Commonwealth of Dominica

Office of Director of Audit

Report

of the

DIRECTOR OF AUDIT

on the

AUDIT OF THE PUBLIC ACCOUNTS

For the

Fiscal Year ended June 30, 2009
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*****
February 22, 2011

The Honourable Minister for Finance
Financial Complex
Roseau
COMMONWEALTH OF DOMINICA

Sir,

I have the honour to submit my annual REPORT ON THE PUBLIC ACCOUNTS OF THE GOVERNMENT OF DOMINICA in accordance with Section 83(4) of the Constitution of the Commonwealth of Dominica and Section 5(1) of the Audit Act No. 5 of 1994, for the fiscal year ended 30th June, 2009; included also is my AUDIT CERTIFICATE.

The Financial Statements had already been certified on June 18th 2010 and have been transmitted to your office by the Accountant General.

The report is being presented for tabling in the House at the next sitting of Parliament.

Yours faithfully,

Sgd. Clarence V Christian

CLARENCE V. CHRISTIAN
DIRECTOR OF AUDIT

Cc Financial Secretary
To: The Honorable Minister of Finance

I have audited the Statement of Assets and Liabilities of the Commonwealth of Dominica – Consolidated Fund and other related statements of accounts for the year ended June 30th 2009, as presented by the Accountant General.

By Section 17 of the Financial (Administration) Act # 4 of 1994, the Accountant General is responsible and authorized to prepare and present the financial statements of the Commonwealth of Dominica – Consolidated Fund.

My responsibility as Director of Audit is to express an opinion on those financial statements based on my audit in accordance with the provisions of Section 83(2) of the Constitution of the Commonwealth of Dominica and the Audit Act # 5 of 1994.

I conducted the audit in accordance with generally accepted auditing standards along with guidelines established by INTOSAI on government’s audits, which require that I plan and perform the audit to obtain reasonable assurances as to whether the financial statements are free from material misstatements.

The audit procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the accounts and the evaluation of accounting policies and estimates. These procedures have been undertaken to form an opinion whether in all material respect, the financial statements so presented are in agreement with the accounts and records of the Treasury, Ministries and Departments and present a fair view of the financial transactions of the Government. I believe that my audit provides a fair basis of my opinion.

During the course of my audit, I was not subjected to the control or direction of any other person or authority.

In my opinion, except for concerns raised in Notes 5(iii), 10 and 14, the Financial Statements for fiscal year 2008/2009 presents properly, a true and fair view of Government of Dominica – Consolidated Fund financial transactions as processed through the Government Treasury.

Sgd. Clarence V. Christian
CLARENCE V. CHRISTIAN, BA (Hons), MBA, MIIA, FFA
DIRECTOR OF AUDIT
June 29, 2010
## Statement of Assets and Liabilities as at 30 June 2009

### Liabilities

<table>
<thead>
<tr>
<th>2,008</th>
<th>2009</th>
<th>2,008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
</tr>
<tr>
<td><strong>DEPOSITS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td></td>
<td>23,836,243</td>
<td>74,024,087</td>
</tr>
<tr>
<td>24,399,392</td>
<td>Public Offices</td>
<td>19,405,790</td>
<td>1,557,242</td>
</tr>
<tr>
<td>51,411</td>
<td>Individuals</td>
<td>1,948</td>
<td>250,525</td>
</tr>
<tr>
<td>1,611,492</td>
<td>Miscellaneous</td>
<td>4,428,506</td>
<td>61,879,290</td>
</tr>
<tr>
<td><strong>26,062,295</strong></td>
<td></td>
<td></td>
<td>23,836,243</td>
</tr>
</tbody>
</table>

### Advances

<table>
<thead>
<tr>
<th>242,234</th>
<th>Postmaster</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>242,234</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Investments

<table>
<thead>
<tr>
<th>73,984,520</th>
<th>General Development Loan</th>
<th>78,344,844</th>
<th>78,344,844</th>
<th>73,984,520</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sinking Fund</td>
<td>General Development Loan</td>
<td>Sinking Fund</td>
<td>78,344,844</td>
<td>78,344,844</td>
</tr>
</tbody>
</table>

### Short Term Borrowings

<table>
<thead>
<tr>
<th>39,405</th>
<th>Sub-Treasuries</th>
<th>54,174</th>
<th>(83,969,239)</th>
<th>Opening Balance</th>
<th>(54,952,599)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,419,915</td>
<td>Cash</td>
<td>3,695,768</td>
<td>28,716,639</td>
<td>Surplus for 2008/2009</td>
<td>(25,201,688)</td>
</tr>
</tbody>
</table>

### Consolidated Fund

| 11,459,320 | | 3,749,942 | (54,952,599) | (80,154,287) |

### Total

| 111,748,370 | 105,931,029 | 111,748,370 | 105,931,029 |
NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES

1. The statement is exclusive of the funded public debt amounting to $127,655,469 as at 30th June 2009
   This amount includes Bonds amounting to 10.8M & 22.3M resp. held by National Bank of Dominica and Dominica Social Security
   which were previously managed by Citibank
   The Sinking Fund in respect of the debt at same date was $77,967,597.88

2. Domestic loans as at 30th June, 2009 not included in the statement are as follows

<table>
<thead>
<tr>
<th>Loan</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Loans</td>
<td>16,301,958</td>
</tr>
<tr>
<td>Cable and Wireless</td>
<td>17,774,530</td>
</tr>
<tr>
<td></td>
<td><strong>34,076,488</strong></td>
</tr>
</tbody>
</table>

Foreign Loan reported by the Debt Unit, Ministry of Finance as at June 30, 2009 and not included in the statement amount to $484,048,652

3. Domestic loans and bank overdraft facilities of statutory corporations guaranteed by the Government of Dominica and not included in the statement are:

<table>
<thead>
<tr>
<th>Corporation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOANS</td>
<td></td>
</tr>
<tr>
<td>Public Works Garçage</td>
<td>4,241,004</td>
</tr>
<tr>
<td>Government Housing Loans Board</td>
<td>2,128,147</td>
</tr>
<tr>
<td>Agricultural &amp; Industrial Development Bank</td>
<td>13,821,313</td>
</tr>
<tr>
<td>Dominica Port Authority</td>
<td>2,664,686</td>
</tr>
<tr>
<td>Dominica Solid Waste Management Corporation</td>
<td>1,638,577</td>
</tr>
<tr>
<td>Dominica Broadcasting Corporation</td>
<td>171,373</td>
</tr>
<tr>
<td>Dominica Water &amp; Sewerage Company</td>
<td>6,335,576</td>
</tr>
<tr>
<td></td>
<td><strong>31,200,677</strong></td>
</tr>
</tbody>
</table>

   | OVERDRAFT                             |          |
   | Roseau City Council                  | 45,153   |
   | Aid Bank                             | 2,000,000 |
   | Dominica Export Import Agency        | 565,810  |
   | Dominica Water & Sewerage Company    | 500,000  |
   | Dominica Lotteries Commission        | 428,754  |
   | Dominica Festival Commission         | 482,437  |
   | Dominica Broadcasting Corporation    | 437,053  |
   | Min of Tourism (WCMF)                | 191,673  |
   | National Dev. Corporation            | 50,366   |
   | Public Works Garage                  | 361,970  |
   |                                      | **5,063,126** |

Foreign Loans of statutory corporations reported by the Debt Unit, Ministry of Finance as at 30th June 2009 as being guaranted by the Government of

4. The following loans repayable to the Government of Dominica as at 30th June 2009 do not form part of the statement:

<table>
<thead>
<tr>
<th>Corporation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural &amp; Industrial Development Bank</td>
<td>0.00</td>
</tr>
<tr>
<td>Dominica Port Authority</td>
<td>7,328,026.14</td>
</tr>
<tr>
<td>National Development Foundation</td>
<td>460,921.51</td>
</tr>
<tr>
<td>Dominica Co-op Credit Union League</td>
<td>23,762.50</td>
</tr>
<tr>
<td>Garraway Apartel</td>
<td>1,409,656.74</td>
</tr>
<tr>
<td>Red Rock Haven</td>
<td>0.00</td>
</tr>
<tr>
<td>Southwestern Investments Ltd</td>
<td>1,114,630.00</td>
</tr>
<tr>
<td>White River Campground/Jungle Bay</td>
<td>6,123,257.42</td>
</tr>
<tr>
<td>Kootney Resorts</td>
<td>1,155,826.64</td>
</tr>
<tr>
<td>Dominica Banana Producers Ltd</td>
<td>3,013,733.61</td>
</tr>
</tbody>
</table>
5. Fixed Deposit at Bank of Nova Scotia is $15,300,000.00. The difference of $300,000.00 is interest not yet taken into account.
# Commonwealth of Dominica
## Statement of Investments
### As at 30th June 2009

<table>
<thead>
<tr>
<th>Year</th>
<th>General Development Loan Sinking Fund (ECCB)</th>
<th>Investments with ECCB ESCROW Fund</th>
<th>Investments with Royal Merchant Bank</th>
<th>Total Investments held</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>101,851.10 Call Account</td>
<td>102,575.45</td>
<td>14,010,235.59</td>
<td>73,984,519.54</td>
</tr>
<tr>
<td></td>
<td>13,222,737.06 Investments in Fixed Deposits</td>
<td></td>
<td>4,485,564.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,876,468.00 Investment in Treasury Bills</td>
<td></td>
<td>4,690,000.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,690,000.00 Investment in Bonds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total Investments held with ECCB</strong></td>
<td></td>
<td></td>
<td><strong>23,288,375.04</strong></td>
</tr>
<tr>
<td></td>
<td>22,828,716.69 Investment Fixed Deposit</td>
<td></td>
<td>25,791,722.09</td>
<td><strong>25,791,722.09</strong></td>
</tr>
<tr>
<td>2009</td>
<td>23,066,593.01 Sinking Fund</td>
<td>23,066,593.01</td>
<td>5,919,631.66</td>
<td><strong>29,264,746.69</strong></td>
</tr>
<tr>
<td></td>
<td>5,919,631.66 Debt Service Reserve</td>
<td></td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.00 Security Account</td>
<td></td>
<td>Funds held on Deposit</td>
<td>278,522.02</td>
</tr>
<tr>
<td></td>
<td><strong>Total Investments held with Royal Merchant Bank</strong></td>
<td></td>
<td><strong>Total Investments held</strong></td>
<td><strong>78,344,843.82</strong></td>
</tr>
</tbody>
</table>

