasts, again with underlying assumptions are included in the interim FPP. Both the annual and interim FPPs include an explanation of the main differences from the forecasts in the previous FPP.	A
14.3. Macro-fiscal sensitivity analysis	The annual Fiscal Policy Paper submitted to the legislature includes a Fiscal Risk Statement. This examines risks and implications from deviations from macroeconomic projections including economic growth, inflation, exchange rate, interest rates, natural disasters, commodity prices and wages growth as well as contingent liabilities. The fiscal risk statement also includes a fan chart and explanation of the level of uncertainty surrounding the medium-term projections for real GDP growth. However, specific fiscal scenarios based on alternative macroeconomic projections with detailed assumptions and analysis of the impact on fiscal targets are not prepared.	C

Evidence for score

The above scores and analysis are based on the evidence presented in the tables below. The FAA requires that, upon presentation of the annual estimates of expenditure and revenue, the Minister of Finance presents a FPP that sets out a Fiscal Responsibility Statement, a Macroeconomic Framework and a Fiscal Management Strategy. The Act states that the Macroeconomic Framework include among other things '*...an assessment of the prospects of economic growth (accompanied by a statement of the assumptions underlying the assessment) as well as indicators of the medium-term trajectory for the main macro-economic variable*'.

The FAA Act requires the Auditor-General to examine the components of the FPP within two weeks after the FPP is laid before parliament and provide a report indicating whether the assumptions underlying the FPP are consistent with the principles of prudent fiscal management presented in the FAA. The FPPs for the last three completed fiscal years were reviewed by the Auditor-General who produced reports entitled 'Examination of the Components of Fiscal Policy' for the relevant fiscal year.

With respect to the Fiscal Management Strategy, the FAA Act requires the FPP to '*...develop a set of fiscal indicators (including annual public sector borrowing, fiscal balance and primary balance) to enable measurement of economic performance and establish targets for such indicators....and compare the outcomes of the fiscal indicators with the targets of the previous years and any reason for deviation*'. The FAA also requires that the interim FPP include economic outturn of the previous fiscal year; fiscal performance of the first quarter of the financial year; projections to the end of the financial year; and projections for the succeeding financial year and medium term.

The annual and interim FPPs include a Fiscal Risk Statement that outlines and assesses the GOJ's exposure to fiscal risks including deviations from the macroeconomic assumptions used in preparing

the budget and medium-term projections, for the relevant fiscal years. It also examines scenarios relating to contingent liabilities which may arise from natural disasters, the operation of public bodies, public private partnerships and judicial awards; wage settlements; and monetary policy. The statement also highlights measures already taken and underway, as well as those being explored by the GOJ to address and mitigate these risks.

Table 14.1: Macroeconomic forecasts (Last three completed fiscal years)

Indicator	Budget document year	Years covered by forecasts			Underlying assumptions provided (Y/N)	Frequency of update 1= once a year 2=more than once a year N=Not updated	Submitted to legislature 1=budget year only 3= budget year plus two following fiscal years N= Not submitted
		Budget	Forward year 1	Forward year 2			
GDP growth	FY 2023/24	Y	Y	Y	Y	2	3
	FY 2022/23	Y	Y	Y	Y	2	3
	FY 2021/22	Y	Y	Y	Y	2	3
Inflation	FY 2023/24	Y	Y	Y	Y	2	3
	FY 2022/23	Y	Y	Y	Y	2	3
	FY 2021/22	Y	Y	Y	Y	2	3
Interest rates	FY 2023/24	Y	Y	Y	N	2	3
	FY 2022/23	Y	Y	Y	N	2	3
	FY 2021/22	Y	Y	Y	N	2	3
Exchange rate	FY 2023/24	Y	Y	Y	N	2	3
	FY 2022/23	Y	Y	Y	N	2	3
	FY 2021/22	Y	Y	Y	N	2	3

Data source: MoFPS Annual and Interim Fiscal Policy Papers 2023/24, 2022/23, and 2021/22; Financial Management and Audit Act.

Table 14.2: Fiscal forecasts (Last three completed fiscal years)

Indicator	Budget document year	Years covered by forecasts			Underlying assumptions provided (Y/N)	Explanation of the main differences included (Y/N)	Submitted to legislature 1=budget year only 3= budget year plus two following fiscal years N= Not submitted
		Budget	Forward year 1	Forward year 2			
Revenue by type	FY 2023/24	Y	Y	Y	Y	Y	3
	FY 2022/23	Y	Y	Y	Y	Y	3
	FY 2021/22	Y	Y	Y	Y	Y	3
Aggregate revenue	FY 2023/24	Y	Y	Y	Y	Y	3
	FY 2022/23	Y	Y	Y	Y	Y	3
	FY 2021/22	Y	Y	Y	Y	Y	3
Aggregate expenditure	FY 2023/24	Y	Y	Y	Y	Y	3
	FY 2022/23	Y	Y	Y	Y	Y	3
	FY 2021/22	Y	Y	Y	Y	Y	3
Budget balance	FY 2023/24	Y	Y	Y	Y	Y	3
	FY 2022/23	Y	Y	Y	Y	Y	3
	FY 2021/22	Y	Y	Y	Y	Y	3

Data source: Annual and Interim Fiscal Policy Papers 2023/24, 2022/23, and 2021/22; Revenue Estimates 2023/24, 2022/23, and 2021/22; Financial Management and Audit Act; Ministry of Finance and Public Service

Table 14.3: Macro-fiscal sensitivity analysis

Type of macro-fiscal sensitivity analysis (none/qualitative only/quantitative scenario analysis)	Analysis published (None, discussion in budget docs, quantified scenarios)
The annual Fiscal Policy Paper includes an appendix presenting a Fiscal Risk Statement. This includes a fan chart and explanation of the level of uncertainty surrounding the medium-term projections for real GDP growth. The Interim Fiscal Policy paper also includes a fiscal risk statement.	The annual Fiscal Policy Paper is presented with the annual budget. The interim Fiscal. Policy Paper is tabled in parliament and published in September.

Data source: Annual and Interim Fiscal Policy Papers 2023/24, 2022/23, and 2021/22; Financial Management and Audit Act: Ministry of Finance and Public Service

PI-15. Fiscal strategy

This indicator provides an analysis of the capacity to develop and implement a clear fiscal strategy. It also measures the ability to develop and assess the fiscal impact of revenue and expenditure policy proposals that support the achievement of the government's fiscal goals. Coverage is CG for the last three completed fiscal years for PI-15.1 and the last completed fiscal year for PI-15.2 and 15.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-15. Fiscal strategy (M2)		B
15.1. Fiscal impact of policy proposals	The Tax Policy Division of the MoFPS is responsible for developing revenue policy proposals. It prepares a Revenue Measures document that forms part of the budget submission that includes all proposed revenue measures in the budget. This includes the fiscal impact of the proposal for the budget and two following fiscal years. For expenditure, the MoFPS sets out budget ceilings for each ministry through the Budget Call Circular. Any resources required above the ceiling are included in the budget submissions as 'unbudgeted expenditures'. There is no formal new spending request process in which ministries submit policy proposals setting out the objectives, planned results and fiscal impacts.	D
15.2. Fiscal strategy adoption	The Annual FPP, submitted to the parliament and published with the budget, incorporates a Fiscal Management Strategy that includes explicit time-based quantitative goals and indicators based on legislative targets included in the Financial Administration Act for the budget year and medium term. The key target – specified in the FAA and FPP – is the attainment of a debt-to-GDP ratio of 60.0%, or lower, by the end of FY 2027/28 and a fiscal balance that supports the achievement of the debt-to-GDP ratio. For 2023/24 and the medium term the FPP specifies a target for the primary fiscal balance of 5.5% of GDP. The 2023/24 FPP also references several qualitative objectives including improvements in simplicity, equity and efficiency of the revenue systems to support economic growth, commitment to fiscal discipline (in respect of declining expenditure ratio) and reduction in public debt interest.	A
15.3. Reporting on fiscal outcomes	The FPP presents a report that describes progress against the fiscal strategy presented in the previous budget. It includes explanation of deviations from the objectives and targets set and sets out planned actions to address any deviations consistent with the requirements of the FAA.	A

Evidence for score

The MoFPS produces a FPP that is submitted with the budget documentation. The FPP includes the macroeconomic framework (including macroeconomic projections and underlying assumptions), fiscal strategy (including an assessment of performance against previous projections and medium-term fiscal forecasts), public sector investment program and fiscal risk statement. An interim FPP is prepared in September each year that updates macroeconomic and fiscal projections.

The government also produced a Revenue Measures table that sets out all revenue measures and fiscal impact for the budget. Year. There is no such similar document for expenditure measures.

Table 15.1: Fiscal impact of policy proposals (Last three completed fiscal years)

Estimates of fiscal impact done for ALL proposed policy changes (Y/N/Partial)	Budget year (Y/N)	Two following fiscal years (Y/N)	Submitted to legislature (Y/N)
Partial (All revenue policy changes only)	Y (Revenue only)	N	N

Data source: Revenue Estimates documents 2023/24, 2022/23, 2021/22, Ministry of Finance and Public Service

Table 15.2: Fiscal strategy adoption (Last completed fiscal year)

Table 13.2: Fiscal strategy adoption (last completed fiscal year)							
Fiscal strategy prepared (Y/N)	Submitted to legislature (Y/N, Date)	Published (Y/N, Date)	Internal use only (Y/N)	Includes quantitative information (Y/N)			Includes qualitative objectives (Y/N)
				Time based goals and targets	Or objectives only		
					Budget	Forward Years	
Y	Y: 14/02/23	Y	N	Y	Y	Y	Y

Data source: Annual Fiscal Policy Paper 2023/24; Financial Management and Audit Act; Ministry of Finance and Public Service

Table 15.3: Reporting on fiscal outcomes (Last completed fiscal year)

Progress report completed (Y/N)	Last fiscal year covered	Submitted to legislature (Y/N, Date)	Published with budget (Y/N, Date)	Includes explanation of deviation from target (Y/N)	Includes actions planned to address deviations
Y	2023/24 Annual FPP	Y; 14/02/23	Y	Y	Y

Data source: Annual Fiscal Policy Paper 2023/24; Financial Management and Audit Act; Ministry of Finance and Public Service

PI-16. Medium-term perspective in expenditure budgeting

This indicator examines the extent to which expenditure budgets are developed for the medium term within explicit medium-term budget expenditure ceilings. It also examines the extent to which annual budgets are derived from medium-term estimates and the degree of alignment between medium-term budget estimates and strategic plans. Coverage is BCG for the last budget submitted to the legislature for PI-16.1, 16.2 and 16.3, and last medium-term budget /current medium-term budget for PI-16.4.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-16. Medium-term perspective in expenditure budgeting (M2)		B+
16.1. Medium-term expenditure estimates	The Estimates of Expenditure 2024/25 present budget and two forward year estimates by administrative, economic and program classification.	A
16.2. Medium-term expenditure ceilings	Aggregate and ministry budget ceilings for the budget year and two following fiscal years are distributed with the budget circular.	A
16.3. Alignment of strategic plans and medium-term budgets	All ministries prepare strategic plans setting out their mission, vision, results framework, goals and outcomes, national and sector objectives, and ministry objectives. This information is incorporated within the medium-term program based Estimates of Expenditure 2024/25 which also presents expenditures for the budget and forward years by program and function, including recurrent and capital, for the budget and two following fiscal years.	A
16.4. Consistency of budgets with previous year's estimates	There is no reconciliation of the previous budget forward estimates and following budget year estimates	D

Evidence for score

The annual estimates of expenditure presents medium term estimates by administrative, economic program and functional classification. The Ministry of Finance issued a budget circular 29 September 2023, advising ministries of the medium term macroeconomic projections, medium term resource envelope (aggregate ceilings), ministry budget ceilings and instructions for budget preparation.

Table 16.1: Medium-term expenditure estimates (Last budget submitted to the legislature)

Classification	Level of disaggregation	Budget year (Y/N)	Two following fiscal years (Y/N)
Administrative	Ministry and department	Y	Y
Economic	Main items (compensation etc.)	Y	Y
Program/Function	Function and program	Y	Y

Data source: Estimates of Expenditure 2024/25

Table 16.2: Medium-term expenditure ceilings (Last budget submitted to the legislature)

Level	Budget year (Y/N)	Two following fiscal years (Y/N)	Date of advice of ceilings	Date of issuance of first budget circular
Aggregate ceiling	Y	Y	29/09/23	29/09/23
Ministry Ceiling	Y	Y	29/09/23	

Data source: Budget Call Circular issued by MoFPS

Table 16.3: Alignment of strategic plans and medium-term budgets (at least five largest ministries) (Last budget submitted to the legislature)

Ministry of Science, Energy, Telecommunications and Transport	\$	Medium-term strategic plan prepared (Y/N)	MTSP Costed (Y/N)	Expenditure proposals consistent with MTSP (Most, majority, some, none)
1. Ministry of Education and Youth and Departments	164.5	Y	Y	Most
2. Ministry of Finance and the Public Service and Departments (ii)	651.9	Y	Y	Most
3. Ministry of Health and Wellness and Departments	136.5	Y	Y	Most
4. Ministry of National Security and Departments (i)	134.0	Y	Y	Most
5. Ministry of Local Government and Community Development	24.3	Y	Y	Most

Data source: Ministry of Education and Youth, Strategic Business Plan, 2024-20228; MNS Strategic Plan 2018 to 2023; Ministry of Health and Wellness Corporate Plan, 2024/25-2027/28; Ministry of Finance and Public Service, Strategic Business Plan, 2024/25; Ministry of Economic Growth and Job Creation, Strategic Business Plan, 2024/25-2027/28

PI-17. Budget preparation process

This indicator measures the effectiveness of participation by relevant stakeholders in the budget preparation process, including political leadership, and whether that participation is orderly and timely. Coverage is BCG for the last budget submitted to the legislature for PI-17.1 and 17.2, and the last three completed fiscal years for PI-17.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-17. Budget preparation process (M2)		B
17.1 Budget calendar	A clear budget calendar exists, it is adhered to, and it allows budgetary units approximately eight weeks (about two months) to complete the detailed estimates.	A
17.2 Guidance on budget preparation	The budget circular provides clear instructions to the budgetary units on preparing the estimates, including information on their total expenditure. There is no available data on whether the Cabinet approved the budget ceiling before the call circular was issued or before the completion of the estimates by the MDAs. There is evidence that the Cabinet approved the estimates before tabling in the House of Representatives.	C
17.3 Budget submission to the legislature	Estimates presented to the legislature at least six weeks (about one and a half months) before the start of the fiscal year for all years 2023/2024, 2022/2023 and 2021/2023	C

Evidence for score

Table 17.1 and 17.2: Budget calendar and budget circular (Last budget submitted to the legislature)

Budget calendar exists (Y/N)	Date of budget circular (s)	Deadline for submission of estimates	Coverage: expenditure – capital & recurrent, for full year (full, partial)	% of budgetary units complying with deadline	Date Cabinet approved ceilings	Budget estimates are reviewed and approved by Cabinet after completion (if ceilings not issued) (Y/N)
Y	September 29, 2023	November 30, 2023	Full	99.9%	Cabinet approved final estimates on the 5th February 2024	Y

Data source:

- Budget Call Circular issued under reference of the MOFPS Circular No. 26 dated September 29, 2023.
- Emails dated September 29, 2023, to Accounting Officers of Ministries under the signature of Deputy FS Lorris Jarrett.
- Ministry of Finance Compliant Report 2024/2025 Financial Year
- 2024/2025 Updated Proposed Budget Calendar

Table 17.3: Budget submission to legislature (Last three completed fiscal years)

Fiscal year (last three completed fiscal years)	Date of submission of budget proposal
2023/2024	February 14, 2023
2022/2023	February 10, 2022
2021/2022	February 18, 2021

Data source: The date of submission to the legislature is appended to the budget document on the Ministry of Finance and Public Service website per the links below:

<https://www.mof.gov.jm/wp-content/uploads/2022-2023-ESTIMATES-OF-EXPENDITURE.pdf>
<https://www.mof.gov.jm/wp-content/uploads/2022-2023-Revenue-Estimates-of-Expenditure-1.pdf>
<https://www.mof.gov.jm/wp-content/uploads/Estimates-of-Expenditure-2021-22-021821.pdf>
<https://www.mof.gov.jm/wp-content/uploads/est-of-expenditure-as-passed-2023-2024.pdf>

PI-18. Legislative scrutiny of budgets

This indicator assesses the nature and extent of legislative scrutiny of the annual budget. It considers the extent to which the legislature scrutinizes, debates, and approves the annual budget, including the extent to which the legislature's procedures for scrutiny are well established and adhered to. The indicator also assesses the existence of rules for in-year amendments to the budget without ex ante approval by the legislature. Coverage is BCG for last completed fiscal year for PI-18.1, 18.2 and 18.4, and last three completed fiscal years for PI-18.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-18. Legislative scrutiny of budgets (M1)		D+
18.1. Scope of budget scrutiny	The Estimates of Revenue and Expenditure, the Fiscal Policy Paper and the Medium-Term Debt Strategy form part of the Budget documentation tabled in both houses of the Parliament annually for legislative scrutiny at least six weeks (about one and a half months) before the start of the FY.	A
18.2. Legislative procedures for budget scrutiny	The Standing Order of the House of Representatives requires that the estimates presented to the House be deliberated publicly by a Standing Finance Committee on the macroeconomic issues, examine the debt management strategy, the fiscal policy paper and the Auditor General's report on the Fiscal Policy Paper. However, there is no provision in the Standing Order or the legislative framework to support public consultation.	B
18.3. Timing of budget approval	Estimates were approved five weeks after being tabled in the Parliament for all three fiscal years and before the start of each fiscal year	A
18.4. Rules for budget adjustments by the executive	The rules for in-year budget adjustments by the executives are clear and are adhered to in most instances. However, the parameters set out allow for extensive administrative reallocations. Information provided by the MoFPS to quantify the value of the executive adjustments excluded the Ministries of Education and Youth and Health and Wellness, thus prohibiting a true analysis of the information. Both Ministries reported that they complete frequent virements.	D*

Evidence for score

Per the 1964 Index to the Standing Orders of the House of Representatives of Jamaica, section 65, the documents once tabled are sent to the Standing Finance Committee. The "Financial Procedure" requires that estimates presented to the House be deliberated publicly by a Standing Finance Committee on the macroeconomic issues, and the debt management strategy, the fiscal policy paper, and the Auditor General's report on the Fiscal Policy Paper should be examined publicly.

On February 15, 2024, the Minister of Finance and Planning tabled the budget documents for legislative scrutiny. The Estimates of Revenue and Expenditure, the Fiscal Policy Paper and the Medium-Term Debt Strategy form part of the Budget documentation tabled in both Houses of Parliament. Following this, the Parliament's Standing Finance Committee examines the estimates.

The Minister of Finance opens the budget debates outlining the government policies and the financing measures on March 12, 2024. In addition, the Prime Minister, the Leader of the Opposition, and the opposition spokesperson on finance join the debates. The last step is approving the Appropriation Act, which authorizes the spending.

The Executive team, including the Financial Secretary, supports the budget approval process. However, there is no provision in the Standing Order for public consultation after the estimates are approved.

In the last three fiscal years, the Estimates were approved five weeks after tabling but before the start of the FY.

The parameters for budget reallocation by executives are clearly defined with restrictions on virement allocation to and from the compensation of employees' vote account, and accounting officers shall not approve reallocation of expenditure budget involving public investment projects without the minister's permission. Accounting Officers may, where necessary, authorize reallocation within other components of the recurrent budget. All reallocation for virement must be formally adjusted via supplementary estimates at least six months after the closure of the fiscal year. No new programmes /activities can be committed through virement.

The parameters set out for executives do not limit the magnitude of reallocations. A comprehensive report on the number and percentage of approved virement was unavailable.