**Total Investments held**

73,984,519.54

---

PROPERLY PRESENTED

CLARENCE V. CHRISTIAN
DIRECTOR OF AUDIT

June 18, 2010

ACCOUNTANT GENERAL (AG)
<table>
<thead>
<tr>
<th>CREDITORS</th>
<th>BALANCE AT JUNE 30 2008</th>
<th>BALANCE AT JUNE 30 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agence Francaise de Developpement</td>
<td>20,013,659</td>
<td>14,836,477</td>
</tr>
<tr>
<td>American Life Insurance(Decker)</td>
<td>4,714,335</td>
<td>4,714,335</td>
</tr>
<tr>
<td>Bank of St Lucia</td>
<td>1,469,625</td>
<td>1,469,625</td>
</tr>
<tr>
<td>Capital Life</td>
<td>1,747,952</td>
<td>1,747,952</td>
</tr>
<tr>
<td>Caribbean Development Bank</td>
<td>128,281,290</td>
<td>127,683,662</td>
</tr>
<tr>
<td>Govt / Central Bank of Belize</td>
<td>2,700,000</td>
<td>2,700,000</td>
</tr>
<tr>
<td>Richard Edghill</td>
<td>822,000</td>
<td>822,000</td>
</tr>
<tr>
<td>Clive Warrel</td>
<td>822,000</td>
<td>822,000</td>
</tr>
<tr>
<td>Export-Import Bank of the Republic of China</td>
<td>26,912,691</td>
<td>24,655,513</td>
</tr>
<tr>
<td>European Investment Bank</td>
<td>$4,474,931</td>
<td>$3,219,228</td>
</tr>
<tr>
<td>Government of Bahamas</td>
<td>4,060,000</td>
<td>4,050,000</td>
</tr>
<tr>
<td>Government of Barbados</td>
<td>13,500,000</td>
<td>13,500,000</td>
</tr>
<tr>
<td>Government of Trinidad and Tobago</td>
<td>10,000,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td>International Bank for Recon and Develop</td>
<td>5,803,413</td>
<td>3,929,822</td>
</tr>
<tr>
<td>International Commercial Bank Limited</td>
<td>6,750,000</td>
<td>6,750,000</td>
</tr>
<tr>
<td>International Development Association</td>
<td>74,527,884</td>
<td>70,924,053</td>
</tr>
<tr>
<td>International Fund for Agricultural Dev</td>
<td>6,807,850</td>
<td>5,951,459</td>
</tr>
<tr>
<td>International Monetary Fund</td>
<td>43,014,684</td>
<td>39,823,720</td>
</tr>
<tr>
<td>Kuwait Fund for Arab Economic Development</td>
<td>4,199,957</td>
<td>2,969,628</td>
</tr>
<tr>
<td>Life of Barbados</td>
<td>3,667,416</td>
<td>3,567,416</td>
</tr>
<tr>
<td>National Insurance Scheme - Grenada</td>
<td>2,700,000</td>
<td>2,700,000</td>
</tr>
<tr>
<td>National Insurance Scheme St Vincent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Insurance Board Barbados</td>
<td>$1,088,000</td>
<td>$1,086,000</td>
</tr>
<tr>
<td>Planning and Stantec Limited (Barbados Mutual)</td>
<td>6,928,824</td>
<td>4,656,117</td>
</tr>
<tr>
<td>Royal Merchant Bank</td>
<td>82,582,066</td>
<td>83,690,535</td>
</tr>
<tr>
<td>Sagicor Life</td>
<td>4,963,900</td>
<td>7,872,801</td>
</tr>
<tr>
<td>Societe Generale</td>
<td>28,185,894</td>
<td>28,185,894</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>1,496,471</td>
</tr>
</tbody>
</table>

| Total                                                                    | 490,436,071            | 473,444,609            |
PART II - LOANS NOT SERVICEABLE FROM GOVERNMENT BUDGET

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance at June 30 2008</th>
<th>Balance at June 30 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agence Francaise de Developpement</td>
<td>5,277,873</td>
<td>3,960,514</td>
</tr>
<tr>
<td>Caribbean Development Bank</td>
<td>96,041,210</td>
<td>90,319,213</td>
</tr>
<tr>
<td>European Investment Bank</td>
<td>7,715,978</td>
<td>5,961,475</td>
</tr>
<tr>
<td>Kuwait Fund for Arab Economic Development</td>
<td>7,178,406</td>
<td>5,887,530</td>
</tr>
<tr>
<td>Export-Import Bank of the Republic of China</td>
<td>450,022</td>
<td>270,023</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>$116,663,489</strong></td>
<td><strong>$106,418,755</strong></td>
</tr>
</tbody>
</table>

PROPERLY PRESENTED

CLARENCE V. CHRISTIAN
DIRECTOR OF AUDIT

ACCOUNTANT GENERAL

EXTERNAL DEBT

OTHERS (Bonds)

<table>
<thead>
<tr>
<th>Name</th>
<th>Balance 2008</th>
<th>Balance 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daphne Brown</td>
<td>3,000</td>
<td>2,400</td>
</tr>
<tr>
<td>Government of Honduras</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Guyana &amp; Trinidad Mutual Insurance</td>
<td>50,000</td>
<td>40,000</td>
</tr>
<tr>
<td>John Layne</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>National Insurance Guyana</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>George S &amp; Rosamund S Goodluck</td>
<td>2,100</td>
<td></td>
</tr>
<tr>
<td>George S &amp; Rosamund S Goodluck</td>
<td>1,400</td>
<td></td>
</tr>
<tr>
<td>George S &amp; Rosamund S Goodluck</td>
<td>7,000</td>
<td></td>
</tr>
<tr>
<td>George S S Goodluck</td>
<td>2,100</td>
<td></td>
</tr>
<tr>
<td>OECS Drug Service</td>
<td>70,000</td>
<td></td>
</tr>
<tr>
<td>Phillip Beaman</td>
<td>7,000</td>
<td></td>
</tr>
<tr>
<td>St Vincent Insurance Ltd</td>
<td>7,000</td>
<td></td>
</tr>
<tr>
<td>St Vincent Insurance Ltd</td>
<td>7,000</td>
<td></td>
</tr>
<tr>
<td>St Vincent Insurance Ltd</td>
<td>14,000</td>
<td></td>
</tr>
<tr>
<td>St Vincent Insurance Ltd</td>
<td>7,000</td>
<td></td>
</tr>
<tr>
<td>St Vincent Insurance Ltd</td>
<td>35,000</td>
<td></td>
</tr>
<tr>
<td>Trevor Peters</td>
<td>7,000</td>
<td></td>
</tr>
<tr>
<td>Bdos Central Bank</td>
<td>300,000</td>
<td></td>
</tr>
<tr>
<td>IBM Canada</td>
<td>726,871</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,496,471</strong></td>
<td></td>
</tr>
</tbody>
</table>
GOVERNMENT OF DOMINICA - CONSOLIDATED FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30TH, 2009

Note 1. Authority

The Consolidated Fund of the Commonwealth of Dominica is established under the Authority of Section 76 of the Dominica Constitution Order and Section 7 of the Finance (Administration) Act # 4 of 1994. All public monies are paid into the Consolidated Fund and Parliamentary Authority must be obtained for any expenditure out of the Fund.

Parliament provides the authority to make payments out of the Consolidated Fund in annual Appropriation Acts and Supplementary Estimates. Unused spending authority for expenditure appropriations lapses at the end of the fiscal year.

Parliament approved the Estimates of Revenue and Expenditure for the year 2008/09 on July 24, 2008. The General Warrant and Certificate required in accordance with the provisions of the Finance (Administration) Act No. 4 of 1994 were dated July 25th, 2008 and signed respectively by the Honourable Minister for Finance and Social Security and the Financial Secretary. This Warrant authorized the Accountant General to pay out of the Consolidated Fund the sums set forth in the Estimates for the year 2008/2009, as they become due in accordance with the Laws and Standing Regulations of the Commonwealth of Dominica.

Note 2. Consolidated Fund Balances

At the end of the fiscal year on June 30th, 2009, the balance on the Consolidated Fund was as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurrent Revenue</td>
<td>$327,189,410</td>
</tr>
<tr>
<td>Capital Revenue</td>
<td>168,979,899</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$496,169,309</td>
</tr>
<tr>
<td>Less</td>
<td></td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>$313,193,575</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>157,774,046</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>($470,967,621)</td>
</tr>
<tr>
<td>Surplus (Excess Revenue over Expenditure)</td>
<td>$25,201,688</td>
</tr>
<tr>
<td>Fund Balance (Accumulated Surplus) at July 1st, 2008</td>
<td>$54,952,599</td>
</tr>
<tr>
<td>Fund Balance (Accumulated Surplus) as at June 30th, 2009</td>
<td>$80,154,587</td>
</tr>
</tbody>
</table>
Note 3. Reporting Entity

These financial statements report the financial position, operations and transactions resulting from the activities of the Consolidated Fund and comprise the accounts of the Office of the President Parliament, Office of the Director of Audit, Electoral Commission, all Government Ministries, Departments, Offices (including the Public and Police Services Commission) and all Courts.

These Financial Statements are not summary consolidated financial statements of the Government of the Commonwealth of Dominica. Separate audited financial statements are prepared for all other Government organizations such as statutory corporations. The Government had adhered to the general practice of using the Consolidated Fund as its general operating fund.

Note 4. Basis of Accounting and Accounting Policies

The accounting policies and practices employed in the preparation of the Public Accounts are not documented in any procedural or policy manuals; however, they are generally applied on a conventional basis. Additionally, the Notes to the Financial Statements do not disclose the policies adopted in the preparation of the statements.

The Public Accounts are prepared on a cash basis of accounting and not on an accrual basis, with only those transactions involving an actual exchange of cash being “captured” in the accounts. Hence, these Public Accounts do not necessarily conform to the Generally Accepted Accounting Principles. Consequently, revenues are recorded only to the extent that actual cash was received, while expenditures are charged to the accounts only when payments have been effected.

It must be noted, that the Public Accounts as presented by the Financial Statement, do not disclose a complete and comprehensive picture of the financial operations, activities and resources for which Government is responsible, as well as Fixed and Current Assets of the Government, such as land, buildings, roads, public stores, plant and equipment. These are all charged to the Consolidated Fund as budgetary expenditures at the time of acquisition/construction. In that regard, depreciation of Government assets is not recognized although these assets may go on from one year to the next.

Certain financial obligations are also not disclosed as liabilities in the Statement of Assets and Liabilities, such as the repayment of most loan obligations and accrued interest thereon as, in the main, these monies so raised are usually recorded as revenue received.
Note 5. Cash Balances

This represents all deposits and highly liquid short-term investments with various financial institutions and would also consist of funds received from various agencies for implementation of projects. These comprised the following:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2009</th>
<th>June 30, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crown Agents</td>
<td>$1,291,754</td>
<td>$1,557,242</td>
</tr>
<tr>
<td>Cash Imprests</td>
<td>376,413</td>
<td>250,525</td>
</tr>
<tr>
<td>Other Cash Accounts</td>
<td>20,119,856</td>
<td>36,579,290</td>
</tr>
<tr>
<td>Fixed Deposits</td>
<td>10,000,000</td>
<td>25,300,000</td>
</tr>
<tr>
<td>Development Accounts</td>
<td>51,677,375</td>
<td>10,337,030</td>
</tr>
<tr>
<td></td>
<td><strong>83,465,398</strong></td>
<td><strong>74,024,087</strong></td>
</tr>
</tbody>
</table>

A) The sub-heading ‘Other Cash Accounts’ included some of the following:

(i) Debt Restructuring Account -Escrow $2,233,647

This cash account is held at the ECCB and contains the interests amounts due to bondholders who did not participated in the Government’s debt restricting exercise. Interest of $25,194 was earned during the year on this account and was treated as revenue.

(ii) Electricity Fund Account $1,217,059

This account is held at the Bank of Nova Scotia and is derived from the proceeds of a loan taken by the Government of Dominica on behalf of DOMLEC. This loan is repaid by DOMLEC at a higher interest rate than what the Government contracted. The difference in the interest rate is credited to the account to be used for rural electrification. An amount of $169,217 was credited to the account during the year.

(iii) IMF Account - ECCB $11,912,548

This account is held at the ECCB and represents amounts deposited by the International Monetary Fund. The balance shown is as per the Smart Stream Accounting System at the Government’s Treasury. An amount of $10,973,658 was placed in a Suspense Account pending a complete reconciliation exercise and in an effort to update the account with the June 30, 2009 statement from the ECCB. Additionally, disbursements made during the year totaled $2,607,953 with interest recorded totaling $28,242.
(iv) **Sale of Industrial Estate Account** $153,455

This account held at the National Bank of Dominica represents the proceeds from sale of factory sheds. An amount of $267,655 was disbursed for maintenance repairs to the factory sheds during the year.

**B) Fixed Deposit $10,000,000**

This amount represents Fixed Deposits held at the Bank of Nova Scotia as at June 30th, 2009. According to information from the Bank interest totaling $618,871 has accumulated as at June 30, 2009.

**C) Development Accounts**

These accounts are held at the National Bank of Dominica and the amounts were confirmed by the bank as being held at June 30th, 2009. They comprised of the following with the previous year's figure for comparison:-

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NBD 115001245 Agricultural Diversification</td>
<td>22,070</td>
<td>22,070</td>
</tr>
<tr>
<td>NBD 115000272 Development Aid Account</td>
<td>40,410,556</td>
<td>(444,330)</td>
</tr>
<tr>
<td>NBD 115001196 Jimmit Housing Development</td>
<td>2,207,337</td>
<td>4,016,488</td>
</tr>
<tr>
<td>NBD 115002910 Ecotourism Sites</td>
<td>9,037,412</td>
<td>6,742,802</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>51,677,375</strong></td>
<td><strong>10,337,030</strong></td>
</tr>
</tbody>
</table>

(i) **Development Aid Account**

The amount in the Development Aid Account comprise of all funds received from the Governments of the Peoples Republic of China, the Bolivarian Republic of Venezuela and other development agencies for implementing various projects in the Commonwealth of Dominica. As at June 30, 2009, the account balance was $40,410,556.

(ii) **Ecotourism Sites**

This account represents proceeds received for sale of site passes to ecotourism sites throughout the island. These sites are managed by the National Parks Division of the Ministry of Agriculture, Fisheries and Forestry. As per the loan agreement with the Caribbean Development Bank, any withdrawal from the account must have a no objection from the Bank.
Note 6. Bank Balances - Current

The following were the bank balances as per the relevant bank statements:

<table>
<thead>
<tr>
<th>Bank</th>
<th>June 30, 2009</th>
<th>June 30, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Bank of Dominica</td>
<td>(3,935,111)</td>
<td>(3,524,989)</td>
</tr>
<tr>
<td>Royal Bank of Canada</td>
<td>135,440</td>
<td>311,437</td>
</tr>
<tr>
<td>First Caribbean International Bank</td>
<td>(24,378)</td>
<td>357,757</td>
</tr>
<tr>
<td></td>
<td><strong>(3,695,758)</strong></td>
<td><strong>(2,133,576)</strong></td>
</tr>
</tbody>
</table>

Parliament approved in aggregate an amount of **$29.5M** overdraft facility with the various financial institutions on July 2008 to meet Central Government's overdraft requirements. The records indicated that the Government generally operated without utilising the overdraft facilities approved by Parliament, throughout the financial year.

Note 7. Investments

All investments are stated at market value, and the amount of **$78,344,844** represented Government investments as at June 30, 2009, made up as follows with the previous year's figure for comparison:

<table>
<thead>
<tr>
<th>Investment</th>
<th>June 30, 2009</th>
<th>June 30, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECCB</td>
<td>49,080,097</td>
<td>44,719,773</td>
</tr>
<tr>
<td>Royal Merchant Bank</td>
<td>29,264,747</td>
<td>29,264,747</td>
</tr>
<tr>
<td></td>
<td><strong>78,344,844</strong></td>
<td><strong>73,984,520</strong></td>
</tr>
</tbody>
</table>

Note 8. Loans Repayable to the Government of Dominica

The following loans are repayable to the Government of Dominica by Statutory Bodies and Companies as at the end of the financial year.
<table>
<thead>
<tr>
<th>Names</th>
<th>Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Dominica Port Authority</td>
<td>7,328,025</td>
</tr>
<tr>
<td>National Development Foundation</td>
<td>460,922</td>
</tr>
<tr>
<td>Dominica Co-op Credit Union League</td>
<td>23,763</td>
</tr>
<tr>
<td>Garraway Apartel</td>
<td>1,409,657</td>
</tr>
<tr>
<td>Southwestern Investments Ltd.</td>
<td>1,114,630</td>
</tr>
<tr>
<td>White River Campground/Jungle Bay</td>
<td>6,123,257</td>
</tr>
<tr>
<td>Kootney Resorts</td>
<td>1,155,827</td>
</tr>
<tr>
<td>Dominica Banana Producers Ltd.</td>
<td>3,013,734</td>
</tr>
<tr>
<td>Benjo Seamoss</td>
<td>155,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20,784,814</strong></td>
</tr>
</tbody>
</table>

Note 9. Statement Public Debt

a) Bonds

For the period under review, bonds were valued and remained classified as follows:

- Participating - Long $85,346,110
- Participating - Intermediate 8,732,359
- Participating - Short 29,439,000
- Participating - Intermediate (Special Consideration) 200,000
- Participating - Short (Special Consideration) 29,439,000
- Non -Participating 3,144,800

**Total Value of Bonds** $156,308,269
b) Treasury Bills - $38,589,000

The issuance of Treasury Bills continues to provide a source of short term financing for the Government of Dominica.

The following are the listing of Treasury Bills as at the end of the financial year and the previous for comparison:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Banks</td>
<td>16,412,000</td>
<td>16,312,000</td>
</tr>
<tr>
<td>Dominica Social Security</td>
<td>15,880,000</td>
<td>17,880,000</td>
</tr>
<tr>
<td>ECCB</td>
<td>-</td>
<td>7,266,000</td>
</tr>
<tr>
<td>Insurance Companies</td>
<td>2,448,000</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>3,849,000</td>
<td>4,197,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38,589,000</strong></td>
<td><strong>45,655,000</strong></td>
</tr>
</tbody>
</table>

Note 10. Domestic Loans

Cable and Wireless - $17,774,530

The situation with reconciling the records relating to this loan remained the same as at June 30, 2009. The Treasury records indicted a balance of $17,774,530 while the information from Cable and Wireless states an amount of $21,574,247.