Table 18.1: Scope of budget scrutiny (Last completed fiscal year)

Budget scrutiny by Legislature (Y/N)	Coverage (specify)				
	Fiscal policies (Y/N)	Medium-term fiscal forecasts (Y/N)	Medium-term priorities (Y/N)	Aggregate expenditure and revenue (Y/N)	Details of expenditure and revenue (Y/N)
Y	Y	Y	Y	Y	Y

Data source: GOJ Fiscal Policy Paper FY 2023/24 (As Presented) dated 14th February 2023 and the GOJ, Estimates of Revenue and Expenditure for 2023-2024 For the Financial Year Ending 31st- March 2024, available at <https://www.mof.gov.jm/wp-content/uploads/2023-2024-REVENUE-ESTIMATES.pdf> and https://www.mof.gov.jm/wp-content/uploads/Estimates_of_Expenditure_2023-2024_compressed.pdf <https://www.mof.gov.jm/wp-content/uploads/Policy-Paper-2023-24-Interim.pdf>

Table 18.2: Legislative procedures for budget scrutiny (Last completed fiscal year)

Legislative procedures exist (Y/N)	Approved in advance of budget hearings (Y/N)	Procedures are adhered to (Y/N)	Include arrangements for public consultation (Y/N)	Procedures include organizational arrangements (Y/N)
Y	Y	Y	N	Y

Data source: The 1964 Index to the Standing Orders of the House of Representatives of Jamaica, section 65, "Financial Procedure", Meeting with Parliamentary staff

Table 18.3: Timing of budget approval (Last three completed fiscal years)

Fiscal year	Budget for fiscal year	Date of budget approval
2023/2024	2023/2024	March 21, 2023
2022/2023	2022/2023	March 22, 2022
2021/2022	2021/2022	March 23, 2021

Data source:

Revenue and Expenditure for 2023-2024, 2022, 2023 and 2021/2022 available online at: <https://www.mof.gov.jm/wp-content/uploads/2023-2024-REVENUE-ESTIMATES.pdf> and https://www.mof.gov.jm/wp-content/uploads/Estimates_of_Expenditure_2023-2024_compressed.pdf

Table 18.4: Rules for budget adjustments by the executive (Last completed fiscal year)

Clear rules exist (Y/N)	Rule includes strict limits (extent and value)	Rules limit seeking retroactive approval of appropriations (Y/N)	Actual amount of reallocations in accordance with rules (% of BCG budget)	Extent of adherence to rules (All, most, some)
Y	N	Y	?	?

Data source:

- The Financial, Administrative and Audit Act and the Financial Management Regulation 2011 sections 19. _ (1) and 22.
- The FAA Act financial instructions 2017 in section 3.7
- MOF&PS Summary Virement Schedule

PILLAR FIVE: Predictability and Control in Budget Execution

This pillar includes eight indicators which assess whether the budget is implemented within a system of effective standards, processes, and internal controls, which ensure that resources are obtained and used as intended.

Overall performance

The framework for effective management and control of the execution of the budget (both revenue and expenditures) by the GoJ is sound but there are some examples where the framework is still under development or where outcomes realized do not meet expectations. There is a strong risk-based approach to compliance and control implemented by the main revenue collection agencies, conducted in accordance with documented compliance plans. While revenue targets are met, there remain significant revenue arrears, many of which are older than 12 months. Revenues are reconciled internally and systematically transferred to treasury accounts but with some gaps in the reconciliation between these entities. Treasury is able to forecast and manage cash effectively within the construct of a Treasury Single Account for the consolidated fund. With the benefit of reliable cash forecasts and access to external financing, the MoFPS is able to accommodate the spending plans of MDAs, who are able to commit funds according to these plans as commitment ceilings are released on a monthly basis. Supplementary budget adjustments are done in a systematic and transparent manner, often to address budget pressures (or savings) known to and agreed by MDAs, however supplementary adjustment occur regularly and point to potential issues with the completeness or accuracy of the baseline budget. Nonetheless, this flexibility in adjusting the budget during execution is understood to assist in avoiding the build-up of expenditure arrears (although such data is incomplete) but it does contribute to the expenditure side of the budget often not matching the original budget plan (PI-1 and PI-2).

For budget execution generally, there is reliable internal control for those entities which use the GFMIS system, as the system embeds access controls, segregation of duties, budget controls over commitments and payment as well as audit trails. For those entities which maintain accounts outside of the consolidated fund (and do not use the GFMIS), the controls are less reliable (as noted in audit reports) but nonetheless are still understood to produce reports which are reliable. In all cases, there is a well-functioning internal audit function which has broad coverage (including for those entities which operate accounts outside of the TSA and GFMIS), which applies international standards, and conducts activities according to defined plans. Recommendations from internal auditors are generally responded to, implying an approach of continual improvement to internal control.

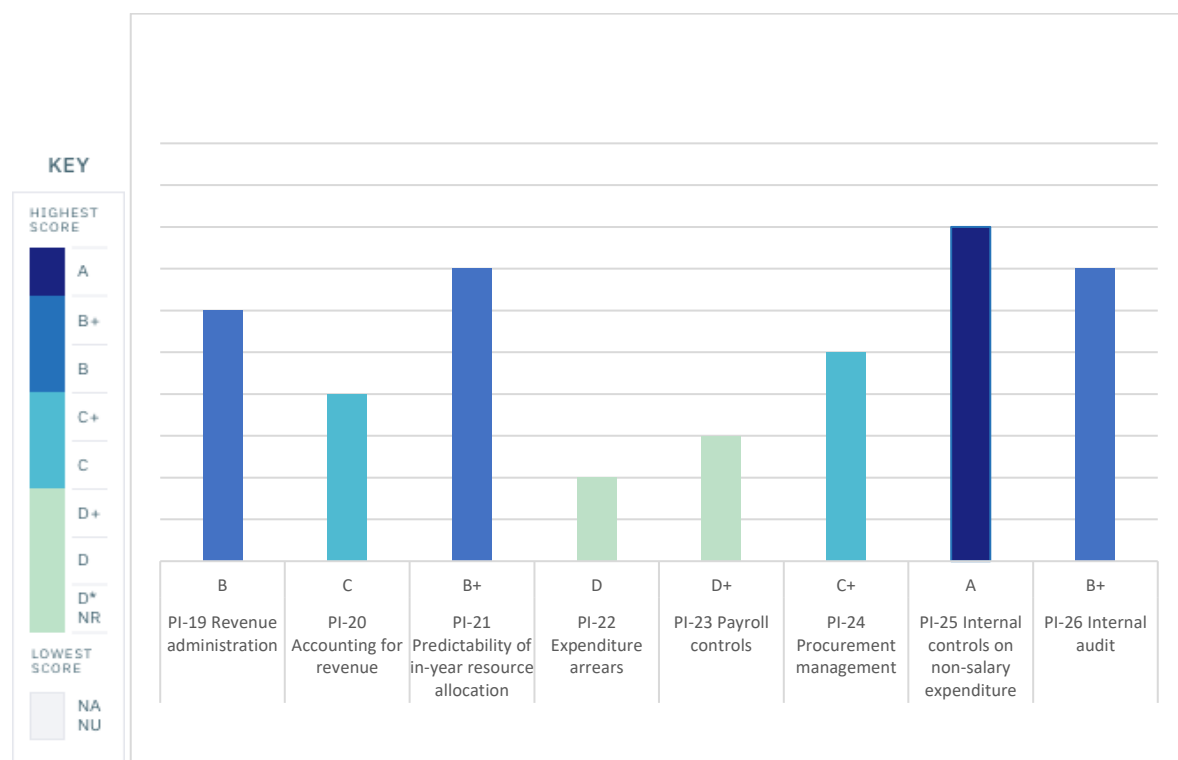
In terms of specific payment types, new systems are being introduced to enhance control and transparency. The GoJ is in the process of implementing a new HR system with integrated payroll function. However, this has only been rolled out to around half of the MDAs and, as a result, there remain some issues with internal control of the payroll, which are picked up in payroll audits. Similarly, a new procurement system is in the process of being implemented, which has been shown to enhance transparency and monitoring of procurement activities. However, in the interim period prior to full implementation, there continues to be weaknesses in the use of competitive processes and public access to information. Concurrent with these systems reforms, a new complaints body is being established but this is not yet operational.

There are ongoing PFM reforms which offer the potential to further improve the predictability and control, including continuation of procurement, payroll and GFMIS systems implementation.

The GFMIS currently is used mainly for controlling and accounting for the transaction within the consolidated fund. There is an opportunity to extend the coverage of the system to other fund types (including funds in accounts outside the CF), so that entities (potentially including budget funded public

bodies) could use the control features in the system for controlling use of funds more broadly. This would enable expanding the coverage of annual financial statements (to specifically include but expand beyond the CF) (PI-6) but require expanding the source of funds segment of the chart of accounts (PI-4).

Figure PILLAR FIVE: Predictability and Control in Budget Execution



Recent and ongoing reform activity

Since the previous PEFA 2017, the government has introduced, the Public Procurement Act 2016, and the Public Procurement (Amendments) Act 2018 that has significantly strengthened the management of public procurement. Improvements have been made in revenue arrears monitoring. An online Government of Jamaica Electronic Procurement portal (GOJEP) has been rolled out that provides live updated data on contract advertisements and awards for all contracts managed through the portal. There are still some contract awards processed manually outside the portal, but the Public Procurement Commission is introducing procedures to eliminate these. In the meantime, data on the contracts awarded manually are uploaded separately to the GOJEP system.

P-19. Revenue Administration

This indicator relates to the entities that administer central government revenues, which may include tax administration, customs administration, and social security contribution administration. It also covers agencies administering revenues from other significant sources such as natural resources extraction. The indicator assesses the procedures used to collect and monitor central government revenues. Coverage is CG at time of assessment for PI-19.1 and 19.2 and for the last completed fiscal year for PI-19.3 and 19.4.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
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PI-19. Revenue administration (M2)		B
19.1. Rights and obligations for revenue measures	Tax Administration of Jamaica (TAJ) and Jamaica Customs Agency (JCA) publish significant material on taxpayer rights and obligations – including redress processes – and support this with extensive outreach activities.	A
19.2. Revenue risk management	TAJ and JCA have a comprehensive, structured and systematic approach for assessing and prioritizing compliance risks. For TAJ, this includes an emphasis on large and medium taxpayers' customs, while Custom focuses on specific risk areas for taxpayers of all sizes.	A
19.3. Revenue audit and investigation	Both TAJ and CJA have compliance plans which set out audit and investigation strategies and plans. Across the two entities, 88% of planned audits were completed.	C
19.4. Revenue arrears monitoring	The stock of revenue arrears for TAJ and CJA combined was equivalent to 44.8%, with 36.4% being arrears aged more than 12 months.	D

Evidence for score

TAJ and JCA together collect more than 92 percent of revenue of the GoJ. TAJ collects over 169 types of taxes and fees, including many small fees and charges that it administers on behalf of other MDAs. Due to the materiality of the collection of these two entities, they are used as the sample for the assessment of this indicator.

Table 19: Collected revenues by entity and category (at time of assessment)

Entity	Category of revenue	Receipts (amount)	% of total revenue
1.Tax Administration Jamaica	Domestic taxes, fees and charges	536,874	58.0%
2.Jamaica Customs Agency	Taxes on International Trade	317,824	34.3%
Total Revenue (all entities)		925,717	92.3%

Data source: Customs Agency, TAJ, Estimate of Revenue 2024/25

Both TAJ and JCA have extensive outreach to ensure that taxpayers are aware of their rights and obligations. TAJ has a citizen's charter which outlines what citizens can expect from TAJ and what is required in return. The citizens charter includes information on the appeals mechanism available to taxpayers and contact details for the TAJ Customer Care Centre (contactable by telephone). TAJ provides extensive material on its website: jamaicatax.gov.jm, including the egal framework for taxation as well as private rulings and other technical advice for taxpayers. Similarly, customer engagement is a significant focus on CJA, who has a dedicated Customer Services Branch. While JCA uses traditional print media and face-to-face engagement to present information of taxpayer rights and obligations it increasingly uses online platforms, including the CJA website and social media platforms to communicate. This information includes details of the redress processes and procedures available to taxpayers. Access to appropriate appeals mechanisms is an obligation under Jamaica as a signatory to various international conventions on trade facilitation.

Table 19.1: Rights and obligations for revenue measures (At time of assessment)

Collecting entity	Revenue obligations (Y/N)	Redress processes and procedures (Y/N)	Comprehensive (Y/N)	Up to date (Y/N)
1.Tax Administration Jamaica	Y	Y	Y	Y
2.Jamaica Customs Agency	Y	Y	Y	Y

Data source: <https://www.jamaicatax.gov.jm>, <https://www.jacustoms.gov.jm>, JCA March 2024 Revenue performance Report. <https://www.jacustoms.gov.jm/service/appeals>

Table 19.2: Revenue risk management

Collecting entity	Approaches for assessing and prioritizing compliance risks		Coverage	
	Comprehensive (Y/N)	Structured and systematic (Y/Partly/N)	Large taxpayers (Y/N)	Medium taxpayers (Y/N)
1.Tax Administration Jamaica	Y	Y	Y	Y
2.Jamaica Customs Agency	Y	Y	Y	Y

Data source: JCA Compliance Strategy and Plan 2023-2025. TAJ National Compliance Plan 2023/24. TAJ Register of Identified Compliance Risks.

Table 19.3: Revenue audit and investigation (At time of assessment)

Collecting entity	Audit and fraud investigations undertaken (Y/N)	In accordance with compliance improvement plan (Y/N)	Compliance improvement plan documented (Y/N)	Completion rate of planned audits and investigations		
				Completed	Planned	Completed/Planned (%)
1.Tax Administration Jamaica	Y	Y	Y	240	304	79%
2.Jamaica Customs Agency	Y	Y	Y	103	85	121%
Total				343	389	88%

Data source: JCA post-clearance audit work plan. TAJ National Compliance Plan 2023/24.

Table 19.4: Revenue arrears (At time of assessment)

Entity	Revenue amounts (\$Jm)	Stock of arrears			
		Amount (\$Jm)	% of annual collection	Age profile (Y/N)	Arrears older than 12 months % of annual collection
1.Tax Administration Jamaica	536,874	409,017	76%	Y	63%
2. Jamaica Customs Agency	317,824	5,651	2%	Y	0.4%
Note: total collections:	925,717	414,668	44.8%		36.4%

Data source: TAJ Revenue Arrears FY2023/24 Aging report. JCA Collections & Delinquency Unit Statistical Sheet

PI-20. Accounting for revenue

This indicator assesses procedures for recording and reporting revenue collections, consolidating revenues collected, and reconciling tax revenue accounts. It covers both tax and nontax revenues collected by the central government. Coverage is CG at time of assessment.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-20. Accounting for revenue (M1)		C
20.1. Information on revenue collections	The Accountant General receives data, and the MoFPS prepares a detailed report, on all central government revenue (excluding some own-source revenues, which are estimated at less than 10% of total collections).	A
20.2. Transfer of revenue collections	TAJ and JCA or their agents transfer collections directly into revenue accounts controlled by the Treasury (at least daily), which are then swept into the CF accounts at least daily.	A

20.3. Revenue accounts reconciliation	TAJ and JCA complete reconciliations monthly within 4 weeks but for TAJ these cover only the collections and transfers to the Account-General.	C
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Evidence for score

TAJ and JCA use multiple channels for their clients to make payments. This includes cashiers, bank deposits and online platforms (online credit cards transactions etc.). All such payments are deposited in a dedicated revenue account and then these are swept into the TSA on a daily or twice daily basis. These receipts are accounted for as they are transferred into the TSA and the collections (recorded initially in the respective revenue administration system) are reconciled against the transfers to the treasury (bank account statements). The data in the GFMS is then used to prepare detailed reports of revenue on a monthly basis, including data within the "operations" reports published on the MoFPS website.

Table 20.1 and 20.2: – Information on revenue collections and transfers (At time of assessment)

Entity	Revenue and % of Total CG Revenue	Data collected by a Central Agency			Revenue collections deposited	
		At least monthly (Y/N) -	Revenue type (Y/N)	Consolidated report (Y/N) -	Frequency (daily, weekly, fortnightly)	To accounts controlled by the Treasury of MoF Account
1.Tax Administration Jamaica	58.0%	Y	Y	Y	Daily	Y
2.Jamaica Customs Agency	34.3%	Y	Y	Y	Daily	Y
Total	92.3%					

Data source: Treasury bank account statement. Information communicated by AGD, TAJ and JCA.

Table 20.3: Revenue accounts reconciliation (At time of assessment)

Collecting entity	Revenue and % of Total CG Revenue	Frequency of reconciliation (month, quarter, semi-annual, annual)	Timeline of reconciliation (2 months, 8 weeks, 4 weeks)	Type of reconciled data (Y/N):			
				Assess-ments	Collec-tions	Arrears	Transfers to Treasury
1.Tax Administration Jamaica	58.0%	Monthly	4 weeks	N	Y	N	Y
2.Jamaica Customs Agency	34.3%	Monthly	4 weeks	Y	Y	Y	Y
Total	92.3%						

Data source: Information provided by AGD, TAJ, JCA. JCA reconciliation statement. JCA Collections & Delinquency Unit Statistical Sheet

PI-21. Predictability of in-year resource allocation

This indicator assesses the extent to which the central Ministry of Finance is able to forecast cash commitments and requirements and to provide reliable information on the availability of funds to budgetary units for service delivery. Coverage is BCG at time of assessment for PI-21.1 and last completed fiscal year for PI-21.2, 21.3 and 21.4.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-21. Predictability of in-year resource allocation (M2)		B+
21.1. Consolidation of cash balances	A TSA arrangement is in place which provides the Account-General's Department with access to the balances of all funds within the structure of the TSA.	A
21.2. Cash forecasting and monitoring	The cash management unit within the Accountant-General's Department prepares a cash flow forecast for the remainder of the year, which is updated daily with actual outflows.	A
21.3. Information on commitment ceilings	MDAs are able to plan and commit expenditures for the full year in advance according to the budget and monthly commitment releases.	A
21.4. Significance of in-year budget adjustments	Significant in-year budget adjustments are frequent and partially transparent.	C

Evidence for score

The Accountant-General's department prepares a cash flow plan, which contains projections of the daily balance of the TSA for the remainder of the month and then monthly for the remainder of the year. The projections are updated daily for actual cash balances. In addition, there are some accounts, which sit outside of the TSA structure which have their balance swept into the TSA daily. There are some accounts of BCG entities that sit outside of the TSA structure which are not swept/consolidated daily but the balance of those is less than 2 percent. Such accounts (for BCG entities) relate to the management of payroll transactions for example, which do not have significant ongoing balances. There are issues of reconciliation of such accounts but these are not material given the low balances of such accounts.

Cash flow forecasts are prepared by the AGD, projecting daily balances for the rest of the month and then monthly balances for the rest of the year and these are updated daily with actual cash flows.

MDAs prepare cash flow plans at the start of the year which reflect the planned profile of their spending (based on procurement plans etc.). These are presented to the MoF, who assesses these for consistency with projected cash availability, fiscal policy plans etc., with any adjustments agreed in advance. These are updated if required during the year – if actuals do not match plans. Based on the agreed cash flow plans, warrants are released which impose a cap on commitments which can be entered into (for the year) by the respective MDA during the month.

In response to fiscal pressures and changes in the fiscal environment supplementary adjustments are made to the budget. Provision for such supplementary adjustments is well set out in the PFM legal framework. Formal engagement is undertaken with all budget entities as part of budget monitoring to identify any required supplementary adjustments and no adjustment occurs without the concurrence of the respective MDA. These are then endorsed by Cabinet and voted on by the Parliament. In 2023/24 four supplementary budget adjustments were made that were, in absolute value terms, equivalent to 19 percent of the original budget.

Table 21.1: Consolidation of bank and cash balances (At time of assessment)

Extent of consolidation (All, Most, < Most)	Frequency of consolidation (D, W, M)
All	D

Note: D= Daily, W=Weekly, M= Monthly

Data source: AGD Bank account listing, meeting with AGD

Table 21-2: Cash flow forecasts (Last completed fiscal year)

Cash flow forecast (Y/N)	Frequency of update (D/M/Q/A)	Period of projection (D/M/Q/A)	Update based on actual cash flows (Y/N)
Y	M	A	Y

Note: D= Daily, M= Monthly, Q=Quarterly, A=Annually

Data source: Cash flow forecast spreadsheets supplied by the Accountant-General.