The Ministry of Finance is being encouraged to make an effort to have this long unresolved matter dealt with to be able to reconcile this account.

Bank Loans - $16,301,957

The following were the loan balances with the local banking institutions as per the relevant Bank Statements and the previous year's figure for comparison:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2009</th>
<th>June 30, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Bank of Dominica</td>
<td>6,710,268</td>
<td>7,316,882</td>
</tr>
<tr>
<td>Royal Bank of Canada</td>
<td>5,363,000</td>
<td>6,055,000</td>
</tr>
<tr>
<td>Bank of Nova Scotia</td>
<td>4,228,689</td>
<td>4,518,100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16,301,957</strong></td>
<td><strong>17,889,982</strong></td>
</tr>
</tbody>
</table>
a) The loan at the National Bank of Dominica was an overdraft facility of the former DBMC which was taken over by the Government on the dissolution of the company. The loan is to be repaid over a twelve (12) year period with a two (2) year moratorium on the principal and carries an interest rate of 7.75% per annum.

b) The loan at the Royal Bank of Canada consists of an overdraft facility of the former DBMC and Government Debentures which were converted to a loan 2005. This loan is to be repaid over ten (10) years with a two (2) year moratorium at an interest rate of 8% per annum.

c) The terms of the loan at the Bank of Nova Scotia are for twelve (12) years and a two (2) year moratorium at an interest rate of 8% per annum.

Note 11. External Debt

The loan balances were checked against the relevant loan files maintained at the Ministry of Finance, the CS - DRMS Report generated from the Debt Management unit and the statements submitted by the various institutions.

The total External Debt of Central Government excluding external contingent liabilities as at June 30, 2009 converted at exchange rates existing at the date amounted to $473,444,609.

Note 12. Other Liabilities

Other Governments

There were no outstanding amounts due to any other Governments as at June 30, 2009.

Public Offices - ($19,405,790)

This amount takes into account net balances of various deposit accounts held for Ministries/Departments and Division and includes but not limited to the following:-

Pointe Ronde Estate - ($3,080,870)

This liability came about as a result of the sale of Pointe Ronde Estate some years ago with the ownership being a matter of contention. The proceeds of the sale were deposited in a fixed deposit account at the National Bank of Dominica. The money is being held until the issue is resolved.

Unpaid Vouchers - ($1,397,575)

This account represents payment vouchers that were not claimed over six (6) months. It should be noted, that if these payment vouchers remains unclaimed for five (5) years, they would be written back to revenue.

Suspense Account - $9,751,031

This account is held to hold the unreconciled differences in the cash book. An amount of $10,973,658 was recorded at the end of June 2009 as an adjustment to the IMF Operating Account at the ECCB.
Social Security Deductions -$2,843,112

This is the balance recorded at the Treasury as at June 30, 2009. The amount represents unpaid deductions from employees together with late fees and penalties. Adjustments are made by the Dominica Social Security by withholding sickness benefits of Government employees and applying the amount to the outstanding balance. The Government normally pays its employees their full salary while on sick leave and submits claims for re-imbursements.

Deposit to Secure Duties - ($11,047,434)

This account represents amounts deposited by importers on the request of the Comptroller of Customs to secure duties payable when all the documentation to clear such goods are not available. Once all the issues are finalized and the outstanding amounts are settled, the Comptroller of Customs should transfer the correct amount of duties paid to revenue. The account is under the sole authority of the Comptroller of Customs.

Sub-Accountants - ($54,174)

This account relates to short-term borrowings for the operation of the Sub-Treasuries at Marigot and Portsmouth and the previous year’s figure for comparison as follows:-

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2009</th>
<th>June 30, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marigot Sub - Treasury</td>
<td>5,547</td>
<td>10,000</td>
</tr>
<tr>
<td>Portsmouth Sub - Treasury</td>
<td>(59,721)</td>
<td>(49,405)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(54,174)</strong></td>
<td><strong>(39,405)</strong></td>
</tr>
</tbody>
</table>

Exchange Valuation IMF - ($2,275,507)

This account was established to record transactions under the Structural Adjustment Facility (SAF) Loan Agreement, between the Government of Dominica and the International Monetary Fund. The funds are kept at a special account with the IMF with transactions being recorded through journal adjustment vouchers.

Note 13. Miscellaneous - $22,770,546

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2009</th>
<th>June 30, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suspense - Other</td>
<td>16,238,057</td>
<td>16,238,057</td>
</tr>
<tr>
<td>Advances - Other</td>
<td>3,691,267</td>
<td>3,484,976</td>
</tr>
<tr>
<td>Stolen Cheques</td>
<td>2,178</td>
<td>2,178</td>
</tr>
</tbody>
</table>
Operating Account ECCB  2,009,623  165,923
Mission in Washington DC  (115,492)  33,425
Mission in New York  81,221  (30,651)
Mission in Cuba  170,737  143,898
Dominica High Commission  (139,781)  (139,781)
Cashier  2,600  2,600
Mission in London  678,861  841,358
Total  22,770,546  20,741,983

According to the Treasury, the account Suspense - Other in the amount of $16,238,057 encompasses the following:

(a) The result of non-reconciliation of various deposit and advances accounts; resulting in outstanding balances appearing on these account, in most cases the incorrect amount appearing as a credit.
(b) The amount includes $6,659,038 representing opening balances in respect to entries for International Business Management under the Economic Citizen Programme.
(c) An amount of $3,238,522 representing two (2) loans which granted to the former DBMC.

The request which made to have to amount of $16,238,057 written off has not received the approval from the Financial Secretary to date.

Note 15. Domestic Contingent Liabilities - $36,263,803

According to Section 3(1) of the Loan Act, Chapter 64:05, of the 1990 Revised Laws of Dominica, the House of Assembly may by resolution duly passed, authorize the Minister responsible for Finance to borrow money from approved sources or guarantee loans for Statutory Boards or Public Corporations.

In July 2008, Parliament approved in aggregate an amount of EC$5M that the Minister for Finance could guarantee as overdraft requirements for Statutory Boards and Public Corporations. The following were the overdraft and loan balances for Statutory Boards as at June 30, 2009 and the previous year for comparison.
<table>
<thead>
<tr>
<th>Overdrafts</th>
<th>June 30, 2009</th>
<th></th>
<th>June 30, 2008</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Roseau City Council</td>
<td>45,153</td>
<td>37,782</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AID Bank</td>
<td>2,000,000</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dominica Export Import Agency</td>
<td>565,810</td>
<td>482,318</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dominica Water &amp; Sewerage Company</td>
<td>500,000</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dominica Lotteries Commission</td>
<td>428,754</td>
<td>258,381</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dominica Festival Commission</td>
<td>482,347</td>
<td>482,357</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dominica Broadcasting Corporation</td>
<td>437,053</td>
<td>256,861</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WCMF (Min of Tourism)</td>
<td>191,673</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Development Corporation</td>
<td>50,366</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Works Garage</td>
<td>361,970</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td><strong>5,063,126</strong></td>
<td><strong>1,626,036</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loans</th>
<th>June 30, 2009</th>
<th></th>
<th>June 30, 2008</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Public Works Corporation</td>
<td>4,241,004</td>
<td>1,339,219</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government Housing Loans Board</td>
<td>2,128,147</td>
<td>2,686,024</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AID Bank</td>
<td>13,821,313</td>
<td>13,376,399</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dominica Port Authority</td>
<td>2,664,686</td>
<td>3,527,363</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dominica Solid Waste Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporation</td>
<td>1,838,577</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dominica Broadcasting Corporation</td>
<td>171,373</td>
<td>100,831</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dominica Water and Sewerage Company</td>
<td>6,335,576</td>
<td>4,603,220</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td><strong>31,200,676</strong></td>
<td><strong>25,633,056</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER 1

INTRODUCTION

1.1 This Report for the fiscal year ended 30th June, 2009 is submitted to the Honourable Minister of Finance for tabling in the House of Assembly in accordance with Section 83(2) and (4) of the 1978 Constitution of the Commonwealth of Dominica.

AUDIT MANDATE

1.2 The functions and duties of the Director of Audit as provided in Section 83, Subsection (1) to (6) of the Constitution are as follows: -

"The Director of Audit shall, at least once in every year, audit and report on the public accounts of Dominica, the accounts of all officers and authorities of the Government, the accounts of all courts of law in Dominica (including any accounts of the Court of Appeal or the High Court maintained in Dominica), the accounts of every Commission established by this Constitution and the accounts of the Parliamentary Commissioner and the Clerk of the House.

The Director of Audit and any officer authorised by him shall have access to all books, records, returns, reports and other documents, which in his opinion relate to any of the accounts referred to in Subsection (2) of this Section.

The Director of Audit shall submit every report made by him in pursuance of Subsection (2) of this Section to the Minister for the time being responsible for finance who shall, not later than seven days after the House of Assembly first meets after he has received the report, lay it before the House.

If the Minister fails to lay a report before the House of Assembly in accordance with the provisions of Subsection (4) of this Section the Director of Audit shall transmit copies of that report to the Speaker of the House who shall, as soon as practicable, present them to the House.

The Director of Audit shall exercise such other functions in relation to the accounts of the Government or the accounts of other authorities or bodies established by law for public purposes as may be prescribed by or under any law enacted by Parliament."
1.3 The Constitutional independence of the Director of Audit is enshrined at Subsection 7 of Section 83 of the Commonwealth of Dominica Constitution Order 1978, which reads as follows:

"In the exercise of his functions under subsections (2), (3), (4) and (5) of this Section, the Director of Audit shall not be subject to the direction or control of any other person or authority."