Table 21.3: Information on commitment ceilings

Information on commitment ceilings		
It is reliable (Y/N)	Frequency of release of commitment ceilings (M/Q/S/A)	In accordance with appropriations and cash/ commitment releases (Y/N)
Y	M	Y

Note: M= Monthly, Q= Quarterly, S=Semiannually, A= Annually

Data source: Cash flow projections, Treasury Cash Management Manual.

Table 21.4: Significance of in-year budget adjustments (Last completed fiscal year)

Frequency (describe)	% of BCG expenditure	Transparency (partial, fairly, fully)	Documented procedures (Y/N)	Rules for adjustments	
				Defined rules (Y/N)	Compliance with rules (Y/N)
4 times	19%	Fully	N	Y - Law	Y

Data source: Supplementary Estimates for 2023/24, Table which lists supplementary adjustments calculates variances (by MOFPS)

PI-22. Expenditure arrears

This indicator measures the extent to which there is a stock of arrears, and the extent to which a systemic problem in this regard is being addressed and brought under control. Coverage is BCG for the last completed fiscal year for PI-22.1 and at time of assessment for PI-22.2.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-22. Expenditure arrears (M1)		D
22.1. Stock of expenditure arrears	The stock of expenditure arrears is not available due to poor internal reporting practices.	D*
22.2. Expenditure arrears monitoring	The MoFPS receives and collates data on the stock, age and composition of expenditure arrears but such data is considered incomplete as some large Ministries report their arrears only sporadically.	D

Evidence for score

In the context of a prior IMF program, the MoFPS required budgetary central government units to provide a detailed report on arrears each month (within 14 days). This requirement remains in place and requires details to be provided of the stock, composition and age profile of arrears. However, the practice of providing such reports is now inconsistent and therefore results in only partial (unreliable) data.

Table 22.1: Stock of expenditure arrears - partial (Last three completed fiscal years)

Stock of arrears

Year	\$ ('000)	As % of BCG expenditure
2023/24	NA	NA
2022/23	NA	NA
2021/22	NA	NA

Data source: Arrears report for BCG provided by the MoFPS.

Table 22.2: Monitoring of expenditure arrears (At time of assessment)

Stock and composition (Y/N/NA)	Age profile (Y/N/NA)	Frequency of reports (M/Q/A)	Time required to generate data (4 weeks, 8 weeks, more than 8 weeks)
NA (Y when available)	NA (Y when available)	NA (required monthly)	NA (Required within 2 weeks)

Note: M= Monthly, Q=Quarterly, A=Annually

Data source: Arrears report by MoFPS.

PI-23. Payroll controls

This indicator is concerned with the payroll for public servants only: how it is managed, how changes are handled, and how consistency with personnel records management is achieved. Wages for casual labour and discretionary allowances that do not form part of the payroll system are included in the assessment of non-salary internal controls, PI-25. Coverage is CG at time of assessment for PI-23.1, 23.2 and 23.3 and last three completed fiscal years for PI-23.4.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-23. Payroll controls (M1)		D+
23.1. Integration of payroll and personnel records	Payroll and HR are linked in the MyHR+, approved staff list linked to budget control, data consistent and monthly reconciliation. Information for non-budgetary units not on the MYHR+ was not available for assessment.	D*
23.2. Management of payroll changes	Required records are updated monthly, in time for the next payroll; retroactive payments are rare	A
23.3. Internal control of payroll	For Budgetary Central Government, the authority to change records and payroll is restricted, results in an audit trail and is adequate to ensure full integrity of data. However, there wasn't enough evidence on extra budgetary units.	D*
23.4. Payroll audit	Partial payroll audits have been undertaken within the last three completed fiscal year	C

Evidence for score

Payroll across the Central Government is largely decentralized, and payrolls are done manually or through multiple interfaces. The Government has purchased MyHR+ software to assist entities in effectively managing the payroll functions and eliminating manual processes while standardizing the payroll controls across the Central Government. The Transformation Implementation Unit is responsible for the software rollout across the Central Government. Over 85 percent of entities use the HR module and approximately 47 percent use the payroll functions. Notwithstanding, payroll computation remains within the purview of line ministries. The software enable recruitment, process personnel actions, run payrolls, process bank deposits for net pay and deductions, reconcile payroll accounts, and manage performance appraisal and competency.

Whereas one audit completed by the Internal Audit Department for the Ministry of Education on the MyHR+ software disclosed multiple breaches of internal controls, including duplication of employees' profiles and unique identifiers such as NIS and TRN and variances between the payroll information on MyHR+ and Biz Pay, as far as the budgetary central government and the budgetary units (including all teachers and fortnightly staff for the RHAs) using the MyHR+ are concerned, adequate controls appear to be in place to ensure that staff list, personnel database and payroll are directly linked to ensure budget control data consistency and monthly reconciliations. Similarly, there are restrictions on payroll records and changes that will result in audit trails. However, information on the non-budgetary units not on the MyHR+ were not available for assessment for 23.1 and 23.3.

For PI 23.2, for budgetary central government and non-budgetary units adjustments to payroll are completed monthly and are rare and mainly as a result of payroll cutoff dates or changes through heads of agreements that may have been communicated late.

Several payroll audits were conducted across budgetary central government and budgetary units within the last three years, including those that fall under the MoEY, MoJ, Ministry of Agriculture, and Ministry of Health. However, there was no supporting evidence that all budgetary central government and budgetary units completed payroll audits.

1. Table 23.1: Integration of payroll and personnel records (at time of assessment)

Function	Y/N	By whom	Frequency (if applicable)	Divergence in practice across CG (or sample)
Staff hiring and promotion checked against approved staff list	Y	HR		All entities interviewed are using the MyHR+ electronic system. No noticeable deviation in the procedures outlined by the Ministry of Local Government, Health, Education and Finance
Reconciliation of payroll and personnel database	Y	HR/Manager/Teachers	Monthly/Fortnightly	
Documentation maintained for payroll changes	Y	HR and Teachers Regional Offices	Monthly/Fortnightly	In the Case of the Ministry of Education records are kept by the Regional Offices
Payroll checked and reviewed for variances from last payroll	Y	Comparison report issued by the MyHR+	Monthly/Fortnightly	
Updates to personnel records and payroll	Y	HR	Monthly	
Updates includes validation with approved staff list	Y	MyHR+ requires staff post number to validate	Monthly	
Audit trail of internal controls	Y	Frequent meetings to discuss effectiveness	Monthly	
Payroll audits in last three years. Define coverage.	Y	Internal Auditors in Line Ministries	At least once in last three years	Multiple payroll audits were completed across the budgetary central government and budgetary units to include Ministry of Education & Youth, Ministry of Agriculture & Fisheries, Ministry of Labour and Social Security within the last three FYs. In some instances, the reports

				have identified multiple breaches, including duplication of employees on the MyHR+ software being rolled out across the Government. However, most budgetary units including all teachers are on the MyHR+, and the internal control procedures for the payroll are adequate.
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Data source:

Meetings with the Ministry of Health and Wellness, Ministry of Education and Youth, Transformation Implementation Unit and Ministry of Local Government.

Payroll Audits provided by the Internal Audit Directorate

List of Payroll Audits Completed across the last three years by Ministry from the IAD

PI-24. Procurement

This indicator examines key aspects of procurement management. It focuses on transparency of arrangements, emphasis on open and competitive procedures, monitoring of procurement results, and access to appeal and redress arrangements. Coverage is CG for the last completed fiscal year.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-24. Procurement (M2)		C+
24.1. Procurement monitoring	The Public Procurement Commission oversees the online GoJ Electronic Procurement Portal (GOJEP). The portal includes a contract award report that presents a live online database that records data on what has been procured, value of procurement and who has been awarded contracts. The PPS confirmed that 59% of value of contracts are managed and awarded through the system. The remaining contract awards are processed manually which are subsequently uploaded to the GOJEP portal. The database is therefore accurate and complete for all procurement methods for goods, services, and services.	A
24.2. Procurement methods	67% of contracts are awarded through competitive methods.	C
24.3. Public access to procurement information	The public have access to three key procurement information elements (legal and regulatory framework for procurement; bidding opportunities; contract awards) for the majority of procurement operations.	C
24.4. Procurement complaints management	The Public Procurement Act established a Review Board. Based on the legislation and regulations, the role of Review Board meets criterion (1) and four of the other criteria. However, at the time of the assessment the Review Board is not yet functional.	D

Evidence for score

Procurement in Jamaica is governed by the Public Procurement Public Act 2015, Procurement Act (Amendments) 2018 and supporting regulations. The Public Procurement Commission (PPC) oversees the GoJ Electronic Procurement Portal (GOJEP) through which data is uploaded by agencies undertaking procurement. The portal includes a contract award report that is a live online database that records data on what has been procured, value of procurement and who has been awarded contracts. As noted on the MOFPS website '*Public sector procurement policy applies to all procurement by public sector entities including Central Government Ministries and Departments, Local Government Authorities, Statutory Bodies, Executive Agencies, public enterprises and any other Government entity in which GOJ owns majority share and/or otherwise exercises control over the operations of the entity, including an entity acting on behalf of the Government*'.

The PPC advised that, that 59 percent of contracts in the last financial year were managed through the e-procurement portal. The remaining contracts are processed manually, notwithstanding the use of the GOJEP portal is mandatory for ministries and departments. The PPC advised that it is making efforts to eliminate manual submissions of procurement requests. Data provided by the PPC for both contracts processed via the GOJEP portal and those processed manually (and subsequently uploaded to the GOJEP system, show that 67.2 percent of all contracts are awarded by competitive methods.

While the portal includes capacity for publication of an Annual Procurement Plan but at the current time this has not been prepared. The GOJEP also includes the following information:

- Current competitions
- Bidding advertisements
- Opened bid details
- Contract award notices
- Supplier registration
- Forms
- Instructions

The Public Procurement Act authorizes three methods of procurement – open bid, restricted bid and single source contract. The Public Procurement Regulations 2018 (PPR) specify the various thresholds for each method. Separate thresholds are set for (i) goods and services and (ii) works and are set out in the First Schedule of the PPR. In terms of accuracy, the Integrity Commission has direct auditor access to the GOJEP but does not receive the report of their findings. Procurement is also subject to regular internal and external audit processes of ministries and departments.

Table 24.1: Procurement monitoring (Last completed fiscal year)

Procurement method (Specify method in second column)		Coverage (from Table 24.2)	Databases or records are maintained (Y/N)			Data is accurate and complete
			What has been procured	Value	Vendor	Third party assurance (Y/N, specify (i))
With competition/ Above threshold	Open bidding	21.0%	Y	Y	Y	Y
	Restricted bidding	35.0%	Y	Y	Y	Y
	Single source	27.4%	Y	Y	Y	Y
Without competition/ Below threshold	Open bidding	8.9%	Y	Y	Y	Y
	Restricted bidding	2.4%	Y	Y	Y	Y
	Single source	5.4%	Y	Y	Y	Y

Data source: Public Procurement Act and Regulations; Public Procurement Commission; Government of Jamaica Electronic Procurement Portal (GOJEP); **Additional data on contracts awarded outside GOJEP system provided by PPS.** PPS advised that the Integrity Commission has direct auditor access to the GOJEP data.

Table 24.2: Procurement method (Last completed fiscal year)

Procurement method (Specify method in second column)		Amount J\$Bn	Coverage (% of total)
With competition/ Above threshold	Open bidding	42.674	21.0%
	Restricted bidding	71.04	35.0%
	Single source	55.567	27.4%
Subtotal 1/ Coverage 1		169.281	83.4

Without competition/ Below threshold	Open bidding	18.1	8.9%
	Restricted bidding	4.284	2.4%
	Single source	10.865	5.4%
Subtotal 2/ Coverage 2		33.789	16.6
Total value of contracts/ Coverage		203.07	100%

Data source: Public Procurement Act and Regulations; Public Procurement Commission; Government of Jamaica Electronic Procurement Portal (GOJEP)

Table 24.3: Public access to procurement information (Last completed fiscal year)

Key procurement information to be made available to the public comprises:

Element/ Requirements	Met (Y/N)	Evidence used/Comments
(1) legal and regulatory framework for procurement	Y	Public procurement act and regulations https://www.gojep.gov.jm/epps/viewInfo.do?section=eproc&selectedItem=viewInfo.do%3Fsection%3D5
(2) government procurement plans	N	
(3) bidding opportunities	Y	E-Procurement Portal https://www.gojep.gov.jm/epps/prepareCurrentOpportunities.do?selectedItem=prepareCurrentOpportunities.do
(4) contract awards (purpose, contractor and value)	Y	E-Procurement Portal https://www.gojep.gov.jm/epps/quickSearchAction.do?searchSelect=5&selectedItem=quickSearchAction.do%3FsearchSelect%3D5
(5) data on resolution of procurement complaints	N	
(6) annual procurement statistics	N	

Table 24.4: Procurement complaint management (Last completed fiscal year)

Complaints are reviewed by a body that:

Element/ Requirements	Met (Y/N)	Evidence used/Comments
(1) is not involved in any capacity in procurement transactions or in the process leading to contract award decisions	Y	Public Procurement Act 2015 creates a seven-member Review Board chaired by an 'Attorney-at-law' or retired judge. The Act requires any member that has a direct or indirect interest in a review before the board shall not take part in any decisions for that review. At the time of the assessment the Review Board is not operational. A recruitment process to select members is currently under way.
(2) does not charge fees that prohibit access by concerned parties	Y	Fees are set in the legislation at 0.05% of the award contract value.
(3) follows processes for submission and resolution of complaints that are clearly defined and publicly available	Y	Public Procurement Act and regulations
(4) exercises the authority to suspend the procurement process	Not known	The Review Board is not currently operational
(5) issues decisions within the timeframe specified in the rules/ regulations	Y	Public Procurement Act
(6) issues decisions that are binding on every party (without precluding subsequent access to an external higher authority)	Y	Public Procurement Act

PI-25. Internal controls on non-salary expenditure

This indicator measures the effectiveness of general internal controls for non-salary expenditures. Specific expenditure controls on public service salaries are considered in PI-23. Coverage is CG at time of assessment.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-25. Internal controls on non-salary expenditure (M2)		A
25.1. Segregation of duties	Segregation of duties is adequately prescribed in the procedures' manual, and responsibilities are clearly laid out.	A
25.2. Effectiveness of expenditure commitment controls	Expenditure commitment control procedures exist to limit commitment to projected cash availability and approved budget allocations for most types of expenditure.	B
25.3. Compliance with payment rules and procedures	Financial irregularities across the five largest ministries reported by the Internal Auditors are less than 1 percent of estimates over the last three years	A

Evidence for score

The FAA Act Regulation 2011 and FAA Act Instructions 2019 provide clear guidance on separating duties for data entry, checking, certification, and authorization/approval of payments. The instructions cover budgetary central government and non-budgetary units. A control test of the GFMS system shows adequate separation of duties at all levels of approval.

The Ministry of Finance and Public Service revised the Commitment and Purchase Order Procedures manual, reissued in October 2020 to budget central government and extra-budgetary units. The document clearly outlines the procedures for committing expenditures. For the budgetary central government, the GFMS system is specifically designed to manage all expenditures and send exception reports if budgetary expenditure is exhausted. Payments through the GFMS systems can only be made with prior commitments. In which case, a virement or an advance warrant must be approved before the expenditure can be committed.

Payment systems for extra-budgetary units including the regional health authorities and the schools under the ministry of education is not tied to the GFMS systems, and data provided by the entities show that in the last three years, there has been immaterial over-expenditure across the main expenditure lines. Similarly, internal Audits for budgetary central government and extra-budgetary units conducted over the last three FYs have identified financial irregularities amounting to less than 1 percent of the budget, annually.

Table 25.1 and 25.2: Segregation of duties and commitment controls (At time of assessment)

Segregation of duties		Commitment controls		
Prescribed throughout the process (Y/N)	Responsibilities C= Clearly laid down M= Clearly laid down for most key steps N= More precise definition needed	In place (Y/N)	Limited to cash availability A= All expenditure M= Most expenditure P= Partial coverage	Limited to approved budget allocations A= All expenditure M= Most expenditure P= Partial coverage
Y	C	Y	A	A

Data source:

Auditor General's Report 2023, pages 71, 80, 86

The FAA Act Regulation 2011 and FAA Act Instructions 2019

Ministry of Finance and Public Service Commitment and Purchase Order Procedures Manual October 2020

Interview with Ministries of Health and Wellness, Ministry of Education and You, Ministry of Local Government

Table 25.3: Compliance with payment rules and procedures (At time of assessment)

Payments compliant with procedures A= All expenditure M= Most expenditure Maj.= Majority	Exceptions are properly authorized and justified A= All expenditure M= Most expenditure Maj.= Majority
A	A

Data source:

Internal Audit Report for Ministry of Health and Wellness – Chemist Audit – 2023-2024
Internal Audit Report for Ministry of Economic Growth and Job Creation -Social Services Audit 2023-2024
Internal Audit Report for Ministry of Education – Cedric Titus – 2023-2024

PI-26. Internal audit

This indicator assesses the standards and procedures applied in internal audit. Coverage is CG at time of assessment for PI-26.1 and 26.2, for the last completed fiscal year for PI-26.3, and the audit reports that should have been issued in the last three fiscal years for PI-26.4.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-26. Internal audit (M1)		B+
26.1. Coverage of internal audit	<p>The Internal Audit Directorate (IAD) is based in The Ministry of Finance and the Public Service (MoFPS) and has responsibility for the effectiveness and efficiency of the Internal Audit Units (IAU) across the Government of Jamaica (GOJ).</p> <p>Internal audit is operational for all central Government entities. Coverage is 100% of budgeted expenditure and revenue and includes all Government Ministries and departments, 34 MDAs are covered in total by 31 IAU with 31 functional Audit Committees in place. All audit plans are discussed and agreed with Audit Committees.</p> <p>The TAJ and the JCA are the main revenue agencies and are part of the Ministry of Finance, which is covered.</p> <p>The Internal audit function has its own regulations and procedures, audit documentation, and reporting. Risk based audit plans are being used, up to date and signed off and follow the IA Manual. They are actively using TeamMate+ and carry out quality reviews.</p> <p>They are using and following the Institute of Internal Audit (IIA) Standards.</p> <p>Auditors take IIA basic level exams to become an auditor – IIA and CIA professional status is encouraged.</p>	A
26.2. Nature of audits and standards applied	<p>Internal audit activities are focused on evaluations of the adequacy and effectiveness of internal controls.</p> <p>The IAD establishes methodologies, provides training on risk assessment planning, and reviews all central government annual plans. The IAD internal audit manual provides guidance and format for all government internal audit departments. 31 internal audit units cover all central government activities. The IAD establishes methodology, provides training on risk assessment planning, and reviews all central government annual plans.</p> <p>Active quality assurance process is in place. Quality Assurance (QA) activities occur on a three-year rolling basis, further QAs can occur if requested.</p>	A

	<p>Adherence to IIA standards is assured through peer reviews and other quality assurance activities. Quarterly and annual reports provided for management detail audit work planned and executed in addition to compliance evaluation activities. Reports on the quality assurance activities are maintained on file by the IAD and a copy submitted to the respective entities.</p> <p>Surveys are used as well to judge performance and compliance, standard approach and manual, plus the introduction of TeamMate+ further supports the standard approach in line with standards. Active training is provided based on QA reviews to tackle any noncompliance issues.</p>	
26.3. Implementation of internal audits and reporting	<p>All internal audit units have an annual audit program, which is based upon a risk assessment, and details the audits to be completed within the financial year.</p> <p>The IAU monitors delivery against the plans and reviews reports which are issued for all completed audits, quarterly activity reports are prepared with details on all activities of the units, including status of audits and final reports with findings and management responses. Audit reports are also reviewed by the Audit Committee for each MDA on a regular basis.</p> <p>Most programmed audits are completed.</p>	B
26.4. Response to internal audits	<p>Management responds to most recommendations and implementation is included in follow-up audits. Management provides partial comments on the auditors' recommendations in most cases within 12 months.</p> <p>Internal audit reports and findings are included in the audit report and in quarterly activity reports of each internal audit unit.</p> <p>In most cases appropriate action to implement them where necessary is carried out.</p> <p>For recommendations where responses are not provided, partially provided and/or implementation is unsatisfactory, the Audit Committee will follow up the recommendations and call in relevant officers. The Audit Committees are active and add to the follow-up process and implementation of recommendations.</p> <p>Each IAU has a detailed spreadsheet of all recommendations, which are ranked and monitored, recommendations are tracked, reports are shared with Audit Committees and with IAD. All recommendations are now included in TeamMate+ and allocated status, these are all followed up annually (not all IAU have fully implemented TeamMate+ at this time).</p>	B

Evidence for score

As a decentralized approach is taken with 31 IAU systems, a sampling approach has been applied for PI 26.1, 26.2 and 26.3, using the 5 major budgetary units (MADs) as measured by gross expenditure in the last completed fiscal year. Evidence is provided by IAD and supported by documentary review of reports.

Table 26.1: Coverage of internal audit (At time of assessment)

Ministry (or Department or Agency)	Operational internal audit function (Y/N)	Internal Audit unit in charge (specify)	Budgeted expenditure		Budgeted revenue	
			Amount (J\$ millions)	% of total	Amount	% of total
Ministry of Finance & the Public Service	Y	Y	284,114	15%	870,945	83%
Ministry of Education	Y	Y	148,333	8%	25,801	0.002%
Ministry of Health	Y	Y	125,097	6%	14,696	0.001
Ministry of National Security	Y	Y	118,623	6%	64,939	0.01%
Ministry of Economic Growth & Job Creation	Y	Y	48,957	3%	609,405	0.06%

Data source: Audit Plans provided for each IA Function, Budget Book

Table 26.2: Nature of audits and standards applied (At time of assessment)

Primary focus (Compliance / adequacy and effectiveness of internal control)	Quality assurance process (Y/N)	Professional standards (Y/N)	Risk based approach (Y/N)
Compliance/Adequacy and effectiveness of	Y	Y	Y

Data source: Internal Audit Manual (2017) provides details of the types of audits completed which includes compliance, assurance and adequacy and effectiveness of internal controls.

Table 26.3: Implementation of internal audits and reporting (Last completed fiscal year)

Ministry (or Department or Agency)	Expenditure in last completed fiscal year (amount)	Existence of an annual program (Y/N)	Completed audits as share of programmed audits (%)	Audit report completed and distributed to appropriate parties (Y/N)
1. Ministry of Finance & the Public Service	264,351,519	Y	100%	Y
2. Ministry of Education	168,956,060	Y	88%	Y
3. Ministry of Health	135,574,475	Y	80%	Y
4. Ministry of National Security	138,394,434	Y	39%	Y
5. Ministry of Economic Growth & Job Creation	49,856,017	Y	83%	Y
Total			78%	

Data source: Budget Book, annual programmes provided and details of completion against those plans. All audit reports provided.

Table 26.4: Response to internal audits (Reports issued within last three fiscal years – details for three years received, only documented here 2022/23 but reviewed 3 years, as covering 5 IAUs as decentralized)

Ministry (or Department or Agency)	Expenditure in last completed fiscal year		Extent of management response to audit recommendations			Management response within 12 months (Y/N)
	(\$J millions)	(%)	Full response (Y/N)	Partial (Y/N)	None (Y/N)	

1.	Ministry of Finance & the Public Service	249,177	13%	Y	N/A	N/A	Y
2.	Ministry of Education	168,956	8%	Y	N/A	N/A	Y
3.	Ministry of Health	135,574	7%	Y	N/A	N/A	Y
4.	Ministry of National Security	138,394	7%	Y	N/A	N/A	Y
5.	Ministry of Economic Growth & Job Creation	49,856	2%	Y	N/A	N/A	Y
Total		757,136					

Data source: Budget book, Audit reports from IAU.

PILLAR SIX: Accounting and Reporting

This pillar includes three indicators which assess whether accurate and reliable records are maintained and whether information is produced and disseminated at appropriate times to meet decision-making, management, and reporting needs.

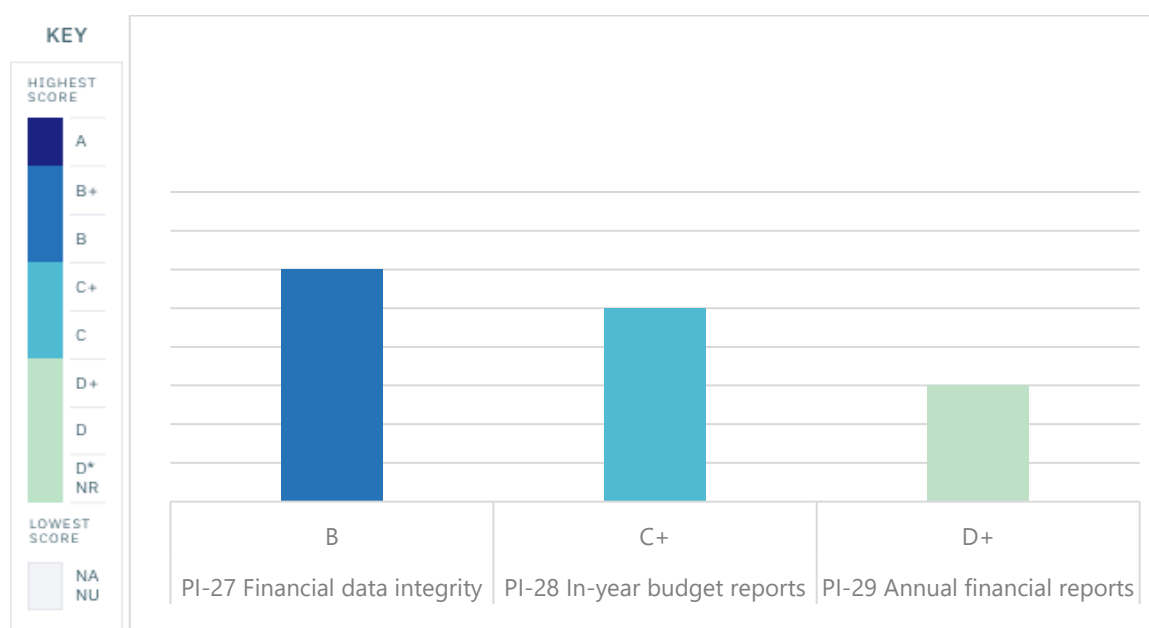
Overall performance

Bank reconciliations within the Treasury are generally reconciled within six weeks. However, there is a perennial issue with multi-year delayed bank reconciliations across the larger budgetary units with accounts outside the Treasury, including those in the MoEY and the MOHW. Timely bank reconciliation is essential for maintaining the integrity of financial records and ensuring regulatory compliance, detecting fraud, and supporting sound financial management and decision-making processes.

A major strength of the PFM system is the monthly reconciliation of the advance accounts. The in-year monthly report provides useful information to enhance policy decisions. However, the reports do not include an analysis that could enhance the understanding of variances.

The FAA Act's provisions for preparing financial reports are commendable. However, the continuous and widescale delay in obtaining audit certification across budgetary and non-budgetary units is problematic. Timely audited financial statements are vital for ensuring accurate financial reporting, maintaining regulatory compliance, building stakeholder trust, and supporting strategic and operational decision-making. They are a cornerstone of effective financial management and corporate governance.

Figure PILLAR SIX: Accounting and Reporting



Recent and ongoing reform activity

Financial statements for the budgetary units are being done using a cash-basis of accounting. There are plans to migrate to cash IPSAS. The automated bank reconciliation is currently being processed. The entity has partially adopted a single treasury account system and full implementation of cash forecasting for revenue and expenditure.

PI-27. Financial data integrity

This indicator assesses the extent to which treasury bank accounts, suspense accounts, and advance accounts are regularly reconciled and how the processes in place support the integrity of financial data. Coverage is CG for PI-27.1 and BCG for PI-27.2, 27.3 and 27.4. Time period is at time of assessment for all four dimensions, specifically covering the preceding fiscal year for PI-27.1, 27.2 and 27.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-27. Financial data integrity (M2)		B
27.1. Bank account reconciliation	Treasury accounts are largely reconciled within six weeks; the Auditor General cited backlogged audits across line ministries in the 2023 report and MOHW and MoEY have reported back-logged reconciliations.	D
27.2. Suspense accounts	N/A	NA
27.3. Advance accounts	Advance accounts are reconciled monthly and advanced cleared in a timely	A
27.4. Financial data integrity processes	Access and changes to records are generally restricted and result in an audit trail, but there are no available dedicated operational bodies, units, or teams in charge of verifying the integrity of financial data.	B

Evidence for score

Assessors selected a sample of six major bank accounts within the Treasury from the list of accounts; from the sample selected, it was observed that in one case, the bank reconciliation was completed within one week; in another, it was done within three weeks, and for the remaining four, it was done on the date of or after the date the sample was requested which was six weeks after the closure of the month.

Regarding the status of bank reconciliation held outside of the Treasury for budgetary central government and extra-budgetary units for imprest accounts to pay personal emoluments and other operating expenditures, the MOHW reported one account where the account is up-to-date and the other behind by four years.

The Auditor General's 2023 report also reported that a project is underway to aid the Ministry of Education and Youth in engaging consultants with the bank reconciliations backlog. The auditor general also cited the Social Development Commission as having backlogged reconciliations. The Internal Audit Directorate on June 11, 2024, highlighted that the lack of bank reconciliation is pervasive across the budgetary central government and non-budgetary central government as far as timeliness of bank reconciliations is concerned, inadequate supervisory reviews of the reconciliation, that signatories list are not updated, and there are inaccuracies in the bank reconciliations.

There are no suspense accounts.

Advance accounts are raised at the line ministries, reconciled monthly, and advances are cleared promptly.

Table 27.1: Bank account reconciliation (At time of assessment, covering the preceding fiscal year)

All active accounts (Y/N)	Frequency (W/M/Q)	Within (1/4/8 weeks)	Aggregate and detailed level (Y/N)
N	Q	8 weeks	N

Data source:

- Sample Bank Reconciliations for the National Treasury for sample accounts -
- Meeting with CEOs in Municipal Corporations and the Permanent Secretary, Ministry of Local Government

- Meeting with Internal Audit Directorate, June 12, 2024 and subsequent emails
- Meeting with Team in Treasury on June 12, 2024
- Meeting with Team from the Ministry of Health on June 13, 2024
- Auditor General's Report 2023

Table 27.2 and 27.3: Suspense and advance accounts (At time of assessment, covering the preceding fiscal year)

Suspense accounts reconciliation			Advance accounts reconciliation		
Frequency (M/Q/A)		Timeliness of clearance Y= no later than end of fiscal year (unless justified)/N		Within: 1 month; 2 months; N = > 2	Accounts cleared timely A= All without delay M= Most without delay F= Frequent with delay N= <F
	Within 1 month; 2 months; N = > 2		Frequency (M/Q/A)		
N/A	N/A	N/A	M	1 month	A

Data source:

- Meeting with the Team at the Accountant General' Department in which they advised that suspense accounts do not exists.
- Advance account schedules are provided in in-year monthly reports for the Ministry of Health and Ministry of Education

Table 27.4: Financial data integrity (At time of assessment)

Access and changes to records		
Restricted and recorded (Y/N)	Results in audit trail (Y/N)	Financial integrity verified by operational team (Y/N)
Y	Y	N

Data source:

- Interview with the Systems Administrator from the National Treasury on the GFMS system and System Demonstration and the Web-based GFMS system test on June 12.

PI-28. In-year budget reports

This indicator assesses the comprehensiveness, accuracy and timeliness of information on budget execution. In-year budget reports must be consistent with budget coverage and classifications to allow monitoring of budget performance and, if necessary, timely use of corrective measures. Coverage is BCG for the last completed fiscal year.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-28. In-year budget reports (M1)		C+
28.1. Coverage and comparability of reports	In-year budget reports are prepared with a comparison to the original budget. The document covers all classification levels.	A
28.2. Timing of in-year budget reports	Budget execution reports are prepared monthly within four weeks from the end of the month.	B
28.3. Accuracy of in-year budget reports	In-year budget execution reports include expenditures captured at the payment stage, there are no material concerns they include commitments. No supporting budget analysis.	C

Evidence for score

Aggregate in-year budget reports comparable to the original budget are prepared monthly and at year-end and submitted to the MoFPS and within four weeks after the month's closure. The reports include budget and expenditure data by economic classification, function and program activity similar to COFOG. There are no material concerns. The reports capture information about expenditure and commitments at the payment stage. The reports while being appropriate to support analysis of budget execution, they do not provide an analysis of budget execution.

Table 28.1, 28.2 and 28.3: In-year budget reports

Coverage and comparability			Timeliness		Accuracy		
Allows direct comparison to original budget (Y/N)	Level of detail A=All budget items P= Partial aggregation M= Main administrative headings E=Main economic headings	Includes transfers to de-concentrated units (Y/N)	Frequency W/M/Q N= >Q	Within: 2/4/8 weeks N= >8weeks	Material concerns (Y/N)	Half Year/Yearly Analysis prepared (Y/N)	Payment info E=Expenditure C=Commitments
Y	A	N	M	4 weeks	N	N	Y

Note: W=Weekly; M=Monthly; Q=Quarterly

Data source: Monthly Financial Statements for MOHW and MoEY submitted to MOFPS for September 2023 and March 2024.

PI-29. Annual financial reports

This indicator assesses the extent to which annual financial statements are complete, timely, and consistent with generally accepted accounting principles and standards. Coverage is BCG for the last completed fiscal year for PI-29.1, the last annual financial report submitted for audit for PI-29.2, and the last three years' financial reports for PI-29.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-29. Annual financial reports (M1)		D+
29.1. Completeness of annual financial reports	Annual financial reports for budgetary central government include information on revenue, expenditure and cash balances and are comparable with the Estimates. They do not include financial assets or liabilities, and no statements of guarantee and long-term obligations exist.	C
29.2. Submission of reports for external audit	The most recent available statement presented for audit under the FAA Act 24(H) was statement "C" for FY 2021-2022. It was presented for audit more than six months after the close of the FY. The other elements have not been submitted for audit. Performance is less than required for a C score.	D
29.3. Accounting standards	The accounting standards applied to the Annual Financial Statements comply with the country's legal framework, and the standard is disclosed in the annual financial reports for the budgetary central government.	C

Evidence for score

Section 24(G) of the FAA Act requires that the Minister, as soon as possible after the closure of the FY, shall table in the House of Representatives documents signed by the Accountant General, statement of the receipts and payments in respect of the consolidated fund principal bank account, statement of assets and liabilities and a summary of the transactions of the consolidated fund principal bank account as compared with the original and revised budget forecasts. Government of Jamaica financial statements of the consolidated fund year ended March 31, 2023, For presentation to the Houses of

Parliament is the source document for this indicator. The document is prepared annually. It is comparable to the estimates and includes cash flow statements. The document does not discuss long-term liabilities for civil servant pension, defined contributory pension and other social security pension, or tangible and intangible assets and guarantees.

Section 24H.(1) of the FAA Act requires that four months after the close of the financial year, the Accountant General shall prepare, sign and submit to the Auditor General statements showing:

- (a) Current assets and liabilities of the consolidated fund;
- (b) Revenue actually paid into the consolidated fund principal bank account as compared with the estimates of revenue;
- (c) Actual expenditure from the consolidated fund principal bank account as compared with the estimates of expenditure;
- (d) The public debt of Jamaica, showing transactions in the relevant year of account and the balance of sinking funds held against redemption;
- (e) Advances and loans from then consolidated funds showing transactions for the year of account and for those accounts in respect of which no recovery is reported during that year, the date of the most recent recovery;
- (f) Capital investments of the consolidated fund showing transactions for the year of account, the securities held, and the proportion of equity held on behalf of the Government;
- (g) Balances held by the Accountant General on deposit at the end of the financial year and the outstanding advances made there from;
- (h) Expenditure in respect of those services which by law are directly charged upon the consolidated fund as compared with budget forecasts;
- (i) Outstanding loans or credits guaranteed by the Government;
- (j) Receipts and payments of the contingencies fund;
- (k) Such other matters as the Minister may direct for the purpose of amplifying the information required under paragraphs (a) to (j).

Statements A to K are not consolidated for submission to the Auditor General by the Accountant General in the form of annual financial statements (for example in the format required by IPSAS) but rather each is prepared separately. The Accountant General has advised that each letter is at different stages of completion for submission to the Auditor General. For the last completed FS, Statement C for FY 2021/22 was only presented to the Auditor General for examination on October 31, 2022.

Importantly, the FAA Act, section 73 requires the Chief Internal Auditor to certify the statements before presentation to the Auditor General for audit. The Treasury provided evidence that the 2022/2023 statements 'B' and statement 'C' reports were sent to the Chief Internal Auditor on June 30, 2023, and April 17, 2023, respectively and Section 'E' report for the 2020-2021 on November 3, 2022

All annual FS submitted for audit covers country standard and are in line with the tenets of the FAA Act. The disclosure of the standards is outlined, but there is no disclosure of variation or explanation for gaps.

Section 24 (l) outlines that accounting officers should submit general statements relating to their financial activities to the Minister and Auditor for each head of estimates' annual reports regarding each financial year within four months after each financial year's end. The Auditor General's Report on Pages 107-111 corroborates that the statements are not completed on time, with the ministries of health and education having outstanding appropriations accounts for ten and nine years, respectively.

Table 29.1 and 29.2: Annual financial reports

Content of annual financial reports			Most recent financial report submitted for audit			
Prepared annually (Y/N)	Comparable with approved budget (Y/N)	Operating or cash flow statement (revenue and expenditure) (Y/N)	Balance Sheet C=Cash only FO=Financial assets & liabilities only F=Full	FY of report most recently submitted	Date of submission	Within: (3/6/9 months)
Y	Y	Y	C	2021/2022	October 31, 2022	9 months

Data source:

- Financial Statements of the Consolidated Fund Year ended March 31, 2023, presentation to the Houses of Parliament.
- Statement 'C' – FY 2021-2022
- Auditor General's Certification of Statement 'C' - FY 2021-2022
- Auditor General's Annual Report 2023 pages 107-123
- FAA Act (73) Certification of Financial Statements

Table 29.3: Accounting standards (Consolidated Fund Report to Parliament)

Accounting standards applied to all financial reports				
Type of standard I= International C= Country	Consistency M=Most IS applied Mj= Majority IS applied C=Consistent over time only	Disclosure on standards (Y/N)	Disclosure on variations (Y/N)	Gaps explained (Y/N)
C	C	Y	N	N

Note: IS = International standards

Data source: Financial Statements of the Consolidated Fund Year ended March 31, 2023, presented to the Houses of Parliament.

PILLAR SEVEN: External Scrutiny and Audit

This pillar includes two indicators which assess whether public finances are independently reviewed and there is external follow-up on the implementation of recommendations for improvement by the executive.