Nature and Scope of Audit

1.4 Sections 5 and 6 of the Audit Act No. 5 of 1994, outline the nature and scope of the audit of Public Accounts as follows:

1.5 (1) “The Director of Audit shall make such examinations and inquiries as he considers necessary to enable him to prepare and submit reports as required by the Constitution and this Act.

(2) The Director of Audit shall examine the several financial statements required by Section 17 of the Finance (Administration) Act, 1994 to be included in the public accounts and any other statement that the Minister may require for audit and shall express his opinion as to whether they present fairly, information in accordance with stated accounting policies of the Government of the Commonwealth of Dominica and on a basis consistent with that of the preceding year together with any reservations he may have.”

1.6 (1) “The Director of Audit shall submit at least once a year a report to the Minister for transmission to the House of Assembly on -

(a) The work of his office; and

(b) Whether, in carrying out the work of his office in the discharge of his duties, he received all the information, reports and explanations he required.

(2) Each report of the Director of Audit under Subsection (1) shall call attention to anything that he considers to be of significance and of a nature that should be brought to the attention of the House of Assembly, including any cases in which he has observed that -

(a) Accounts have not been faithfully and properly maintained or public money has not been fully accounted for or paid, where so required by law into the Consolidated Fund;

(b) essential records have not been maintained or the rules and procedures applied have been insufficient to safeguard and control public property, to secure an effective check on the assessment, collection and proper allocation of the revenue to ensure that expenditures have been made only as authorised;

(c) money has been expended with due regard to economy or efficiency or for purposes other than that for which it was appropriated by the House of Assembly; or
satisfactory procedures have not been established to measure and report on the effectiveness of programmes where such procedures could appropriately and reasonably be implemented."

1.7 In financial audits, the Director of Audit and staff apply test checks in conformity with standard audit practice, varying in content and depth as considered appropriate. This is intended to cover, as far as possible, all material aspects of financial and accounting transactions of the Government.

1.8 The Finance Act 4 of 1994 and the Financial (Stores) Regulations Chapter 63:01 of the Revised Laws of Dominica, places the onus for the proper discharge and administration of Government finances on Accounting Officers and the preparation of financial statements on the Accountant General. It is the responsibility of the Director of Audit to express an independent opinion on the Government accounts based on the audits conducted by the Office.

1.9 The audits were conducted in accordance with the Constitution of the Commonwealth of Dominica, the Audit Act # 5 of 1994, other applicable Laws and Regulations, and applying Generally Accepted Auditing Standards. The standards established by the International Organisation of Supreme Audit Institutions (INTOSAI) were also used as guidelines in the conduct of audits.

1.10 The audits were not designed to disclose every error in the accounts, or fraudulent activities, but to ascertain whether the accounts were properly posted using acceptable accounting systems; that internal control procedures against irregularities and fraud were adequate and effective so as to give reasonable assurance that the financial statements are free from material misstatements.

2 AUDIT APPROACH

1.11 The approach used by the Office of Director of Audit involved the use of a number of techniques in order to obtain sufficient audit evidence about the effectiveness of systems of internal controls existing at the various Ministries, Departments and Offices, so as to determine whether there were adequate procedures over the receipt of revenues and the disbursement of funds.

1.12 These techniques included: -

(a) Interviews with relevant officials at all ministries, departments and offices.

(b) Inspection of documents and records supporting receipts and disbursements.

(c) Field visits to project sites.
Submission of Accounts

1.13 The Accountant General submitted in draft form to the Office of Director of Audit, the accounts of the Commonwealth of Dominica – Consolidated Fund for auditing on September 30, 2008. After several adjustments were effected, the final accounts were submitted by the Accountant General on April 14, 2009 certified and signed by the Director of Audit on April 24, 2009 and returned to the Accountant General for onward submission.

1.14 The Financial Statements and Accounts itemised hereunder, have been examined for the fiscal year under review.

- Revenue and Expenditure Detailed Statements
- Revenue and Expenditure Summary Statements
- Abstract Accounts of Receipt and Payments
- Statement of Assets & Liabilities
- Statement of Advances
- Statement of Deposits
- Statement of Public Debt (Domestic & Foreign)
- Statement of Investments

1.15 The Office of Director of Audit is responsible for examining the Accounts of Village Councils, Roseau City Council, Canefield Urban Council and Portsmouth Town Council.

1.16 The examination of the Accounts of the Government Housing Loans Board and the Education Trust Fund are also part of the responsibility of the Office.

1.17 Reports of these entities accounts are not required to be included in the Annual Report but are dealt with under the relevant applicable laws.

1.18 The principal focus of the Department’s financial audit work is to provide independent assurance that the annual financial statements of central government as prepared by the Accountant General are true and fair and revenue and expenditure are used in the manner and for the purposes intended by Parliament.

1.19 The Office of Director of Audit operated with a staff complement of twenty (20) inclusive of the Secretary, Filing Clerk and the Messenger. This means that after the Director of Audit and two Auditors, fifteen (15) officers were available to conduct various audits of all Government transactions.

1.20 The Audit Department is a specialised area, which requires public officers with a certain level of technical training and a broad knowledge of accounting and auditing skills.
1.21 For the period under review the staff compliment in the Audit Department were as follows:

- Director of Audit: 1
- Auditors: 2
- Audit Officers: 4
- Audit Clerks: 10
- Secretary: 1
- Data Entry Clerk: 1
- Messenger: 1

**Total**: 20

Reporting Process and Practices

1.22 The Constitution and Audit Act allow the Director of Audit the discretion as to the form and content of the annual report. The general practice however, is to report on matters the Office believes to be significant and constitute an actual or potential loss of public funds, lack of financial control, an impairment of accountability, or non-compliance with legislation.

1.23 Generally the Director of Audit report does not contain reported errors or deficiencies that have been or are being rectified, unless such deficiencies have resulted in loss or it is believed that by reporting them will be instructive to other Government entities.

1.24 All observations and recommendations that arise from audits are discussed with senior management and/or Permanent Secretaries/Department Heads and opportunities are provided for them to respond. In the interest of brevity, some of the responses contained in this report are summaries of the responses received from senior management.

Smart Stream System

1.25 The Smart Stream Product Suite continues to be the Government’s main computerized accounting software through which all transactions are being effected. At present all government offices have utilizes that software.

Acknowledgements

1.26 The Office of Director of Audit wishes to express its profound gratitude to all those staff members who under trying circumstances performed their functions diligently and professionally. The Office also wish to thank the Accountant General and the staff of the Treasury along with the various Ministries and Departments who co-operated with this Office in the effort to enhancing accountability and efficiency in the Public Service. Their invaluable assistance is greatly appreciated.
CHAPTER 2

ABSTRACT ACCOUNT

REVENUE

Recurent Revenue - $327,189,410

2.1 The Recurrent Revenue figures were checked against the Approved Estimates and the computer report generated frm the Smart Stream System. The total amount of $327,189,410 realised for the financial year ended June 30, 2009 was $16,993,244 more than the amount budgeted.

2.2 The Recurrent Revenue consists of eleven (11) Item Heads. Five (5) of these Recurrent Item Heads realised a total $25,043,777 more than budgeted; whereas six (6) of these Heads realised a total of $8,050,532 less than budgeted.

2.3 The Item Head – Taxes on Domestic Goods and Consumption contributed 46% of revenue, which was the highest contributor while the Revenue Head – Dividends and Royalties contributed no revenue.

2.4 The Pie Chart below at Exhibit 1.1 indicates the source and apportionment of the contributors to the Recurrent Revenue for the year ended June 30, 2009.

<table>
<thead>
<tr>
<th>Revenue Head</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes on Domestic Goods and Consumption</td>
<td>46%</td>
</tr>
<tr>
<td>Taxes on International Trade and Transactions</td>
<td>21%</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>17%</td>
</tr>
<tr>
<td>Licences</td>
<td>5%</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>12%</td>
</tr>
</tbody>
</table>

Exhibit 1.1
2.5 The trend in shortfall and surpluses covering a five year period are detailed in Exhibit 1.2 for comparison.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004/05</td>
<td>$61.71M</td>
</tr>
<tr>
<td>2005/06</td>
<td>$35.09M</td>
</tr>
<tr>
<td>2006/07</td>
<td>$40.15M</td>
</tr>
<tr>
<td>2007/08</td>
<td>$49.68M</td>
</tr>
<tr>
<td>2008/09</td>
<td>$16.99M</td>
</tr>
</tbody>
</table>

Exhibit 1.2

2.6 The line graph at Exhibit 1.3 below indicates the trend in shortfall and surpluses of Recurrent Revenue over the last five (5) years.

Exhibit 1.3

2.7 The Heads that realised more than the budgeted revenue are detailed in the table in Exhibit 1.4.

<table>
<thead>
<tr>
<th>Revenue Head</th>
<th>Description</th>
<th>Budgeted</th>
<th>Actual</th>
<th>More than Budgeted</th>
</tr>
</thead>
<tbody>
<tr>
<td>110</td>
<td>Taxes on International Trade &amp; Transactions</td>
<td>$61,049,283</td>
<td>$67,810,722</td>
<td>$6,761,439</td>
</tr>
<tr>
<td>115</td>
<td>Income Taxes</td>
<td>$41,938,339</td>
<td>$57,165,948</td>
<td>$15,227,609</td>
</tr>
<tr>
<td>125</td>
<td>Property Tax</td>
<td>$9,900,000</td>
<td>$10,803,969</td>
<td>$903,970</td>
</tr>
<tr>
<td>130</td>
<td>Licences</td>
<td>$14,383,400</td>
<td>$14,950,810</td>
<td>$567,410</td>
</tr>
<tr>
<td>165</td>
<td>Economic Citizenship Programme</td>
<td>$4,000,000</td>
<td>$5,583,349</td>
<td>$1,583,349</td>
</tr>
</tbody>
</table>

Exhibit 1.4
2.8 The table in Exhibit 1.5 indicates the Recurrent Revenue Heads that realised less than the budgeted revenue figures.