Overall performance

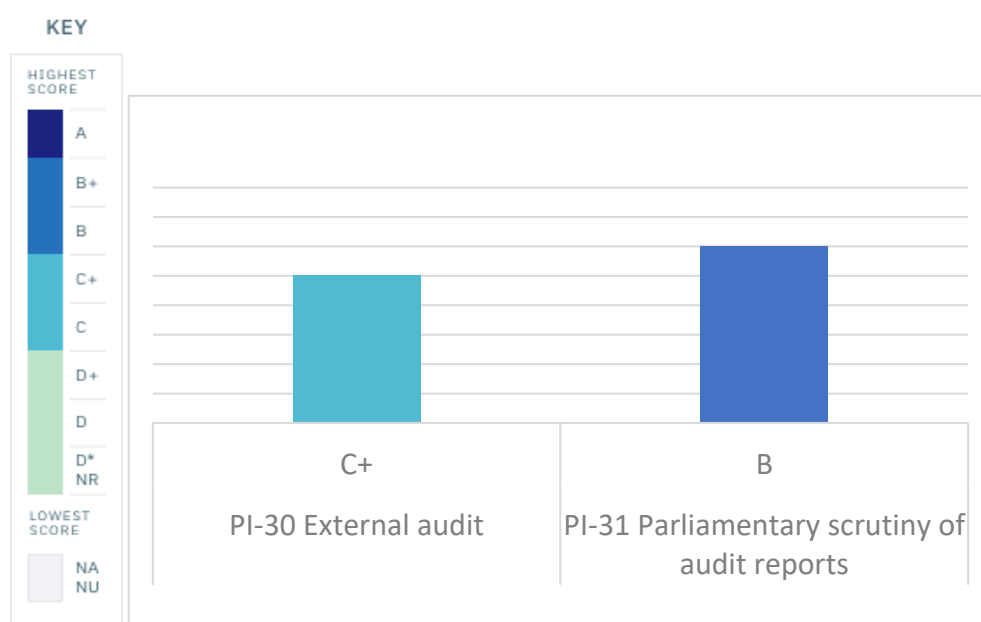
The external scrutiny and audit process demonstrates significant strengths in ensuring the independent review of public finances and the systematic follow-up on audit recommendations. Key strengths include the application of International Standards of Supreme Audit Institutions (ISSAI) and adherence to the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, which supports a high level of audit quality and ethical standards.

Audit reports cover most government expenditure and revenue, highlighting material issues and systemic risks over the last three fiscal years. The timely submission of annual reports to the Legislature, within 6-9 months of the fiscal year's end, ensures accountability and transparency. An established process of exit meetings, where audit findings and recommendations and follow-up are followed. This process is further strengthened by the national audit office's consistent follow-up letters, ensuring departments respond and take corrective actions.

The Auditor Generals Department (AuDG) is independent of the executive. The unrestricted access to necessary records and information supports comprehensive and effective audits. Furthermore, the Auditor General is protected from external direction or control under relevant legislative provisions.

There is currently a lack of direct involvement by the Public Accounts Committee (PAC) in the budgetary process for the AuDG. The AuDG budget process follows the same approval process as line ministries, limiting the office's autonomy in budget setting. Although the AuDG has full independence in allocating the approved budget, the absence of independent budget-setting authority can restrict operational flexibility. All audit reports are published online.

Figure PILLAR SEVEN: External Scrutiny and Audit



Recent and ongoing reform activity

PAC is active and all sessions are televised, recorded and are available online to view, minutes are taken, agreed and can be obtained directly from the Clerk, all sessions recorded in the Hansard and are public documents. Due to lack of resources the minutes are currently not online, resources had been set aside to ensure in the future all reports and minutes of the PAC will be online and accessible.

PI-30. External audit

This indicator examines the characteristics of external audit. Coverage is CG for the last three completed fiscal years for PI-30.1, 30.2, 30.3 and at time of assessment for PI-30.4.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-30. External audit (M1)		C+
30.1. Audit coverage and standards	<p>External audit applies the International Standards of Supreme Audit Institutions (ISSAI) – the INTOSAI standards on auditing and has adopted and complies with the INTOSAI Code of Ethics. The Auditor General is ACCA and ICA certified (FCCA, FCA, CISA).</p> <p>Audit reports of central government entities represent most expenditure and revenue and have been audited using ISSAIs during the last three completed fiscal years. The audits have highlighted relevant material issues and systemic and control risks.</p> <p>It must be noted that the AuGD have complied with the requirements under the GoJs legislative and constitutional frameworks.</p>	B
30.2. Submission of audit reports to the legislature	The annual reports for past three completed years (2021.2022 & 2023) submitted to Legislature within 6-9 months. Dates confirmed with Parliament, Annual Report covering all audit work submitted in December of each year.	B
30.3. External audit follow up	<p>Formal responses to audit reports and management letters are provided by Ministers and to the MoF. During these exit meetings, the audit findings are discussed, discussions held whether or not they accept the findings and the recommendations, what will be done to address the findings, by whom and by what date.</p> <p>This is then followed up with a letter requesting a response. Responses are provided. This process has been in place for some time and covers past three years.</p> <p>PAC is very active, and recommendations and actions taken are discussed and documented. Minutes provided showing discussion and action on recommendations.</p>	A
30.4. Supreme Audit Institution (SAI) independence	<p>The AuGD operates independently from the executive, ensured through the procedures for appointment and removal of the Head of the SAI as well as the execution of the SAI's budget. The SAI has unrestricted and timely access to the majority of the requested records, documentation and information.</p> <p>They are not subject to direction In the exercise of his/her functions under the provisions of Section 122 (subsections 1 and 2) of the 2, the Auditor General shall not be subject to the direction or control of any other person or authority. The rights and powers of the Auditor General are as stated in the Financial Administration and Audit Act Section 25 (subsection 3).</p> <p>The budget is approved by the Legislative Assembly as part of the normal budget process.</p>	C

	<p>The Director of Audit does have the power to transmit copies of that report to the president of the Assembly who shall, as soon as practicable, present them to the Assembly.</p> <p>PAC have no involvement in the budget of the AG, the matter is never discussed, agreed with Clerk of Council to Parliament and PAC Clerk and AG, review of minutes found no mention of budget.</p>	
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Evidence for score

AuDG website gives full access to Annual Reports plus all other reports including performance reports. Assessment relates to last three completed years 2020/21, 2021/22 and 2022/23 (ending March 31st). AuDG provided evidence relating to independence criteria and its noted budget being approved in line with the normal budget process of Government.

Table 30.1 and 30.2: Audit coverage, standards and submission to legislature (Last three completed fiscal years)

Fiscal Year audited	Date submitted to external audit	Date submitted to legislature	Standards applied ISSAI/ National (consistent)/ National (other)	Issues highlighted M = Material/ Systemic/ Control OR S = Significant
2021	Various Dates – but all after 1 July 2021	28 December 2021	Y	M
2022	Various Dates but all after 1 July 2022	30 December 2022	Y	M
2023	Various Dates but all after 1 July 2023	28 December 2023	Y	M

Data source: [Annual Report – Auditor General's Department](#)

Table 30.3: External audit follow up (Last three completed fiscal years)

Features of external audit follow up			
Formal response was made (Y/N)	Formal and comprehensive (Y/N)	Timely (Y/N)	Effective and timely follow up (Y/N)
Y	Y	Y	Y

Data source: *Annual Reports provided.*

Table 30.4: SAI Independence – requirements (At time of assessment)

Independence criteria	Criteria met (Y/N)	Comments
Appointment and removal of head of SAI	Y	Once appointed, the Auditor General may hold office until the age of sixty years or with the approval of the Governor General to the age of sixty-five years. Removal From Office - The Auditor General may be removed from office only for inability to discharge the functions thereof or for misbehavior. This may be done by the Governor General acting on the recommendation of a specially established judicial tribunal.
Planning audit engagements	Y	High level of engagement without interference
Arrangements for publicizing reports	Y	Annual report laid on the table of Parliament, then becomes a public document and referred directly to PAC. Reports are all online or Auditors website.
Approval of budget	N	Budget approved by Parliament as part of annual budget process of government. Approval of the AuDG budget follows the same budget process as

		line ministries, including requests for supplementary estimates. No independence in setting the budget.
Execution of budget	Y	The Auditor-General has full independence to allocate the approved budget of the Audit Office.
Legal basis for independence	Y	Defined in Legislation and Constitution.
Unrestricted/timely access to records (Majority / most / all entities)	Majority	Confirmed with Audit General and in Annual Reports.

Data source: Legislative Framework – Auditor General's Department Annual Report – Auditor General's Department

PI-31. Legislative scrutiny of audit reports

This indicator focuses on legislative scrutiny of the audited financial reports of central government, including institutional units, to the extent that either (a) they are required by law to submit audit reports to the legislature or (b) their parent or controlling unit must answer questions and take action on their behalf. Coverage is CG for the last three completed fiscal years.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-31. Legislative scrutiny of audit reports (M2)		B
31.1. Timing of audit report scrutiny	Annual audit reports submitted as one document to Parliament, document is then laid on table, and automatically referred to the PAC. The report is then discussed at the next PAC session, full debate and hearing held. Minutes of the PAC and Report are then sent to Parliament and a further debate is then held on the findings of the PAC. Past three years the Annual Reports laid on the table in December. The PAC has convened when the House sits and the first of its meeting has been 2 – 3 months after the receipt of the AuGD's report.	C
31.2. Hearings on audit findings	PAC hearings are held on regular basis and timely, officers are called to account and requested to attend, all qualified accounts require officers to be in attendance and questions are asked by the PAC Members. This is then documented in the report submitted to Parliament. The scrutiny of the PAC is centered on issues raised in the AuGD's report. The AuGD prepares a briefing paper for the PAC on the issues so the concentration of questioning is on areas that the AuGD has identified in the annual report.	A
31.3. Recommendations on audit by the legislature	There is clear evidence of effective and timely follow up by the executive, or the audited entity on audits for which follow-up was expected, during the last three completed fiscal years. Audit recommendations are made in two stages. The first stage is during the audit process when the audited entity reviews the draft report and has the ability to respond before the report is finalized. Once the report is finalized further follow up is conducted by the AuGD in producing the briefing papers to the PAC (see Indicator 31.2) which provide details of follow up. There are further recommendations by the PAC which the AuGD follows up on. Discussions with the AuGD indicated that it is content with the level of response and follow up.	A
31.4. Transparency of legislative scrutiny of audit reports	The reports of the PAC are forwarded to the Parliament and are tabled in the House and debated. They thus become a public document through the official channels such as Hansard and laying on the table. The Press can attend meetings and report on them. The meetings are on TV and radio.	D

	However, the reports are not easily accessible to the public and are not published on a website hence a score of D.	
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Evidence for score

All audit reports are submitted to Parliament as one document, generally in the December of each year covering the submission during the current year, the Annual Financial Statements refer to the previous financial year ending (March 31st) are included in this document.

Once laid on table the report is automatically in line with legislation submitted to the PAC for consideration at the next PAC meeting. Following the PAC meeting report is issued to Parliament and debated.

Reports of PAC and Minutes are not put online, this is being addressed, but there is no evidence of easy access for the public of reports and minutes.

Table 31.1: Timing of legislative scrutiny of audit reports (Last three completed fiscal years)

Audited annual financial statements for fiscal year	Date of receipt of audited financial reports	Date of finalization of legislative scrutiny
2021	2021 December 21	2021 December 28
2022	2022 December 23	2022 December 30
2023	2023 December 20	2023 December 28

Data source: Audit website, Hansard and minutes.

Table 31.2 and 31.3: Hearings on audit findings and issuance of recommendations (Last three completed fiscal years)

Audited annual financial statements for fiscal year	Hearings on audits reports that received a qualified or adverse opinion or disclaimer (Y/N)	Hearings conducted – entities with qualified audit A = All M = Most F = Few N=None	Legislature issues recommendations (Y/N)	Recommendations followed-up S= Follow-up systematically F= Follow-up N= No follow-up
2021	Y	A	Y (PAC)	S
2022	Y	A	Y (PAC)	S
2023	Y	A	Y (PAC)	S

Data source: Minutes and Hansard

Table 31.4: Transparency of legislative scrutiny of audit reports (Last three completed fiscal years)

	Committee reports	Public hearings conducted
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Audited annual financial statements for fiscal year	Published (Y/N – Method)	Provided to the full chamber of legislature (Y/N)	Debated in the full chamber of legislature (Y/N)	A= All except limited circumstances F= Yes, with a few exceptions
2021	Y	Y	Y (following Audit Committee sitting)	A
2022	Y	Y	Y (following Audit Committee sitting)	A
2023	Y	Y	Y (following Audit Committee sitting)	A

Data source: Hansard and minutes of meetings provided

Annex 1: Assessment management and quality assurance arrangements

Oversight Team		
Name	Position/Organization	Role
Darlene Morrison	Financial Secretary	Chairperson
Lorris Jarrett	Deputy Financial Secretary, Public Expenditure Division	Oversight team member
Trevor Anderson	Principal Director, Fiscal Policy Branch,	Oversight team member
Barrington Thomas	Principal Director Public Investment Policy Coordination Division	Oversight team member
Rahja Harrison	Deputy Accountant General	Oversight team member
Simone Gordon-Brown,	Senior Analyst, Public Expenditure Division	Oversight team member
Assessment Team		
Name	Position/Organization	Role
Colin Owen	PFM Adviser, CARTAC	Assessment Team Leader
Martin Bowen	CARTAC PFM Expert	Assessment team member
Nordia Campbell	CARTAC PFM Expert	Assessment team member
Dana Frey	CARTAC PFM Expert	Assessment team member
Kris Kauffmann	CARTAC PFM Expert	Assessment team member
Quality Assurance		
Reviewers:		
Jamaica Ministry of Finance		
PEFA Secretariat		
International Monetary Fund Fiscal Affairs Division		
World Bank		
Concept Note		
Date submitted for review:	June 8, 2023	
Date of final CN:	July 22, 2023 (Assessment subsequently delayed to June 2023)	
PEFA Report		
Date submitted for review:	June 17, 2024	
Date submitted for follow-up:		
Date of final draft:		
Proposed date of publication:		

Annex 2: Public sector agencies covered by the assessment

Table 1: Structure of the public sector (No. of institutions)		
Budgetary units (Ministries and Budget Heads)	Extrabudgetary units	Public corporations Self-Financing Public Bodies
50	93	57

Table 2: Detailed Listing of Bodies						
Budget Funded Public Bodies:						
Ministry	Public Body	Funding	Type	GG or PC	Included in Public Bodies Estimates	Budget funding included in Budget Estimates
MAFM	Agro-Investment Corporation (AIC)	Funded	Ltd.	GG	No	No
MAFM	National Irrigation Commission Limited	Funded	Ltd.	GG	No	Yes
MCGES	Institute of Sports	Funded	Ltd.	GG	No	Yes
MCGES	Women's Centre of Jamaica Foundation	Funded	Ltd.	GG	No	Yes
MCGES	Creative Production Training Centre (CPTC)	Funded	Ltd.	GG	No	Yes
MCGES	Independence Park Limited	Funded	Ltd.	GG	No	Yes
MEGJC	Rural Water Supply Company Ltd.	Funded	Ltd.	GG	No	Yes
MEY	National Education Trust	Funded	Ltd.	GG	No	Yes
MEY	Nutrition Products Limited	Funded	Ltd.	GG	No	Yes
MIIC	Jamaica Business Development Corporation	Funded	Ltd.	GG	No	Yes
MIIC	Trade Board Limited	Funded	Ltd.	GG	No	Yes
MLGCD	Golden Age Home Limited - Vineyard Town	Funded	Ltd.	GG	No	Yes
MOT	Devon House Development Company	Funded	Ltd.	GG	No	No
MOT	Jamaica Vacations (JamVac)	Funded	Ltd.	GG	No	Yes
MOT	Montego Bay Convention Centre	Funded	Ltd.	GG	No	Yes
MOT	Tourism Product Development Company (TPDCo)	Funded	Ltd.	GG	No	Yes
MSETT	E-Learning Company Jamaica Limited	Funded	Ltd.	GG	No	Yes
MSETT	International Centre for Environmental and Nuclear Sciences (ICENS)	Funded	Ltd.	GG	No	Yes
OPM	C.H.A.S.E Fund	Funded	Ltd.	GG	No	Yes
OPM	E-Gov Jamaica Limited	Funded	Ltd.	GG	No	Yes
OPM	Jamaica Social Investment Fund	Funded	Ltd.	GG	No	Yes
MAFM	Banana Board	Funded	Stat	GG	No	Yes
MAFM	Jamaica 4-H Clubs	Funded	Stat	GG	No	Yes

MAFM	National Fisheries Authority	Funded	Stat	GG	No	Yes
MAFM	Jamaica Agricultural Society	Funded	Stat	GG	No	Yes
MAFM	Jamaica Dairy Development Board	Funded	Stat	GG	No	Yes
MAFM	Rural Agricultural Development Authority (RADA)	Funded	Stat	GG	No	Yes
MCGES	Institute of Jamaica	Funded	Stat	GG	No	Yes
MCGES	Jamaica Anti-Doping Commission (JADCO)	Funded	Stat	GG	No	Yes
MCGES	Jamaica Cultural Development Commission (JCDC)	Funded	Stat	GG	No	Yes
MCGES	Jamaica National Heritage Trust (JNHT)	Funded	Stat	GG	No	Yes
MCGES	National Library of Jamaica	Funded	Stat	GG	No	Yes
MEGJC	Land Development and Utilization Commission	Funded	Stat	GG	No	Yes
MEGJC	Water Resources Authority	Funded	Stat	GG	No	No
MEGJC	Architects Registration Board	Funded	Stat	GG	No	No
MEGJC	Commission of Strata Corporations	Funded	Stat	GG	No	Yes
MEGJC	Professional Engineers Registration Board	Funded	Stat	GG	No	no
MEGJC	Real Estate Board	Funded	Stat	GG	No	No
MEY	Council of Community Colleges of Jamaica	Funded	Stat	GG	No	Yes
MEY	Early Childhood Commission	Funded	Stat	GG	No	Yes
MEY	Jamaica Library Service	Funded	Stat	GG	No	Yes
MEY	National Council on Education	Funded	Stat	GG	No	Yes
MEY	National Parenting Support Commission	Funded	Stat	GG	No	Yes
MEY	University Council of Jamaica	Funded	Stat	GG	No	Yes
MEY	Edna Manley College of the Visual and Performing Arts	Funded	Stat	GG	No	Yes
MEY	Caribbean Maritime University	Funded	Stat	GG	No	Yes
MEY	University of Technology (UTECH)	Funded	Stat	GG	No	Yes
MFPS	Planning Institute of Jamaica (PIOJ) + STATIN	Funded	Stat	GG	No	Yes
MFPS	Public Procurement Commission	Funded	Stat	GG	No	Yes
MFPS	Statistical Institute of Jamaica (STATIN)	Funded	Stat	GG	No	Yes
MFPS	Tax Administration of Jamaica	Funded	Stat	GG	No	Yes
MFPS	Casino Gaming Commission	Funded	Stat	GG	No	Yes
MIIC	Consumer Affairs Commission	Funded	Stat	GG	No	Yes
MIIC	Fair Trading Commission	Funded	Stat	GG	No	Yes
MIIC	Hazardous Substances Regulatory Authority	Funded	Stat	GG	No	Yes
MIIC	Jamaica Intellectual Property Office	Funded	Stat	GG	No	Yes
MIIC	Jamaica International Financial Services Authority	Funded	Stat	GG	No	Yes

MIIC	Jamaica Promotions Corporation (JAMPRO) - Trade & Investment Jamaica	Funded	Stat	GG	No	Yes
MIIC	Jamaica Special Economic Zone Authority	Funded	Stat	GG	No	Yes
MLGCD	Office of Disaster Preparedness and Emergency Management	Funded	Stat	GG	No	Yes
MLGCD	Social Development Commission	Funded	Stat	GG	No	Yes
MLGCD	National Solid Waste Management Authority	Funded	Stat	GG	No	Yes
MLSS	Jamaica Council for Persons with Disabilities	Funded	Stat	GG	No	Yes
MOHW	National Council on Drug Abuse (NCDA)	Funded	Stat	GG	No	Yes
MOHW	National Family Planning Board	Funded	Stat	GG	No	Yes
MOHW	North East Regional Health Authority	Funded	Stat	GG	No	Yes
MOHW	Nursing Council	Funded	Stat	GG	No	Yes
MOHW	Quarantine Authority	Funded	Stat	GG	No	Unknown
MOHW	South East Regional Health Authority	Funded	Stat	GG	No	Yes
MOHW	Southern Regional Health Authority	Funded	Stat	GG	No	Yes
MOHW	Western Regional Health Authority	Funded	Stat	GG	No	Yes
MOHW	Council of Professions Supplementary to Medicine	Funded	Stat	GG	No	Yes
MOHW	Dental Council	Funded	Stat	GG	No	Yes
MOHW	Medical Council	Funded	Stat	GG	No	Yes
MOHW	Pharmacy Council	Funded	Stat	GG	No	Yes
MOHW	University Hospital of the West Indies	Funded	Stat	GG	No	Yes
MOJ	The Legal Aid Council	Funded	Stat	GG	No	Yes
MONS	Major Organised Crime and Anti-Corruption Agency	Funded	Stat	GG	No	Yes
MONS	Police Civilian Oversight Authority	Funded	Stat	GG	No	Yes
MONS	Private Security Regulation Authority	Funded	Stat	GG	No	Yes
MOT	Jamaica Tourist Board (JTB)	Funded	Stat	GG	No	Yes
MOT	Tourism Enhancement Fund (TEF)	Funded	Stat	GG	No	Yes
MOT	Bath Fountain of St. Thomas the Apostle	Funded	Stat	GG	No	Yes
MOT	Milk River Hotel and Spa	Funded	Stat	GG	No	Yes
MSETT	Island Traffic Authority	Funded	Stat	GG	No	Yes
MSETT	Jamaica Civil Aviation Authority	Funded	Stat	GG	No	Yes
MSETT	National Commission on Science and Technology	Funded	Stat	GG	No	Yes
MSETT	Scientific Research Council	Funded	Stat	GG	No	Yes
MSETT	Maritime Authority of Jamaica (MAJ)	Funded	Stat	GG	No	Yes

MSETT	Toll Authority of Jamaica	Funded	Stat	GG	No	Yes
OPM	Integrity Commission	Funded	Stat	GG	No	Yes
OPM	Public Broadcasting Corporation of Jamaica	Funded	Stat	GG	No	Yes
MSETT	Jamaica Urban Transit Company	Funded	Ltd.	GG	Yes	Yes
Self-Funded Public Bodies:						
Ministry	Public Body	Funding	Type	GG or PC	Included in PB Estimates	Funding included in Budget Estimates
MOJ	General Legal Council	SF	Stat	GG	No	No
MAFM	Jamaica Bauxite Institute (JBI)	SF	Ltd.	GG	Yes	No
MCGES	Sports Development Foundation	SF	Ltd.	GG	Yes	No
MEGJC	National Road Operating & Constructing Company (NROCC)	SF	Ltd.	GG	Yes	No
MEGJC	Ports Management and Security Limited	SF	Ltd.	GG	Yes	No
MFPS	Harmonisation Limited	SF	Ltd.	GG	Yes	No
MIIC	Jamaica National Agency for Accreditation	SF	Ltd.	GG	Yes	No
MSETT	Spectrum Management Authority	SF	Ltd.	GG	Yes	No
MSETT	Aeronautical Telecommunications Limited	SF	Ltd.	GG	Yes	No
MSETT	Montego Bay Metro Company Limited	SF	Ltd.	GG	Yes	No
MSETT	Ports Security Corps Limited (PSC)	SF	Ltd.	GG	Yes	No
MAFM	Coconut Industry Board	SF	Stat	GG	Yes	No
MAFM	Jamaica Agricultural Commodity Regulatory Authority (JACRA)	SF	Stat	GG	Yes	No
MAFM	Sugar Industry Authority (including SIRI)	SF	Stat	GG	Yes	No
MEY	Overseas Examination Commission	SF	Stat	GG	Yes	No
MFPS	Betting Gaming & Lotteries Commission	SF	Stat	GG	Yes	No
MFPS	Jamaica Racing Commission	SF	Stat	GG	Yes	No
MFPS	Public Accountancy Board	SF	Stat	GG	Yes	No
MFPS	Jamaica Deposit Insurance Corporation	SF	Stat	GG	Yes	No
MFPS	Students' Loan Bureau	SF	Stat	GG	Yes	No
MIIC	Bureau of Standards Jamaica (BSJ)	SF	Stat	GG	Yes	No
MOHW	National Health Fund (NHF)	SF	Stat	GG	Yes	No
MOHW	Pesticides Control Authority (PCA)	SF	Stat	GG	Yes	No
MONS	Firearm Licensing Authority	SF	Stat	GG	Yes	No
MSETT	Transport Authority	SF	Stat	GG	Yes	No
MSETT	Universal Service Fund	SF	Stat	GG	Yes	No

OoC	Office of Utilities Regulation (OUR)	SF	Stat	GG	Yes	No
OPM	Broadcasting Commission	SF	Stat	GG	Yes	No
OPM	Human Employment and Resource Training/National Service Training Agency (HEART/NSTA Trust)	SF	Stat	GG	Yes	No
OPM	National Housing Trust (NHT)	SF	Stat	GG	Yes	No
MEGJC	Central Wastewater Treatment Company	SF	Ltd.	PC	No	No
MEGJC	National Hotel & Properties Limited	SF	Ltd.	PC	No	
MSETT	Jamaica Aircraft Refueling Services Ltd.	SF	Ltd.	PC	No	Recently added to PB Listing
MEGJC	Jamaica Mortgage Bank (JMB)	SF	Stat	PC	No	Financial Public Corporation
MFPS	Bank of Jamaica	SF	Stat	PC	No	Central Bank
MAFM	Jamaica Bauxite Mining Company Limited (JBM)	SF	Ltd.	PC	Yes	No
MAFM	Sugar Company of Jamaica Holdings Ltd.	SF	Ltd.	PC	Yes	No
MEGJC	Development Bank of Jamaica Ltd. (DBJ)	SF	Ltd.	PC	Yes	No
MEGJC	Factories Corporation of Jamaica	SF	Ltd.	PC	Yes	No
MEGJC	Housing Agency of Jamaica (HAJ)	SF	Ltd.	PC	Yes	No
MEGJC	Jamaica International Free Zone Development Ltd	SF	Ltd.	PC	Yes	No
MEGJC	Kingston Free Zone Company	SF	Ltd.	PC	Yes	No
MEGJC	Montego Bay Free Zone Company	SF	Ltd.	PC	Yes	No
MEGJC	Ocho Rios Commercial Centre	SF	Ltd.	PC	Yes	No
MEGJC	Runaway Bay Water Company Limited	SF	Ltd.	PC	Yes	No
MEGJC	St Ann Development Company Limited	SF	Ltd.	PC	Yes	No
MFPS	Clarendon Alumina Production Limited (CAP)	SF	Ltd.	PC	Yes	No
MIIC	National Ex-Im Bank of Ja Ltd (EXIM)	SF	Ltd.	PC	Yes	No
MSETT	Postal Corporation of Jamaica	SF	Ltd.	PC	Yes	No
MSETT	Jamaica Ultimate Tyre Company Ltd.	SF	Ltd.	PC	Yes	No
MSETT	Petrojam Limited	SF	Ltd.	PC	Yes	No
MEGJC	National Water Commission (NWC)	SF	Stat	PC	Yes	No
MEGJC	Port Authority of Jamaica (PAJ)	SF	Stat	PC	Yes	No
MEGJC	Urban Development Corporation (UDC)	SF	Stat	PC	Yes	No
MFPS	Financial Services Commission	SF	Stat	PC	Yes	No
MSETT	Airports Authority of Jamaica	SF	Stat	PC	Yes	No
MSETT	Jamaica Railway Corporation	SF	Stat	PC	Yes	No

Acronyms:

Stat	Statutory Bodies
Ltd.	Limited Liability Companies
MAFM	Ministry of Agriculture, Fisheries and Mining
MCGES	Ministry of Culture, Gender, Entertainment And Sport
MEGJC	Ministry of Economic Growth and Job Creation
MEY	Ministry of Education and Youth
MFPS	Ministry of Finance and the Public Service
MIIC	Ministry of Industry, Investment and Commerce
MLGCD	Ministry of Local Government and Community Development
MLSS	Ministry of Labour and Social Security
MOHW	Ministry of Health and Wellness
MOJ	Ministry of Justice
MONS	Ministry of National Security
MOT	Ministry of Tourism
MSETT	Ministry of Science, Energy, Telecommunications and Transport
MTM	Ministry of Transport and Mining
OoC	Office of the Cabinet
OPM	Office of the Prime Minister

* For AgilePEFA the assessment will sample the five largest Public Corporations.

The entities identified as 'extra-budgetary Units' are those partially or fully funded from budgeted subsidies and Appropriations in Aid, as defined by the Financial Administration and Audit Act to be "fees, penalty, proceeds of sale or extra or unusual receipts."

Source: Jamaica MoFPS

Annex 3: Evidence for scoring indicators

Indicators (PEFA 2016 framework)	Evidence
1. Aggregate expenditure out-turn	Approved Estimates of Expenditure 2021/22, 2022/23 2023/24; 2024/25 Summary spreadsheet from MoFPS (included in PI 1 & 2 spreadsheet), 2022 and 2023 Annual Financial Reports,
2. Expenditure composition out-turn	2022, 2023, and 2024 Fiscal Policy Papers; Summary spreadsheet from MoF, 2022 and 2023 Annual Financial Reports,
3. Revenue out-turn	2022 and 2023 Annual Financial Reports, Central Government Operations spreadsheets, 2022, 2023 and 2024 Fiscal Policy Papers
4. Budget classification	Approved Estimates of Expenditure 2021/22, 2022/23 2023/24; 2024/25 Annual Financial Statement of the Consolidated Fund Within-year "operations" reports Monthly and annual reports of various MDAs Chart of Accounts Manual
5. Budget documentation	Revenue Estimates 2024/2025 Fiscal Policy Paper for FY 2024/25 Estimates of Expenditure 2024-2025 The GOJ Medium Term Debt Management Strategy 2024-2025 Tax Expenditure Statement 2024
6. Central government operations outside financial reports	Revenue Estimates 2024/2025 Estimates of Expenditure 2024-2025 Chart of Accounts Manual Annual Financial Statement of the Consolidated Fund Monthly and annual reports of various MDAs Listing of public bodies (by GFS sector)
7. Transfers to sub-national governments	Local Government Act 2016 Data on property taxes and licence duties provided by Ministry of Local Government and Community Development for 2024/25
8. Performance information for service delivery	Estimates of Expenditure documents. for years 2021/22; 2022/23; 2023/24;2024/25; Estimates of Revenue documents 2021/22; 2022/23; 2023/24; 2024/25; Revenue Measures document 2021/22; 2022/23; 2023/24; Auditor-General Performance Audits for last three fiscal years Financial reports of MOHW and MoEY
9. Public access to fiscal information	https://www.mof.gov.jm/wp-content/uploads/2022-2023-ESTIMATES-OF-EXPENDITURE.pdf https://www.mof.gov.jm/wp-content/uploads/2023-2024-REVENUE-ESTIMATES.pdf https://www.mof.gov.jm/wp-content/uploads/Fiscal-Policy-Paper-FY2023-24.pdf https://www.mof.gov.jm/wp-content/uploads/Estimates_of_Expenditure_2023-2024_compressed.pdf Emails sent to web.admin instructing uploads. https://auditorgeneral.gov.jm/ and or https://www.treasury.gov.jm/ https://www.mof.gov.jm/wp-content/uploads/Fiscal-Policy-Paper-FY2023-24.pdf https://www.mof.gov.jm/wp-content/uploads/Policy-Paper-2023-24-Interim.pdf https://auditorgeneral.gov.jm/category/report-type/special-reports/ Citizens' Guide to the Budget Publication date on the document available at https://www.mof.gov.jm/wp-content/uploads/citizens_guide_to_the_budget-publication_2023_web.pdf Meeting with the Public Expenditure Division

	https://www.mof.gov.jm/wp-content/uploads/Fiscal-Policy-Paper-FY2023-24.pdf
10. Fiscal risk reporting	Annual financial statements of the 5 largest self-funded public corporations (audited and unaudited for 2022/23) Correspondence evidencing transmission of AFS to MoFPS Most recently prepared financial statements of each municipality Annual Report of the Auditor General 2022/23. Medium Term Debt Strategy 2023-2025 Fiscal Policy Paper (multiple years) Estimates of the contingent liability associated with PPPs (MoFPS)
11. Public investment management	2024/25 Estimates as Adopted; Meeting with Public Investment Appraisal Branch; Meeting with National Works Authority; Copy of economic analysis of the Southern Coastal Highway Improvement Project, Public Investment Management Guidelines Internal monitoring report on project implementation
12. Public asset management	Statement of Capital Investments dated June 30, 2023; Annual Financial Statements 2022 and 2023 Asset management policy, Meeting with the Asset Management Bureau, Public Expenditure Policy Coordination Division, MoF; National Land Agency Cadaster MDA asset listings Evaluation of assets report Disposition of assets report
13. Debt management	The Public Debt Management Act; The Public Debt Management Act Amendment; Medium-term Debt Strategy 2024-25 to 2027-28; Meeting with DMB and subsequent email; Fiscal Agent Agreement with Bank of Jamaica Debt reconciliation records samples Medium-Term Debt Management Strategy 2021/22 –2024/25 through 2023/24-2026/27 Fiscal Policy Papers 2021/22; 2022/23; 2023/24
14. Macroeconomic and fiscal forecasting	Financial Administration and Audit Act; Fiscal Policy Papers 2021/22; 2022/23; 2023/24; Interim Fiscal Policy Papers 2021/22; 2022/23; 2023/24; Examination of the components of the fiscal policy paper fy2022/23
15. Fiscal strategy	Fiscal Policy Papers 2021/22; 2022/23; 2023/24; Interim Fiscal Policy Papers 2021/22; 2022/23; 2023/24;
16. Medium term perspective in expenditure budgeting	Financial Administration and Audit Act; Estimates of Expenditure document. for ;2024/25; Ministry of Education and Youth, Strategic Business Plan, 2024-20228; Ministry of National Security Strategic Plan 2018 to 2023; Ministry of Health and Wellness Corporate Plan, 2024/25-2027/28; Ministry of Finance and Public Service, Strategic Business Plan, 2024/25; Ministry of Economic Growth and Job Creation, Strategic Business Plan, 2024/25-2027/28 Budget Call Circular, 29/09/23
17. Budget preparation process	https://www.mof.gov.jm/wp-content/uploads/2022-2023-ESTIMATES-OF-EXPENDITURE.pdf https://www.mof.gov.jm/wp-content/uploads/2022-2023-Revenue-Estimates-of-Expenditure-1.pdf https://www.mof.gov.jm/wp-content/uploads/Estimates-of-Expenditure-2021-22-021821.pdf

	https://www.mof.gov.jm/wp-content/uploads/est-of-expenditure-as-passed-2023-2024.pdf Budget Call Circular issued under reference of the MOFPS Circular No. 26 dated September 29, 2023. Emails dated September 29, 2023, to Accounting Officers of Ministries under the signature of Deputy FS Lorris Jarrett. Ministry of Finance Compliant Report 2024-2025 Financial Year 2024/2025 Updated Proposed Budget Calendar
18. Legislative scrutiny of budgets	https://www.mof.gov.jm/wp-content/uploads/Policy-Paper-2023-24-Interim.pdf Revenue and Expenditure for 2023-2024, 2022, 2023 and 2021/2022 available online at: https://www.mof.gov.jm/wp-content/uploads/2023-2024-REVENUE-ESTIMATES.pdf and https://www.mof.gov.jm/wp-content/uploads/Estimates_of_Expenditure_2023-2024_compressed.pdf https://www.mof.gov.jm/wp-content/uploads/2022-23-As-Passed-Estimates-of-Expenditure-Pased-by-House-Rep-22.03.22.pdf Hard Copy 2021-2022 Estimates of Expenditure The Financial, Administrative and Audit Act and the Financial Management Regulation 2011 sections 19.(1) and 22. The FAA Act financial instructions 2017 in section 3.7 MOF&PS Summary Virement Schedule The 1964 Index to the Standing Orders of the House of Representatives of Jamaica, section 65, "Financial Procedure" Meeting with Parliamentary staff
19. Revenue administration	TAJ National Compliance Plan 2023-24 J Customs Compliance Strategy and Plan JCA revenue performance report Arrears data provided by TAJ and CJA TAJ website: www.jamaicatax.gov.jm CJA website: www.jacustoms.gov.jm https://www.jacustoms.gov.jm/sites/default/files/docs/Appeals.pdf https://www.jamaicatax.gov.jm/web/guest/how-to.. Bank reconciliations Customs monthly statistical report
20. Accounting for revenue	MoFPS monthly "operations" report Meetings with CJA Meeting with TAJ Meetings with AGD Bank account listing (AGD) TAJ website: www.jamaicatax.gov.jm CJA website: www.jacustoms.gov.jm Revenue statistical report
21. Predictability of in-year resource allocation	Cash flow plans Cash flow projections Treasury cash management manual Supplementary budget estimates Meetings with MDAs (Health and Education)
22. Expenditure arrears	Arrears data for 2023/24, 2022/23, and 2021/22 by MoFPS Annual and monthly financial reports of various MDAs
23. Payroll controls	Meetings with the Ministry of Health and Wellness, Ministry of Education and Youth, Transformation Implementation Unit and Ministry of Local Government. Payroll Audits provided by the Internal Audit Directorate List of Payroll Audits Completed across the last three years by Ministry from the IAD

24. Procurement management	Public Procurement Public Act 2015, Procurement Act (Amendments) 2018 GOJEP website: https://www.gojep.gov.jm/epps/home.do MoFPS procurement website (manual, regulations etc.): https://www.mof.gov.jm/mofps-procurement/
25. Internal controls on non-salary expenditure	The FAA Act Regulation 2011 and FAA Act Instructions 2019 Ministry of Finance and Public Service Commitment and Purchase Order Procedures Manual October 2020 Auditor General's Report 2023, pages 71, 80, 86 Budget Report for all Health facilities in North East Regional Health Authority Budget Report for all schools in region 1 Interview with Ministries of Health and Wellness, Ministry of Education and You, Ministry of Local Government Internal Audit Report for Ministry of Health and Wellness – Chemist Audit – 2023-2024 Internal Audit Report for Ministry of Economic Growth and Job Creation -Social Services Audit 2023-2024 Internal Audit Report for Ministry of Education – Cedric Titus – 2023-2024
26. Internal audit	Audit Plans provided for each IA Function, Budget Book Internal Audit Manual (2017) Audit reports from IAU Meeting with IAU
27. Financial data integrity	Sample Bank Reconciliations for the National Treasury for sample accounts - Meeting with CEOs in Municipal Corporations and Permanent Secretary, Ministry of Local Government Meeting with Internal Audit Directorate, June 12, 2024 Meeting with Team in Treasury on June 12, 2024 Auditor General's Annual Report 2023
28. In-year budget reports	Sample Bank Reconciliations for the National Treasury for sample accounts - Meeting with CEOs in Municipal Corporations and Permanent Secretary, Ministry of Local Government Meeting with Internal Audit Directorate, June 12, 2024 Meeting with Team in Treasury on June 12, 2024 In-year budget reports for MOHW and MoEY for September 2023 and March 2024
29. Annual financial reports	Financial Statements of the Consolidated Fund Year ended March 31, 2023, presentation to the Houses of Parliament. Statement 'C' - FY 2021-2022 Auditor General's Certification of Statement 'C'- FY 2021-2022 Auditor General's Annual Report 2023, pages 107-123 FAA Act (73) Certification of Financial Statements
30. External audit	Legislative Framework – Auditor General's Department Annual Report – Auditor General's Department
31. Legislative scrutiny of audit reports	Hansard and minutes of meetings provided Auditor General website