<table>
<thead>
<tr>
<th>Revenue Head</th>
<th>Description</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Less than Budgeted</th>
</tr>
</thead>
<tbody>
<tr>
<td>120</td>
<td>Taxes on Domestic Goods and Consumption</td>
<td>$150,524,144</td>
<td>$149,312,230</td>
<td>$1,211,914</td>
</tr>
<tr>
<td>135</td>
<td>Fees, Fines and Permits</td>
<td>$9,784,300</td>
<td>$9,726,815</td>
<td>$57,485</td>
</tr>
<tr>
<td>140</td>
<td>Dividends and Royalties</td>
<td>$2,000,000</td>
<td>$0.00</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>150</td>
<td>Rent and Interest</td>
<td>$5,218,500</td>
<td>$5,049,156</td>
<td>$169,344</td>
</tr>
<tr>
<td>160</td>
<td>Other Revenues</td>
<td>$10,138,500</td>
<td>$6,743,207</td>
<td>$3,395,293</td>
</tr>
</tbody>
</table>

Exhibit 1.5

Capital Revenue - $168,979,899

2.9 Capital Revenue consists of only three (3) Revenue Heads which are listed and apportioned in Exhibit 1.6 as follows:-

<table>
<thead>
<tr>
<th>Item Head</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Capital Revenue</td>
<td>$341,926</td>
</tr>
<tr>
<td>Receipts from Grants</td>
<td>$156,229,777</td>
</tr>
<tr>
<td>Loan Funds</td>
<td>$12,408,195</td>
</tr>
</tbody>
</table>

Exhibit 1.6

APPORTIONMENT OF CAPITAL REVENUE FOR THE YEAR ENDED JUNE 30, 2009

- Local Capital Revenue: 0.2%
- Receipts from Grants: 93%
- Loan Funds: 7%
2.10 The Capital Revenue for the financial year ended June 30, 2009 totaled $168,979,899 as compared to $71,634,170 for the previous year. This represents an increase of $97,345,729 over the previous year and was $37,228,713 more than the amount budgeted of $131,751,185.

2.11 The Revenue Heads of Local Capital Revenue and Loan Funds contributed less than that budgeted with Receipts from Grants recorded more than budgeted for the financial year.

Local Capital Revenue - $341,926

2.12 The only Item Head that contributed to Local Capital Revenue for the year under review was Housing Development Receipts. A total of $1.45M was budgeted for this Item Head.

Receipts from Grants - $156,229,777

2.13 An amount of $98,170,614 was budgeted with $156,229,777 being actually received and collected for the year, this represents $58,059,163 more than the budgeted amount.

2.14 The greatest contributors to this capital revenue were from the following sources:-

<table>
<thead>
<tr>
<th>Sources</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>The ALBA Fund</td>
<td>55,371,904</td>
</tr>
<tr>
<td>Government of the Bolivarian Republic of Venezuela</td>
<td>55,371,904</td>
</tr>
<tr>
<td>The European Union</td>
<td>34,012,535</td>
</tr>
<tr>
<td>Peoples Republic of China</td>
<td>2,688,200</td>
</tr>
</tbody>
</table>

Loan Funds - $12,408,195

2.15 An amount of $30,580,571 was budgeted with $12,408,195 being actually received for the year ended June 30, 2009.

2.16 The contributors to this Item Head for the year under review were as follows:-

<table>
<thead>
<tr>
<th>Activities</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural and Tourism Project (CDB)</td>
<td>320,521</td>
</tr>
<tr>
<td>Roseau Road Reinstatement</td>
<td>1,713,244</td>
</tr>
<tr>
<td>Growth and Social Protection (World Bank)</td>
<td>938,929</td>
</tr>
<tr>
<td>OECS Catastrophic Insurance (IDA)</td>
<td>3,056,512</td>
</tr>
</tbody>
</table>
2.17 Amounts totaling $6,378,990, which was not budgeted for during the period, formed part of the total Loan Funds. The activities and the amounts received were as follows:-

<table>
<thead>
<tr>
<th>Activities</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road Improvement Maintenance Programme</td>
<td>5,759,934</td>
</tr>
<tr>
<td>Hurricane Omar (CDB)</td>
<td>619,056</td>
</tr>
</tbody>
</table>

2.18 The table in Exhibit 1.7 below indicates the heads that contributed to less and more than the budgeted amounts.

<table>
<thead>
<tr>
<th>Revenue Head</th>
<th>Description</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Less than Budgeted</th>
<th>More than Budgeted</th>
</tr>
</thead>
<tbody>
<tr>
<td>210</td>
<td>Local Capital Revenue</td>
<td>$3,000,000</td>
<td>$341,926</td>
<td>$2,658,074</td>
<td></td>
</tr>
<tr>
<td>220</td>
<td>Receipts from Grants</td>
<td>$98,170,614</td>
<td>$156,229,777</td>
<td></td>
<td>$58,059,163</td>
</tr>
<tr>
<td>230</td>
<td>Loan Finds</td>
<td>$30,580,571</td>
<td>$12,408,195</td>
<td>$18,172,376</td>
<td></td>
</tr>
</tbody>
</table>

Exhibit 1.7
The trend of Recurrent and Capital Revenue Heads that has contributed to the net decreases and increases over the last five (5) financial years are shown in Exhibit 1.8.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>110</td>
<td>Taxes on Int. Trade and Transactions</td>
<td>$7,184,776</td>
<td>$2,999,042</td>
<td>$1,222,957</td>
<td>$5,503,508</td>
<td>$6,761,439</td>
</tr>
<tr>
<td>115</td>
<td>Income Taxes</td>
<td>$7,221,564</td>
<td>$14,504,952</td>
<td>$4,011,692</td>
<td>$6,426,496</td>
<td>$15,227,609</td>
</tr>
<tr>
<td>120</td>
<td>Taxes on Domestic Goods and Consumption</td>
<td>$6,045,639</td>
<td>$8,105,702</td>
<td>$17,160,526</td>
<td>$23,936,125</td>
<td>($1,121,914)</td>
</tr>
<tr>
<td>125</td>
<td>Property Tax</td>
<td>$3,637,856</td>
<td>$5,073,815</td>
<td>$1,766,356</td>
<td>$4,125,794</td>
<td>$903,970</td>
</tr>
<tr>
<td>130</td>
<td>Licenses</td>
<td>($1,291,339)</td>
<td>($972,093)</td>
<td>$4,561,631</td>
<td>$1,364,365</td>
<td>$567,410</td>
</tr>
<tr>
<td>135</td>
<td>Fees, Fines and Permits</td>
<td>$7,436,202</td>
<td>$4,566,641</td>
<td>$3,419,803</td>
<td>$420,109</td>
<td>($57,485)</td>
</tr>
<tr>
<td>140</td>
<td>Dividends and Royalties</td>
<td>($800,000)</td>
<td>($800,000)</td>
<td>$1,310,196</td>
<td>$1,762,439</td>
<td>($2,000,000)</td>
</tr>
<tr>
<td>150</td>
<td>Rents and Interests</td>
<td>$2,471,641</td>
<td>$1,196,939</td>
<td>$1,355,565</td>
<td>$3,157,411</td>
<td>(169,344)$</td>
</tr>
<tr>
<td>155</td>
<td>Financial Services</td>
<td>($543,879)</td>
<td>($656,000)</td>
<td>($30,750)</td>
<td>($1,236,658)</td>
<td>($1,216,496)</td>
</tr>
<tr>
<td>160</td>
<td>Other Revenues</td>
<td>$30,277,956</td>
<td>$533,898</td>
<td>$1,144,117</td>
<td>$5,193,801</td>
<td>(3,395,293)</td>
</tr>
<tr>
<td>165</td>
<td>Economic Citizenship</td>
<td>$77,005</td>
<td>$542,817</td>
<td>$4,237,380</td>
<td>($969,871)</td>
<td>$1,583,349</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAPITAL REVENUE HEAD</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>210</td>
<td>Local Capital Revenue</td>
<td>$809,779</td>
<td>$14,135,855</td>
<td>($578,875)</td>
<td>($780,516)</td>
<td>($2,658,074)</td>
</tr>
<tr>
<td>220</td>
<td>Receipts from Grants and Capital</td>
<td>$23,349,039</td>
<td>($16,719,426)</td>
<td>$11,690,376</td>
<td>($35,456,577)</td>
<td>$58,059,163</td>
</tr>
<tr>
<td>230</td>
<td>Loan Funds</td>
<td>$52,750,531</td>
<td>($8,548,840)</td>
<td>($1,538,051)</td>
<td>($7,583,383)</td>
<td>($18,172,376)</td>
</tr>
</tbody>
</table>

Exhibit 1.8
2.20 For comparison, the trend in shortfalls and surpluses in Capital Revenue recorded for the past five (5) years are shown in Exhibit 1.9.

<table>
<thead>
<tr>
<th>YEARS</th>
<th>AMOUNTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$M</td>
<td></td>
</tr>
<tr>
<td>2004/2005</td>
<td>(1.72)</td>
</tr>
<tr>
<td>2005/2006</td>
<td>(11.13)</td>
</tr>
<tr>
<td>2006/2007</td>
<td>9.57</td>
</tr>
<tr>
<td>2007/2008</td>
<td>(32.06)</td>
</tr>
<tr>
<td><strong>2008/2009</strong></td>
<td><strong>37.23</strong></td>
</tr>
</tbody>
</table>

Exhibit 1.9

2.21 The line graph at exhibit 1.10 reflects a comparative summary of the trend in shortfalls and surpluses of Capital Revenue itemized in Exhibit 1.9 for the past five (5) years.