Annex 4: Sources of data – persons interviewed

GOJ PEFA ASSESSMENT 2024

MEETING ATTENDANCE

ENTITY	NAME	POSITION
AUDITOR GENERAL'S DEPARTMENT	Carolyn Lewis	Deputy Auditor General
	Gail Lue-Lim	Deputy Auditor General
ACCOUNTANT GENERAL'S DEPARTMENT	Anya Jones	Accountant General
	Nicole Clarke	Deputy Accountant General-Government Accounting & Reporting
	Raja Harrison	Deputy Accountant General- Financial Operations
ECONOMIC MANAGEMENT DIVISION	Trevor Anderson	Principal Director, Fiscal Policy Management Branch
	Andre Foster	Principal Director, Debt Management Branch (Acting)
	Terron Francis	Senior Director, Fiscal Policy Management Branch
ECONOMIC PROGRAMME OVERSIGHT COMMITTEE	Keith Duncan	Chairman
	Richard Lumsden	Director, Economic Reform Monitoring Unit, MOFPS
MINISTRY LOCAL GOVERNMENT AND COMMUNITY DEVELOPMENT	Marsha Henry-Martin	Permanent Secretary
	Owen Brown	Director, Parochial Revenue Fund Branch
	Anniesha Gordon-McFarlane	Principal Finance Officer
	Robert Hill	CEO, Kingston and St. Andrew Corporation
	Naudia Crosskill	CEO, St. Jamaes Municipal Corporation
PUBLIC EXPENDITURE DIVISION	Lorris Jarrett	Deputy Financial Secretary
	Anieta Lewis	Principal Director, Public Investment Appraisal Branch
	Seymour Davey	Senior Director Projects Branch
	Kerry-Ann Lewars Jackson	Senior Director
	Carolyn Campbell	Unit Head
	Simone Gordon	Senior Analyst
PUBLIC EXPENDITURE POLICY AND COORDINATION DIVISION	Barrington Thomas	Principal Director
	Jonelle Murray	Director, Accounting and Financial Policy Branch
	Michelle Miller	Acting Senior Director
	Andrei Bennett	Chief Public Procurement Policy Officer
TAX POLICY DIVISION	Madge Ramsey	Senior Director
PUBLIC ENTERPRISES DIVISION	Cheryl Sylvester-James	Senior Director
	Alicia Bish	Deputy Financial Secretary, Acting
NATIONAL WORKS AGENCY	Everton G Hunter	Chief Executive Officer
PLANNING INSTITUTE OF JAMAICA	James Stewart	Senior Director, Economic Planning and Research Division
STATISTICAL INSTITUTE OF JAMAICA	Carol Coy	Director General
TAX ADMINISTRATION JAMAICA	Hank Williams	Deputy Commissioner General - Strategic Services

JAMAICA CUSTOMS AGENCY	Velma Ricketts - Walker	Commissioner
	Earl Stewart	Director, Planning and Research
BANK OF JAMAICA	Carey-Ann Williams	Division Chief, Research & Economic Programming Division
HOUSES OF PARLIAMENT	Colleen Lowe	Clerk, Houses of Parliament
	Nicholas McKenzie	Internal Auditor
MINISTRY OF HEALTH	Dunstan Bryan	Permanent Secretary
	Donovan Davis	Principal Finance Officer
MINISTRY OF EDUCATION AND YOUTH	Dr. Kassan Troupe	Permanent Secretary
	Mrs. Lolyn Donald	Senior Director, HMR&D (Acting)
	Mr. Richard Depass	Principal Finance Officer
	Mr. Cedric Scott	Technical Support Officer in the Office of the Permanent Secretary
	Ms. Debra Thompson	Director, Schools Payroll Services Branch
	Mr. Garth Gooden	Senior Director, Procurement
CLOSE-OUT MEETING	In person	Lorris Jarrett Trevor Anderson Jonelle Murray Simone Gordon-Brown Lenworth Taylor Cheryl James Kerry-Ann Jackson Carolyn Campbell
	Virtual	Raja Harrison Nicole Clark Hank Williams Seymour Davey Earl Stewart Owen Brown Nicholas McKenzie

Annex 5: Observations on internal control

Internal control components and elements	Summary of observations
1. Control environment	
1.1 The personal and professional integrity and ethical values of management and staff, including a supportive attitude toward internal control constantly throughout the organization	Management is diligent in reinforcing the salary budget. There is a commitment to comply with internal controls and establishing systems for review. Increasing use of IAU and PIA support the management philosophy for integrity.
2.1 Commitment to competence	Management and staff are committed to complying with good practices and control measures. This is reflected in the rapid and complete responses on internal audit findings and other reviews.
3.1 The "tone at the top" (i.e. management's philosophy and operating style)	Management is progressive in pursuing reforms, including the implementation of activities that improve financial operations and the control and management of public finances. This is shown in the implementation of new systems for treasury, payroll and procurement and in the adoption of online platforms for payments and for engagement with clients – including social media. It is also shown in the high degree of completion of the previous PFM action plan.
4.1 Organisational structure	The Ministry of Finance, overseen by the FS, and the Accountant General, are the lead organization in government for establishing the internal control framework. Individual accountable officers (PS, CEO) have overall responsibility for maintaining the system of internal controls in each MDA. IA and External Auditor provide proper checks. A system of checks and balances, including segregation of duties exists within government and is further supported by the AuGD and PAC/PAAC. However, the large number of public bodies, many of which deliver public services and are supported by the budget, sit outside of the core organizational structures and are not subjected to the same internal controls.
5.1 Human resource policies and practices	There have historically been issues in controlling staff against the staffing establishment, and hence the budget. A new integrated payroll and HR system offers potential to address these internal control issues.
2. Risk assessment	
1.1 Risk identification	The fiscal risk statement identifies key risk types but only guarantees are quantified. The government is realizing the risks associated with PPPs, with the private partner making force majeure claims in recent times.
2.1 Risk assessment (significance and likelihood)	Economic Analysis of Investment Proposals in 11.1 is rated C.

	<p>Debt Management Strategy in 13.3 is rated A. A debt management information system is in place that records, analyzes and reports public sector debt.</p> <p>Macroeconomic sensitivity analysis in 14.3 is rated C, but there is substantial analysis of risk within the fiscal policy paper (including a fiscal risk statement) as well as the Medium-Term Debt Strategy.</p> <p>Revenue Risk Management in 19.2 is rated A as both TAJ and JCA apply a risk management approach and reflect these in compliance plans.</p>
3.1 Risk evaluation	The government has an extensive fiscal risk statement, which covers the main economic, legal and fiscal risks.
4.1 Risk appetite assessment	The appetite for risk appears to be increasing in relation to the use of PPPs (whose risks are significant at 45% of all CLs). However, risk appetite for guarantees of loans is apparently decreasing (reducing levels of guarantees in recent years).
5.1 Responses to risk (transfer, tolerance, treatment or termination)	
3. Control activities	
3.1 Authorization and approval procedure	Authorization and approval controls are well articulated in the PFM legal framework and now embedded with the GFIS system.
4.1 Segregation of duties (authorizing, processing, recording, reviewing)	Segregation of duties is rated A in Dimension 25.1 as segregation of duties is adequately prescribed in the procedures manual, and responsibilities are clearly laid out. Segregation of duties is supported by the configuration of the GFMS, which has user groups defined which are developed on the principle of segregation of duties
5.1 Controls over access to resources and records	<p>Compliance with payment rules and procedures is rated A in Dimension 25.3. Financial irregularities across the five largest ministries reported by the Internal Auditors are less than 1 percent of Estimates over the last three years</p> <p>Financial data integrity processes are rated B in Dimension 27.4. Access and changes to records are generally restricted and result in an audit trail, but there are no available dedicated operational bodies, units, or teams in charge of verifying the integrity of financial data.</p>
6.1 Verifications	<p>Accuracy of in-year budget reports is rated C in Dimension 28.3 as in-year budget execution reports include expenditures that are captured at the payment stage and commitments.</p> <p>Effectiveness of controls over data used to verify payroll calculation in Dimension 23.3 is rated D* due to lack of evidence but the mission team understands that the authority to change records and payroll is restricted, results in an audit trail and is adequate to</p>

	ensure full integrity of data. The new MyHR+ system supports these controls, but the system is only partially rolled out.
7.1 Reconciliations	<p>Revenue accounts are regularly reconciled against banks accounts and Treasury but not against arrears score C in Dimension 20.3.</p> <p>Bank account reconciliations in Dimension 27.1 are rated D. Treasury accounts are largely reconciled within six weeks; the Auditor General cited backlogged audits across line ministries in the 2023 report and MOHW and MoEY have reported backlogged reconciliations.</p>
8.1 Reviews of operating performance	Internal and external audit are in place and functioning well. Internal audit in particular provides advice on the effectiveness and performance internal controls.
9.1 Reviews of operations, processes and activities	Business processes, operations, and activities are included within the scope of internal and external audit activities. Both entities also perform performance audits.
10.1 Supervision (assigning, reviewing and approving, guidance and training)	The structural organization of the Government provides the controls for employee supervision and training.
4. Information and communication	
	<p>Integrity of financial data scored B in Dimension 27.4. However, the information in the financial statements is limited to those transactions which flow through the consolidated fund. There are a large number of entities whose expenditure and revenue does not flow through the CF, resulting in there being significant limitation in the utility of the AFS for communicating fiscal policy.</p> <p>The volume of performance information assessed in Dimension 8.2 scored D. Information on the quantity of outputs produced and outcomes achieved in 2022/23 - the most recent completed financial year for which data was available at the time of the 2024/25 budget - is presented for only few programs of 30% of ministries (as percentage of total service delivery expenditure) in the 2024/25 Estimates of Expenditure. No information is provided on the activities performed in the most recently completed financial year.</p>
5. Monitoring	
5.1 Ongoing monitoring	Resources received by service delivery units in Dimension 8.3 is rated D. Report on resources received by frontline service delivery units are not received centrally by the Ministries of Education and

	<p>Health. Reports compiling information on resources received by service.</p> <p>Monitoring of public corporations in Dimension 10.1 is rated C as all self-financing corporations publish audited financial statements more than 6 months after the end of the fiscal year. However, all such corporations provide unaudited financial reports to the government within 9 months.</p> <p>Monitoring of SNGs in Dimension 10.2 is rated D as the financial reports of the SNGs are massively out of date. However, unaudited data is conveyed to the Ministry of Local Government regularly.</p> <p>Contingent liabilities and other fiscal risks in Dimension 10.3 are rated C as loan guarantees are quantified and published but the CLs associated with PPPs are not.</p> <p>Investment project monitoring in Dimension 11.4 is rated C as information on implementation of major investment projects is prepared annually and incorporated in the estimates documentation submitted to the legislature. However, there are no standard procedures and rules for project monitoring in place.</p> <p>Quality of central government financial asset monitoring in Dimension 12.1 is rated C as data on some financial assets is recorded by not published.</p> <p>Quality of central government non-financial asset monitoring in Dimension 12.2 is rated D as asset registers are only partial.</p> <p>Revenue arrears monitoring in Dimension 19.4 is rated D.</p> <p>Expenditure arrears monitoring in Dimension 22.2 is rated D as previously sound reporting arrangements for arrears now only provide partial coverage.</p> <p>Procurement monitoring in Dimension 24.1 is rated A as new comprehensive data collection within the Procurement Portal is being supplemented by manual data collections.</p>
6.1 Evaluations	<p>Structures are in place to support performance reporting within government, both at a whole-of-government level and also for individual MDAs. This is complemented by performance audits. However, there is no structured approach to program evaluation (pending establishment of a monitoring and evaluation unit in MoFPS). In addition, performance information is not consistently and systematically used to inform resource allocation decisions within the budget process.</p> <p>Performance evaluation for service delivery in Dimension 8.4 is rated X.</p>

	Evaluation practices by implementing agencies for Investment project selection in Dimension 11.2 are rated X.
7.1 Management responses	<p>Response to IA recommendations in Dimension 26.4 is rated B. Management responds to most recommendations and implementation is included in follow-up audits. Management provides partial comments on the auditors' recommendations in most cases within 12 months. Internal audit reports and findings are included in the audit report and in quarterly activity reports of each internal audit unit. In most cases appropriate action to implement them where necessary is carried out.</p> <p>External audit follow-up in Dimension 30.3 is rated A as there is systematic follow-up to external audit recommendations.</p>

Annex 6: Tracking performance since previous PEFA assessment using PEFA 2016 framework

COUNTRY NAME: JAMAICA			Current assessment 2024	Previous assessment 2017 (applying PEFA 2016 framework)	
Pillar	Indicator/Dimension		Score	Score	Explanation of change (including comparability issues)
Budget Reliability	PI-1	Aggregate expenditure out-turn	B	A	Outturn exceeded 105 percent in two of three years
	PI-2	Expenditure composition outturn	B+	C+	Reflects reduced outturn variance by economic classification
		(1) Expenditure composition outturn by function	B	B	No change
		(2) Expenditure composition outturn by economic type	B	C	Reduced outturn by economic classification
		(3) Expenditure from contingency reserves	A	A	No change
	PI-3	Revenue outturn	B	B+	Reflects increase in outturn in two of three years
		(1) Aggregate revenue outturn	B	A	Outturn exceeded 105 percent in two of three years
		(2) Revenue composition outturn	B	B	No change
Transparency of Public Finances	PI-4	Budget Classification	A	A	No change
	PI-5	Budget Documentation	B	B	No change
	PI-6	Central government operations outside financial reports	D	B+	Insufficient data.
		(1) Expenditure outside financial reports	D*	A	Insufficient data.
		(2) Revenue outside financial reports	D*	A	Insufficient data.
		(3) Financial reports of extra-budgetary units	D*	C	Insufficient data.
	PI-7	Transfers to subnational governments	D+	C+	See below
		(1) System for allocating transfers	C	A	Although transfers of property taxes and licence duties are clearly rule-based and transparent, grants from the budget, which represent 27% of total transfers, are not transparent and rule-based. (Note: The PEFA Handbook Vol II states that every fiscal transfer from central government to the relevant subnational governments should be taken into consideration.)
		(2) Timeliness of information on transfers	D	D	No change.
	PI-8	Performance information for service delivery	D+	D	See below
		(1) Performance plans for service delivery	C	D	All ministries now present information on activities for the budget year
		(2) Performance achieved for service delivery	D	D	No change
		(3) Resources received by service delivery units	D	D	No change

		(4) Performance evaluation for service delivery	C	D	Performance audits have been carried for some ministries in the last three fiscal years.
	PI-9	Public access to information	D	D	No change
Management of assets and liabilities	PI-10	Fiscal risk reporting	C+	D+	No change - Score incorrectly aggregated in 2017 report
		(1) Monitoring of public corporations	C	C	No change
		(2) Monitoring of subnational government (SNG)	D	D	No change
		(3) Contingent liabilities and other fiscal risks	C	C	No change
	PI-11	Public investment management	D+	D+	Reflects existence of economic analysis
		(1) Economic analysis of investment proposals	C	D	Economic analysis of some projects completed
		(2) Investment project selection	D	D	No change
		(3) Investment project costing	C	C	No change
		(4) Investment project monitoring	C	C	No change
	PI-12	Public asset management	D+	D+	No change
		(1) Financial asset monitoring	C	C	No change
		(2) Nonfinancial asset monitoring	D	D	No change
		(3) Transparency of asset disposal	C	C	No change
	PI-13	Debt management	B+	B+	No change
		(1) Recording and reporting of debt and guarantees	C	C	No change
		(2) Approval of debt and guarantees	A	A	No change
		(3) Debt management strategy	A	A	No change
Policy-based fiscal strategy and budgeting	PI-14	Macroeconomic and fiscal forecasting	B+	B	See below
		(1) Macroeconomic forecasts	A	B	The FPP (which includes macroeconomic projections) is reviewed by the Auditor-General
		(2) Fiscal forecasts	A	A	No change
		(3) Macro-fiscal sensitivity analysis	C	C	No change.
	PI-15	Fiscal strategy	B	B	No change
		(1) Fiscal impact of policy proposals	D	D	No change
		(2) Fiscal strategy adoption	A	A	No change
		(3) Reporting on fiscal outcomes	A	A	No change
	PI-16	Medium-term perspective in expenditure budgeting	B+	D	See below
		(1) Medium-term expenditure estimates	A	D	Annual estimates now present budget and two forward years.
		(2) Medium-term expenditure ceilings	A	D	Budget call circular includes ceilings for the budget and two forward years.
		(3) Alignment of strategic plans and medium-term budgets	A	D	Strategic plans align with program-based budget estimates.
		(4) Consistency of budgets with previous year estimates	D	NA	Annual estimates now present budget and two forward years.
	PI-17	Budget preparation process	B	B	See below
		(1) Budget calendar	A	A	No change
		(2) Guidance on budget preparation	C	B	Budget ceilings are not approved by the Cabinet or any similar body

					before communication to the budgetary units.
		(3) Budget submission to the legislature	C	D	Budgets have been submitted to the legislators at least 6 weeks (about one and a half months) before the start of the new FY
	PI-18	Legislative scrutiny of budgets	D+	C+	See below
		(1) Scope of budget scrutiny	A	B	Annual submission to the Legislature now includes medium-term fiscal forecasts, and medium-term priorities
		(2) Legislative procedures for budget scrutiny	B	C	Legislative procedures now include legislative committees, technical support and allow for negotiation procedures.
		(3) Timing of budget approval	A	C	In the last three budget years, the legislature approved the Estimates before the start of the FY.
		(4) Rules for budget adjustments by the executive	D*	B	Not information available to assess.
Predictability and control in budget execution	PI-19	Revenue administration	B	B	No change
		(1) Rights and obligations for revenue measures	A	A	No change
		(2) Revenue risk management	A	A	No change
		(3) Revenue audit and investigation	C	C	No change
		(4) Revenue arrears monitoring	D	D	No change
	PI-20	Accounting for revenues	C	D+	Improves. Better reporting on revenue.
		(1) Information on revenue collections	A	D	Better reporting on revenue.
		(2) Transfer of revenue collections	A	A	No change
		(3) Revenue accounts reconciliation	C	A	less coverage in reconciliation (TAJ)
	PI-21	Predictability of in-year resource allocation	B+	C	Improves.
		(1) Consolidation of cash balances	A	D*	TSA established.
		(2) Cash forecasting and monitoring	A	C	Cash forecasting function.
		(3) Information on commitment ceilings	A	C	Budget released according to cash flow plans.
		(4) Significance of in-year budget adjustments	C	B	4 supplementary adjustments in 2023/24.
	PI-22	Expenditure arrears	D	D	No change
		(1) Stock of expenditure arrears	D*	D	Data now not available
		(2) Expenditure arrears monitoring	D	D	Reporting not complete.
	PI-23	Payroll controls	D+	D+	No change
		(1) Integration of payroll and personnel records	D*	C	Insufficient information for non-budgetary units
		(2) Management of payroll changes	A	B	Retroactive payments are rare and mainly linked to cut off dates for payroll.
		(3) Internal control of payroll	D*	D	Insufficient information for non-budgetary units
		(4) Payroll audit	C	C	No Change
	PI-24	Procurement	C+	C+	No change
		(1) Procurement monitoring	A	A	No change.