Exhibit 1.10
Authorities for Expenditure

Expenditure

2.22 The House of Assembly passed the Appropriation Act No. 5 of 2008 on July 24, 2008. This gave the Minister for Finance the Parliamentary Authority to withdraw from the Consolidated Fund to meet all expenditures of the Commonwealth of Dominica for the year ended June 30, 2009.

2.23 The total of $391,755,517 was approved as expenditure for the period. This amount consisted of $248,612,718 relating to Recurrent Expenditure and $143,142,799 for Capital Expenditure. However, a total of $470,967,620 was actually spent.

Contingency Fund Advance Warrants

2.24 Four (4) Supplementary Appropriation Acts were approved by Parliament for the year ended June 30, 2009 totaling $95,317,882. Approved were Act No. 21 of 2008 in the amount of $3,054,352, Act No. 1 of 2009 in the amount of $36,829,854, Act No. 7 of 2009 in the amount of $32,856,523 and Act No. 1 of 2010 in the amount $22,577,153. These Acts gave approval for the Contingency Fund Warrants that were issued during the year under review.

2.25 Three (3) of the Supplementary Appropriation Acts were approved by Parliament within the time stipulated in the Finance (Administration) Act No. 4 of 1994, however, Supplementary Appropriation Act No. 1 of 2010 was approved by Parliament on February 4, 2010, which was seven months from the date the Contingency Fund Warrants No.’s 121 to 147 dated April 1, 2009 through to June 30, 2009 were issued. It was further noted that Supplementary Appropriation Act No. 1 of 2010 consisted of a total amount of $1,179,218 for the Ministry of Community Development, Culture, Gender Affairs and Information with $593,218 being allocated for the DSIF Programme. However, there was no Contingency Fund Warrant issued for the amount at the time of writing this report (June 30, 2009).

2.26 The following table indicates a listing of the Ministries with the greatest values of the Contingency Fund Warrants that were issued.

<table>
<thead>
<tr>
<th>Ministry</th>
<th>No. of Warrants</th>
<th>Amount $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Min. of Public Works</td>
<td>21</td>
<td>32,675,024</td>
</tr>
<tr>
<td>Min. of Public Utilities.</td>
<td>9</td>
<td>19,217,604</td>
</tr>
<tr>
<td>Min. of Agriculture</td>
<td>12</td>
<td>13,159,338</td>
</tr>
<tr>
<td>Min. of Education</td>
<td>15</td>
<td>9,146,999</td>
</tr>
<tr>
<td>Min. of Housing</td>
<td>12</td>
<td>4,814,410</td>
</tr>
<tr>
<td>Min. of Comm. .</td>
<td>40</td>
<td>3,709,829</td>
</tr>
<tr>
<td>Prime Minister’s Office</td>
<td>13</td>
<td>2,731,776</td>
</tr>
</tbody>
</table>

2.27 A total of one hundred and forty-seven (147) Contingency Fund Warrants were issued and approved totaling $94,724,664, for the year ended June 30, 2009.
Virement Warrants

2.28 A total of four hundred and eleven (411) Virement Warrants amounting to $17,338,153 was issued for the year under review. According to the records of the Ministry of Finance the number of Virement Warrants issued was four hundred and twenty two (422), however, on further investigation it was revealed that some numbers were omitted.

Recurrent Expenditure - $313,193,575

2.29 The Actual Recurrent Expenditure for the year ended June 30, 2009 was $313,193,575. This amount was $11,628,811 more than the previous year’s figure of $301,564,764 and $14,422,656 less than the amount budgeted for the year.

2.30 The amounts for Estimated and Actual Recurrent Expenditure for the various Ministries/Departments are illustrated in Exhibit 1.11.
2.31 The Pie Chart in Exhibit 1.12 indicates the apportionment of the Actual Recurrent Expenditure by Ministries/Departments for the year ended June 30, 2009.

2.32 Expenditure in respect of Personal Emoluments consisting of Salaries, Social Security contributions (Employer), wages and other Allowances amounted to $124,439,167 and represents 40% of the total Recurrent Expenditure for the year ended June 30, 2009. Last financial year, the Personal Emoluments total represented 39% of the Recurrent Expenditure, a 1% increase.
The table below illustrates the breakdown of the Personal Emoluments figure for the year.

<table>
<thead>
<tr>
<th>MINISTRY/DEPARTMENT</th>
<th>PERSONAL EMOLUMENTS</th>
<th>SALARIED ALLOWANCES</th>
<th>WAGES</th>
<th>OTHER ALLOWANCES</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRESIDENT</td>
<td>$406,058</td>
<td>$29,167</td>
<td>$20,699</td>
<td>$32,277</td>
<td>$488,202</td>
</tr>
<tr>
<td>LEGISLATURE</td>
<td>$609,746</td>
<td>$3,313</td>
<td>$50,093</td>
<td>$186,522</td>
<td>$849,675</td>
</tr>
<tr>
<td>AUDIT</td>
<td>$666,569</td>
<td>$39,104</td>
<td>$0.00</td>
<td>$53,541</td>
<td>$759,124</td>
</tr>
<tr>
<td>MIN. OF NAT. SECURITY</td>
<td>$19,434,888</td>
<td>$918,489</td>
<td>$60,221</td>
<td>$1,450,177</td>
<td>$21,860,775</td>
</tr>
<tr>
<td>ELECTIONS</td>
<td>$270,866</td>
<td>$1,239</td>
<td>$51,750</td>
<td>$2,952</td>
<td>$326,806</td>
</tr>
<tr>
<td>MIN. OF TRADE</td>
<td>$730,717</td>
<td>$14,698</td>
<td>$0.00</td>
<td>$95,128</td>
<td>$840,544</td>
</tr>
<tr>
<td>P.M’S OFFICE</td>
<td>$2,456,966</td>
<td>$49,715</td>
<td>$8,888</td>
<td>$183,218</td>
<td>$2,698,787</td>
</tr>
<tr>
<td>MIN. OF FINANCE</td>
<td>$11,094,014</td>
<td>$419,519</td>
<td>$68,649</td>
<td>$768,537</td>
<td>$12,350,719</td>
</tr>
<tr>
<td>MIN. OF AGRICULTURE</td>
<td>$4,510,739</td>
<td>$68,570</td>
<td>$1,570,226</td>
<td>$725,375</td>
<td>$6,873,910</td>
</tr>
<tr>
<td>MIN. OF EDUCATION</td>
<td>$31,416,080</td>
<td>$330,507</td>
<td>$349,377</td>
<td>$423,295</td>
<td>$32,519,258</td>
</tr>
<tr>
<td>MIN. OF HOUSING</td>
<td>$2,213,582</td>
<td>$54,544</td>
<td>$332,163</td>
<td>$286,826</td>
<td>$2,887,116</td>
</tr>
<tr>
<td>MIN. OF COMM. DEV</td>
<td>$2,905,574</td>
<td>$52,348</td>
<td>$550,743</td>
<td>$417,859</td>
<td>$3,926,624</td>
</tr>
<tr>
<td>MIN. OF HEALTH</td>
<td>$21,653,345</td>
<td>$2,305,553</td>
<td>$299,050</td>
<td>$1,252,119</td>
<td>$25,510,066</td>
</tr>
<tr>
<td>MIN. OF TOURISM</td>
<td>$4,346,369</td>
<td>$129,914</td>
<td>$36,778</td>
<td>$501,351</td>
<td>$5,014,412</td>
</tr>
<tr>
<td>ESTABLISHMENT</td>
<td>$1,311,988</td>
<td>$25,689</td>
<td>$0.00</td>
<td>$106,997</td>
<td>$1,444,675</td>
</tr>
<tr>
<td>MIN. OF PUBLIC UTILITIES</td>
<td>$1,838,946</td>
<td>$50,900</td>
<td>$352,615</td>
<td>$102,860</td>
<td>$2,345,321</td>
</tr>
<tr>
<td>MIN. OF PUBLIC WORKS</td>
<td>$1,754,391</td>
<td>$44,199</td>
<td>$231,539</td>
<td>$204,375</td>
<td>$2,234,504</td>
</tr>
<tr>
<td>MIN. OF FOREIGN AFFAIRS</td>
<td>$1,106,678</td>
<td>$108,025</td>
<td>$0.00</td>
<td>$293,945</td>
<td>$1,508,648</td>
</tr>
<tr>
<td>TOTALS</td>
<td>$108,724,615</td>
<td>$4,644,493</td>
<td>$3,982,792</td>
<td>$7,087,266</td>
<td>$124,439,167</td>
</tr>
</tbody>
</table>
2.33 The Pie Chart in Exhibit 1.13 displays the percentages of Personal Emoluments (Salaries, Overtime, Social Security(Employer), Wages (Casual Labour), Salaried Allowances and Other Allowances) paid by various Ministries/Departments for the year under review.

2.34 The Pie Chart at Exhibit 1.14 illustrates the apportionment of Recurrent Expenditure as it relates to Personal Emoluments, Wages (Casual Labour), Salaried Allowances (Acting Allowance, Social Security Contributions (Employer), Responsibility Allowance and Subsistence Allowance), Other Allowances (Transport Allowance and Allowance in Lieu of Private Practice), Gratuities and Pensions and Debt Servicing for the year ended June 30, 2009.
2.35 The Actual Capital Expenditure incurred for the year was $157,774,046. This amount was $48,472,979 less than the budgeted amount of $206,247,025 and $35,023,372 more than the actual amount incurred the previous financial year.

2.36 The Ministry of Public Works and Infrastructural Development incurred the greatest expenditure of $42,834,999 or 27% of the Actual Capital Expenditure for the year. This was followed by the Ministry of Public Utilities, Energy and Ports with an amount of $37,415,732 or 24% of the total amount.