		(2) Procurement methods	C	D	67% of contracts are awarded through competitive methods.
		(3) Public access to procurement information	C	C	No change.
		(4) Procurement complaints management	D	B	The Procurement Act 2016 provides for the establishment of a Review Board. However, there are currently no members of the Board.
	PI-25	Internal controls on non-salary expenditure	A	C+	See below
		(1) Segregation of duties	A	C	Adequate separation of duties exists.
		(2) Effectiveness of expenditure commitment controls	B	C	Improvement in the expenditure controls in new GFMS
		(3) Compliance with payment rules and procedures	A	B	Financial irregularities in audits are less than 1 percent of budget
	PI-26	Internal audit effectiveness	B+	D+	See below
		(1) Coverage of internal audit	A	A	No change
		(2) Nature of audits and standards applied	A	A	No change
		(3) Implementation of internal audits and reporting	B	D	Improvements made in reporting, monitoring and delivery against audit plan. Effective Audit Committees play a part in improvement and additional training provided by IAD.
		(4) Response to internal audits	B	B	No change
Accounting and Reporting	PI-27	Financial data integrity	B	C	See below
		(1) Bank account reconciliation	D	D*	Backlog reconciliation across ministries
		(2) Suspense accounts	N/A	D	There are no suspense accounts
		(3) Advance accounts	A	C	Reconciled monthly
		(4) Financial data integrity processes	B	A	No specialized Unit or Team in place to review data accuracy.
	PI-28	In-year budget reports	C+	D+	See below
		(1) Coverage and comparability of reports	A	C	In year budget reports includes all administrative levels
		(2) Timing of in-year budget reports	B	D	In year, budget execution reports are done monthly with four weeks from the end of each month
		(3) Accuracy of in-year budget reports	C	C	No change
	PI-29	Annual financial reports	D+	D+	No change
		(1) Completeness of annual financial reports	C	C	No change
		(2) Submission of reports for external audit	D	D	No change
		(3) Accounting standards	C	C	No change
External scrutiny and audit	PI-30	External audit	C+	C+	No change
		(1) Audit coverage and standards	B	B	No change
		(2) Submission of audit reports to the legislature	B	B	No change
		(3) External audit follow up	A	A	No change
		(4) Supreme Audit Institution (SAI) independence	C	C	No change
	PI-31	Legislative scrutiny of audit reports	B	B	No change
		(1) Timing of audit report scrutiny	C	C	No change

	(2) Hearings on audit findings	A	A	No change
	(3) Recommendations on audit by the legislature	A	A	No change
	(4) Transparency of legislative scrutiny of audit reports	D	D	No change

Annex 7: Calculation of budget outturns for PI-1, PI-2 and PI-3

Table 2						
Data for year = 2021/22						
administrative or functional head	budget	actual	adjusted budget	deviation	absolute deviation	percent
Ministry of Finance & the Public Ser	249,713,810	266,129,211	268,527,409.2	-2,398,198.0	2,398,198.0	0.9%
Ministry of Education	118,556,001	120,253,474	127,488,086.4	-7,234,612.9	7,234,612.9	5.7%
Ministry of Health	89,273,296	100,936,189	95,999,203.6	4,936,985.5	4,936,985.5	5.1%
Ministry of National Security	87,982,917	95,636,643	94,611,606.6	1,025,036.8	1,025,036.8	1.1%
Ministry of Economic Growth & Job C	31,350,558	41,339,158	33,712,529.2	7,626,628.4	7,626,628.4	22.6%
Ministry of Local Government & Comm	16,468,527	17,810,114	17,709,276.4	100,837.5	100,837.5	0.6%
Ministry of Labour & Social Security	13,733,310	17,863,185	14,767,986.4	3,095,198.6	3,095,198.6	21.0%
Office of the Prime Minister	13,200,059	12,609,521	14,194,559.9	-1,585,039.0	1,585,039.0	11.2%
Ministry of Science, Energy, Telecom	11,496,748	-	12,362,920.4	-12,362,920.4	12,362,920.4	100.0%
Ministry of Tourism	10,914,460	10,956,617	11,736,762.4	-780,145.4	780,145.4	6.6%
Ministry of Agriculture & Fisheries	9,644,508	10,161,987	10,371,131.4	-209,144.3	209,144.3	2.0%
Ministry of Justice	9,623,649	10,108,573	10,348,700.9	-240,127.7	240,127.7	2.3%
Ministry of Science, Energy & Techno	6,324,090	7,819,679	6,800,551.0	1,019,128.0	1,019,128.0	15.0%
Ministry of Foreign Affairs and Fore	4,475,380	4,599,694	4,812,558.0	-212,864.0	212,864.0	4.4%
Ministry of Industry, Investment & C	3,738,665	3,759,515	4,020,338.4	-260,823.4	260,823.4	6.5%
Ministry of Culture, Gender, Enterta	3,649,902	3,670,955	3,924,888.0	-253,933.0	253,933.0	6.5%
Ministry of Housing, Urban Renewa	3,018,788	2,386,069	3,246,225.4	-860,156.0	860,156.0	26.5%
Ministry of Transport and Mining	2,234,490	11,751,077	2,402,837.9	9,348,239.1	9,348,239.1	389.0%
Houses of Parliament	1,293,275	1,209,567	1,390,711.2	-181,144.2	181,144.2	13.0%
Auditor General	933,587	920,627	1,003,924.0	-83,297.0	83,297.0	8.3%
All other	3,344,111	3,106,410	3,596,058.5	-489,648.5	489,648.5	13.6%
allocated expenditure	690,970,131	743,028,266	743,028,265.5	0.0	54,304,107.7	
interests	125,986,706	136,442,552				
contingency	13,824,050	0				
total expenditure	830,780,887	879,470,818				
aggregate outturn (PI-1)						105.9%
composition (PI-2) variance						7.3%
contingency share of budget						0.0%
Table 3						
Data for year = 2022/23						
administrative or functional head	budget		adjusted budget	deviation	absolute deviation	percent
Ministry of Finance & the Public Se	260,652,175	249,024,759	288,444,044.6	-39,419,285.6	39,419,285.6	13.7%
Ministry of Education	123,672,947	144,326,205	136,859,495.0	7,466,710.0	7,466,710.0	5.5%
Ministry of National Security	99,396,292	116,196,012	109,994,357.4	6,201,654.6	6,201,654.6	5.6%
Ministry of Health	98,025,934	123,659,774	108,477,885.8	15,181,888.2	15,181,888.2	14.0%
Ministry of Economic Growth & Job	42,707,921	52,391,662	47,261,625.5	5,130,036.5	5,130,036.5	10.9%
Ministry of Local Government & Co	17,929,165	22,552,838	19,840,850.6	2,711,987.4	2,711,987.4	13.7%
Ministry of Agriculture & Fisheries	14,692,834	15,118,539	16,259,447.9	-1,140,908.9	1,140,908.9	7.0%
Ministry of Labour & Social Securit	14,219,814	18,876,587	15,735,992.5	3,140,594.5	3,140,594.5	20.0%
Office of the Prime Minister	13,408,781	13,718,494	14,838,483.6	-1,119,989.6	1,119,989.6	7.5%
Ministry of Transport and Mining	12,880,983	16,279,618	14,254,409.5	2,025,208.5	2,025,208.5	14.2%
Ministry of Tourism	11,507,204	12,069,195	12,734,152.2	-664,957.2	664,957.2	5.2%
Ministry of Justice	10,483,014	11,203,806	11,600,758.6	-396,952.6	396,952.6	3.4%
Ministry of Science, Energy & Techn	10,063,782	11,815,625	11,136,826.2	678,798.8	678,798.8	6.1%
Ministry of Foreign Affairs and Fore	5,030,141	5,529,793	5,566,476.5	-36,683.5	36,683.5	0.7%
Ministry of Industry, Investment & C	5,010,086	5,866,056	5,544,283.2	321,772.8	321,772.8	5.8%
Ministry of Culture, Gender, Enterta	4,407,217	4,875,300	4,877,133.7	-1,833.7	1,833.7	0.0%
Houses of Parliament	1,341,391	1,400,237	1,484,415.9	-84,178.9	84,178.9	5.7%
Integrity Commission	1,150,532	1,220,385	1,273,206.7	-52,821.7	52,821.7	4.1%
Auditor General	1,087,007	1,197,441	1,202,908.4	-5,467.4	5,467.4	0.5%
Office of the Cabinet	836,032	969,022	925,173.4	43,848.6	43,848.6	4.7%
Sum of rest	2,462,119	2,745,220	2,724,640.8	20,579.2	20,579.2	0.8%
allocated expenditure	750,965,371	831,036,568	831,036,568.0	0.0	85,846,158.3	
interests	138,409,053	151,194,816				
contingency	22,629,016	200,000				
total expenditure	912,003,440	982,431,384				
aggregate outturn (PI-1)						107.7%
composition (PI-2) variance						10.3%
contingency share of budget						0.0%

Table 4						
Data for year = 2023/24						
administrative or functional head	budget	actual	adjusted budget	deviation	absolute deviation	percent
Ministry of Finance & the Public Ser	238,748,550	249,176,722	254,133,446.7	-4,956,724.4	4,956,724.4	0.019504
Ministry of Education	148,332,923	168,956,060	157,891,459.3	11,064,600.7	11,064,600.7	0.070077
Ministry of National Security	125,097,236	135,574,475	133,158,470.5	2,416,004.8	2,416,004.8	0.018144
Ministry of Health	118,623,440	138,394,434	126,267,504.7	12,126,929.0	12,126,929.0	0.096042
Ministry of Economic Growth & Job C	48,957,018	49,856,017	52,111,796.0	-2,255,779.3	2,255,779.3	0.043287
Ministry of Local Government & Com	20,563,336	26,263,048	21,888,432.2	4,374,616.3	4,374,616.3	0.19986
Ministry of Agriculture & Fisheries	19,721,832	18,350,101	20,992,701.9	-2,642,600.8	2,642,600.8	0.125882
Ministry of Labour & Social Security	16,977,027	16,219,413	18,071,022.4	-1,851,609.7	1,851,609.7	0.102463
Office of the Prime Minister	16,502,247	3,278,150	17,565,647.7	-14,287,497.5	14,287,497.5	0.813377
Ministry of Transport and Mining	13,954,723	13,870,710	14,853,961.8	-983,251.5	983,251.5	0.066195
Ministry of Tourism	13,315,899	18,898,459	14,173,972.2	4,724,486.7	4,724,486.7	0.333321
Ministry of Justice	11,956,828	12,625,298	12,727,323.0	-102,025.3	102,025.3	0.008016
Ministry of Science, Energy & Techno	11,473,048	1,233,478	12,212,368.3	-10,978,889.9	10,978,889.9	0.898998
Ministry of Foreign Affairs and Fore	6,200,490	6,712,686	6,600,048.0	112,637.8	112,637.8	0.017066
Ministry of Industry, Investment & C	5,742,136	8,451,594	6,112,157.8	2,339,436.5	2,339,436.5	0.382751
Ministry of Culture, Gender, Enterta	5,023,523	5,673,273	5,347,237.6	326,035.6	326,035.6	0.060973
Houses of Parliament	1,492,637	2,666,913	1,588,822.2	1,078,090.9	1,078,090.9	0.678547
Integrity Commission	1,255,241	1,415,970	1,336,128.4	79,841.7	79,841.7	0.059756
Auditor General	1,205,325	1,317,853	1,282,995.8	34,857.5	34,857.5	0.027169
Office of the Cabinet	911,554	896,204	970,294.3	-74,090.2	74,090.2	0.076359
21 (= sum of rest)	3,631,609	3,320,560	3,865,629.0	-545,068.9	545,068.9	0.141004
allocated expenditure	829,686,622	883,151,419.7	883,151,419.7	0.0	77,355,075.0	
interests	155,157,521	172,165,270				
contingency	36,828,502	200,000				
total expenditure	1,021,672,645	1,055,516,690				
aggregate outturn (PI-1)						103.3%
composition (PI-2) variance						8.8%
contingency share of budget						0.0%
Table 5 - Results Matrix						
year	for PI-1.1		for PI-2.1			
	total exp. Outturn		composition variance			
2021/22	105.9%		7.3%			
2022/23	107.7%		10.3%			
2023/24	103.3%		8.8%			

Table 2

Data for year = 2021/22						
Economic head	budget	actual	adjusted budget	deviation	absolute deviation	percent
Compensation of employees	239,238,693	241,751,053	253,276,450.4	-11,525,397.4	11,525,397.4	4.6%
Travel Expenses & Subsistence	21,220,490	18,651,771	22,465,640.1	-3,813,869.1	3,813,869.1	17.0%
Rental of Property & Machinery	5,770,217	5,661,928	6,108,794.8	-446,866.8	446,866.8	7.3%
Utilities and Communication Services	10,845,745	10,489,605	11,482,138.4	-992,533.4	992,533.4	8.6%
Use of Goods and Services	56,334,628	65,891,938	59,640,162.9	6,251,775.1	6,251,775.1	10.5%
Grants, Contributions and Subsidies	79,738,502	98,770,995	84,417,300.9	14,353,694.1	14,353,694.1	17.0%
Retirement Benefits	39,012,235	38,659,747	41,301,347.5	-2,641,600.5	2,641,600.5	6.4%
Awards and Social Assistance	21,876,995	22,536,163	23,160,666.7	-624,503.7	624,503.7	2.7%
Others (Fixed Assets, Land Purchase etc)	6,672,398	8,924,361	7,063,912.9	1,860,448.1	1,860,448.1	26.3%
Contingency and outflows	23,624,460	19,971,801	25,010,667.4	-5,038,866.4	5,038,866.4	20.1%
Amortization	146,258,500	161,285,603	154,840,478.6	6,445,124.4	6,445,124.4	4.2%
Interest	125,986,706	136,422,552	133,379,200.9	3,043,351.1	3,043,351.1	2.3%
Capital	54,201,318	50,510,922	57,381,677.1	-6,870,755.5	6,870,755.5	12.0%
Total expenditure	830,780,887	879,528,439	879,528,438.5	0.0	52,383,388.4	
composition variance	830,780,887	902,137,812				6.0%

Table 3

Data for year = 2022/23						
Economic head	budget	actual	adjusted budget	deviation	absolute deviation	percent
Compensation of employees	290,243,100	338,126,132	312,733,021.4	25,393,110.6	25,393,110.6	8.1%
Travel Expenses and Subsistence	8,649,977	9,689,172	9,320,233.4	368,938.6	368,938.6	4.0%
Rental of Property and Machinery	7,324,453	7,263,939	7,891,999.2	-628,060.2	628,060.2	8.0%
Utilities and Communication Services	11,880,098	15,036,464	12,800,645.2	2,235,818.8	2,235,818.8	17.5%
Use of Goods and Services	65,505,987	76,592,964	70,581,816.5	6,011,147.5	6,011,147.5	8.5%
Grants, Contributions and Subsidies	81,879,029	92,010,220	88,223,548.2	3,786,671.8	3,786,671.8	4.3%
Retirement Benefits	41,009,383	41,309,383	44,187,056.5	-2,877,673.5	2,877,673.5	6.5%
Awards and Social Assistance	22,418,976	25,906,883	24,156,143.9	1,750,739.1	1,750,739.1	7.2%
Others (Fixed Assets, Land Purchase, etc.)	8,708,132	9,494,371	9,382,894.7	111,476.3	111,476.3	1.2%
Contingency and outflows	1,850,000	200,000	1,993,350.0	-1,793,350.0	1,793,350.0	90.0%
Amortization	169,057,917	162,662,556	182,157,622.9	-19,495,066.9	19,495,066.9	10.7%
Interest	138,409,053	151,194,816	149,133,885.8	2,060,930.2	2,060,930.2	1.4%
Capital	65,067,327	53,184,484	70,109,166.3	-16,924,682.3	16,924,682.3	24.1%
Total expenditure	912,003,432	982,671,384	982,671,384	-	83,437,666	
composition variance						8.5%

Table 4

Data for year = 2023/24						
Economic head	budget	actual	adjusted budget	deviation	absolute deviation	percent
Compensation of employees	367,346,800	403,618,179	387,116,721.5	16,501,457.5	16,501,457.5	4.3%
Travel Expenses and Subsistence	10,275,269	9,365,160	10,828,264.9	-1,463,104.9	1,463,104.9	13.5%
Rental of Property and Machinery	7,781,081	7,442,169	8,199,844.3	-757,675.3	757,675.3	9.2%
Utilities and Communication Services	15,740,235	14,998,540	16,587,345.2	-1,588,805.2	1,588,805.2	9.6%
Use of Goods and Services	75,509,576	79,591,193	79,573,360.9	17,832.1	17,832.1	0.0%
Grants, Contributions and Subsidies	91,720,084	97,487,101	96,656,288.3	830,812.7	830,812.7	0.9%
Retirement Benefits	43,060,456	41,544,291	45,377,889.7	-3,833,598.7	3,833,598.7	8.4%
Awards and Social Assistance	25,455,050	25,169,976	26,824,993.4	-1,655,017.4	1,655,017.4	6.2%
Others (Fixed Assets, Land Purchase, etc.)	16,289,092	16,665,365	17,165,740.6	-500,375.6	500,375.6	2.9%
Contingency and outflows	12,512,562	14,119,298	13,185,964.8	933,333.2	933,333.2	7.1%
Amortization	125,452,029	138,627,099	132,203,623.9	6,423,475.1	6,423,475.1	4.9%
Interest	155,157,521	172,165,270	163,507,810.2	8,657,459.8	8,657,459.8	5.3%
Capital	75,372,890	55,863,526	79,429,318.8	-23,565,793.2	23,565,793.2	29.7%
Total expenditure	1,021,672,645	1,076,657,167	#####	(0)	66,728,741	
composition variance						6.2%

Table 5 - Results Matrix

year	composition variance
2021/22	6.0%
2022/23	8.5%
2023/24	6.2%

Table 2						
Data for year = 2021/22						
Economic head	budget	actual	adjusted budget	deviation	absolute deviation	percent
Tax revenues						
Taxes on income, profit and capital gains	166,511.9	180,183.2	177,942.4	2,240.8	2,240.8	1.3%
Taxes on goods and services	203,516.6	198,956.3	217,487.5	-18,531.2	18,531.2	8.5%
Taxes on international trade and transactions	202,432.8	237,228.4	216,329.2	20,899.2	20,899.2	9.7%
Grants						
Grants	5,925.5	7,658.5	6,332.3	1,326.3	1,326.3	20.9%
Other revenue						
Non-tax revenue	94,185.2	96,096.0	100,650.8	-4,554.8	4,554.8	4.5%
Capital	4,445.1	908.4	4,750.3	-3,841.9	3,841.9	80.9%
Bauxite		2,461.7	0.0	2,461.7	2,461.7	
Total revenue	677,017.1	723,492.5	723,492.5	0.0	53,855.7	
overall variance						106.9%
composition variance						7.4%
Table 3						
Data for year = 2022/23						
Economic head	budget	actual	adjusted budget	deviation	absolute deviation	percent
Tax revenues						
Taxes on income, profit and capital gains	189,590.8	235,812.5	201,794.9	34,017.5	34,017.5	16.9%
Taxes on goods and services	217,962.2	232,702.0	231,992.6	709.3	709.3	0.3%
Taxes on international trade and transactions	263,983.1	284,326.7	280,975.9	3,350.7	3,350.7	1.2%
Grants						
Grants	11,368.3	6,340.6	12,100.1	-5,759.5	5,759.5	47.6%
Other revenue						
Non-tax revenue	65,398.70	72,203.97	69,608.5	2,595.5	2,595.5	3.7%
Capital	33,991.60	-	36,179.7	-36,179.7	36,179.7	100.0%
Bauxite		1,266.07	0.0	1,266.1	1,266.1	
Total revenue	782,294.7	832,651.7	832,651.7	0.0	83,878.3	
overall variance						106.4%
composition variance						10.1%
Table 4						
Data for year = 2023/24						
Economic head	budget	actual	adjusted budget	deviation	absolute deviation	percent
Income and Profits						
Taxes on income, profit and capital gains	251,829.6	274,142.1	261,782.2	12,359.8	12,359.8	4.7%
Taxes on goods and services	273,691.2	262,976.7	284,507.7	-21,531.1	21,531.1	7.6%
Taxes on international trade and transactions	298,775.0	294,455.2	310,583.0	-16,127.8	16,127.8	5.2%
Grants						
Grants	7,874.5	8,132.9	8,185.7	-52.8	52.8	0.6%
Other revenue						
Non-tax revenue	65,228.5	107,989.5	67,806.4	40,183.0	40,183.0	59.3%
Capital	15,994.5	-	16,626.7	-16,626.7	16,626.7	100.0%
Bauxite		1,795.5	0.0	1,795.5	1,795.5	
Total revenue	913,393.4	949,491.7	949,491.7	0.0	108,676.7	
overall variance						104.0%
composition variance						11.4%
Table 5 - Results Matrix						
	year	total revenue deviation			composition variance	
	2021/22	106.9%			7.4%	
	2022/23	106.4%			10.1%	
	2023/24	104.0%			11.4%	

PEFA 2016 METHODOLOGY

PEFA 2005/2011 METHODOLOGY (if applicable)