2.37 It should be noted that for the financial year under review, approximately 76% of the budgeted capital expenditure was utilised for implementation of capital projects as compared to 65% for the previous year. This rate of implementation of capital projects should be commended taking into consideration the global economical climate.

2.38 The Ministry of National Security, Immigration and Labour accounted for the largest difference between the budgeted estimates and the actual amount expended. For the period under review, an amount of $1,848,433 was actually expended from the budgeted amount of $5,350,596, representing only 35% of the budgeted amount. The Ministry of Community Development and Gender Affairs spent $46,745 more than the budgeted amount of $10,327,242. This was attributed mainly to the Dominica Social Investment Fund project, where an amount of $593,218 was actually expended more than the budgeted amount of $4,059,355.
The table and chart in Exhibit 1.15 indicates the Estimated and Actual Capital Expenditure figures in respect of each Ministry for the year under review.

<table>
<thead>
<tr>
<th>Ministry</th>
<th>Estimated</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Min. of National Security</td>
<td>5,350,596</td>
<td>1,848,433</td>
<td>3,502,163</td>
</tr>
<tr>
<td>Prime Minister’s Office</td>
<td>4,196,406</td>
<td>2,482,606</td>
<td>1,712,800</td>
</tr>
<tr>
<td>Min. of Finance</td>
<td>7,943,026</td>
<td>5,851,139</td>
<td>2,091,887</td>
</tr>
<tr>
<td>Min. of Agriculture</td>
<td>28,432,371</td>
<td>20,451,454</td>
<td>7,980,917</td>
</tr>
<tr>
<td>Min. of Education</td>
<td>8,920,527</td>
<td>8,305,581</td>
<td>614,946</td>
</tr>
<tr>
<td>Min. of Housing</td>
<td>17,993,160</td>
<td>13,896,965</td>
<td>4,096,195</td>
</tr>
<tr>
<td>Min. of Comm. Dev.</td>
<td>10,327,242</td>
<td>10,373,987</td>
<td>(46,745)</td>
</tr>
<tr>
<td>Min. of Tourism</td>
<td>8,022,859</td>
<td>6,740,231</td>
<td>1,282,628</td>
</tr>
<tr>
<td>Min. of Public Utilities</td>
<td>41,350,460</td>
<td>37,415,732</td>
<td>3,934,728</td>
</tr>
<tr>
<td>Min. of Public Works</td>
<td>63,433,359</td>
<td>42,834,999</td>
<td>20,598,360</td>
</tr>
<tr>
<td>Other Ministries/Departments</td>
<td>10,578,020</td>
<td>7,572,917</td>
<td>2,705,103</td>
</tr>
</tbody>
</table>

Exhibit 1.15

**Comparison of Estimated and Actual Capital Expenditure - 2008/2009**

**Dollars**

- 0
- 10,000,000
- 20,000,000
- 30,000,000
- 40,000,000
- 50,000,000
- 60,000,000
- 70,000,000

**Ministries**

- Min. of National Security
- Prime Minister’s Office
- Min. of Finance
- Min. of Agriculture
- Min. of Education
- Min. of Housing
- Min. of Comm. Dev.
- Min. of Tourism
- Min. of Public Utilities
- Min. of Public Works
- Other Ministries

**Legend**

- Estimated
- Actual
Financial Management

2.40 A total of eighty-three (83) Item Heads under Recurrent Expenditure were overspent amounting to $2,800,944, with sixteen (16) Division Heads being overspent amounting to $1,437,316. There were two (2) Ministries that recorded over expenditures totaling $30,269 for the year under review.

2.41 A total of four (4) Item Heads under Capital Expenditure were overspent amounting to $673,356, with two (2) Division Heads being overspent amounting to $658,101. There was one (1) Ministry that recorded over expenditure totaling $46,745 for the year ended June 30, 2009.

2.42 The table in Exhibit 1.16 indicates the amounts of Item Heads, Division Heads and the Ministries that recorded over expenditures in Recurrent and Capital Expenditures for the financial 2008/2009.

### Recurrent Expenditure

<table>
<thead>
<tr>
<th>Ministry</th>
<th>Item Heads</th>
<th>Division Heads</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Min. of National Security</td>
<td>586,401</td>
<td>305,948</td>
<td>0.00</td>
</tr>
<tr>
<td>Min. of Trade</td>
<td>59,629</td>
<td>28,778</td>
<td>5,404</td>
</tr>
<tr>
<td>Prime Minister’s Office</td>
<td>544,507</td>
<td>249,713</td>
<td>24,865</td>
</tr>
<tr>
<td>Min. of Finance</td>
<td>361,934</td>
<td>8,612</td>
<td>0.00</td>
</tr>
<tr>
<td>Min. of Agriculture</td>
<td>74,242</td>
<td>6,496</td>
<td>0.00</td>
</tr>
<tr>
<td>Min. of Education</td>
<td>14,050</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Min. of Housing</td>
<td>55,039</td>
<td>22,113</td>
<td>0.00</td>
</tr>
<tr>
<td>Min. of Comm. Dev.</td>
<td>4,244</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Min. of Health</td>
<td>872,162</td>
<td>657,438</td>
<td>0.00</td>
</tr>
<tr>
<td>Min. of Tourism</td>
<td>50,332</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Min. of Public Utilities</td>
<td>51,425</td>
<td>45,920</td>
<td>0.00</td>
</tr>
<tr>
<td>Min. of Public Works</td>
<td>3,395</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Min. of Foreign Affairs</td>
<td>123,632</td>
<td>112,298</td>
<td>0.00</td>
</tr>
</tbody>
</table>

### Capital Expenditure

<table>
<thead>
<tr>
<th>Ministry</th>
<th>Item Heads</th>
<th>Division Heads</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Min. of Trade</td>
<td>4,922</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Min. of Comm. Dev.</td>
<td>643,272</td>
<td>643,272</td>
<td>46,745</td>
</tr>
<tr>
<td>Min. of Tourism</td>
<td>25,162</td>
<td>14,828</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Exhibit 1.16
Smart Stream Accounting System

2.43 The Smart Stream Accounting System had some technical difficulties in recording the adjustments made through some virement warrants with the amounts not being reflected under Funds Control indicating the necessary of the various expenditure heads. This resulted in errors in the Final Accounts submitted by the Accountant General for the year ended June 30th, 2009. These adjustments had to be corrected with the assistance of an overseas based consultant with the software firm. Additionally, there were errors identified which relates back to two years that adversely affected the opening and closing balances for the previous years.

Surplus/Deficit

2.44 A surplus of $25,201,688 was realised on the Consolidated Fund for the year under review as compared to a deficit of $28,716,639 for the previous financial year. These figures reflect an increase of $100,570,511 in the Total Actual Revenue and a increase of $46,652,184 in the Total Recurrent Expenditure to the previous year’s figures.

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Expenditure</th>
<th>Surplus/Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Recurrent</td>
<td>327,189,410</td>
<td>313,193,575</td>
<td>13,995,835</td>
</tr>
<tr>
<td>Actual Capital</td>
<td>168,979,899</td>
<td>157,774,046</td>
<td>11,205,853</td>
</tr>
<tr>
<td>Total</td>
<td>496,169,309</td>
<td>470,967,621</td>
<td>25,201,688</td>
</tr>
</tbody>
</table>

2.45 The out-turns for the last five (5) years are indicated at Exhibits 1.17 and 1.18 for comparison.

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual Revenue (Recurrent and Capital)</th>
<th>Actual Expenditure (Recurrent and Capital)</th>
<th>Deficit/Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004/05</td>
<td>364,586,849</td>
<td>278,656,683</td>
<td>85,930,166</td>
</tr>
<tr>
<td>2005/06</td>
<td>335,012,872</td>
<td>305,976,311</td>
<td>29,036,561</td>
</tr>
<tr>
<td>2006/07</td>
<td>388,107,309</td>
<td>311,636,018</td>
<td>76,471,291</td>
</tr>
<tr>
<td>2007/08</td>
<td>395,598,798</td>
<td>424,315,437</td>
<td>(28,716,639)</td>
</tr>
<tr>
<td>2008/09</td>
<td>496,169,309</td>
<td>470,967,621</td>
<td>25,201,688</td>
</tr>
</tbody>
</table>

Exhibit 1.17
Statement of Investments

2.46 The investments are held with the Eastern Caribbean Central Bank (ECCB) and the Royal Merchant Bank. The balance at the ECCB as at June 30, 2009 was $49,080,097 an increase of $4,360,324 over last year’s figure of $44,719,773 while the balance at the Royal Merchant Bank remained unchanged.
Statement of Public Debt as at June 30, 2009

2.47 The National Debt of the Commonwealth of Dominica as at June 30, 2009 is itemised with the previous year’s figure for comparison as follows:-

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2009</th>
<th>June 30, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Debt – Bonds</td>
<td>123,794,469</td>
<td>127,655,469</td>
</tr>
<tr>
<td>Domestic Debt – Treasury Bills</td>
<td>38,589,000</td>
<td>45,655,000</td>
</tr>
<tr>
<td>Domestic Debt – Loans</td>
<td>34,076,487</td>
<td>35,664,512</td>
</tr>
<tr>
<td>External Debt</td>
<td>473,444,609</td>
<td>488,295,126</td>
</tr>
<tr>
<td>Value of Unpaid Cheques</td>
<td>4,480,011</td>
<td>5,115,175</td>
</tr>
<tr>
<td><strong>Total Central Government Debt</strong></td>
<td><strong>674,384,576</strong></td>
<td><strong>702,385,282</strong></td>
</tr>
<tr>
<td>Domestic - Contingent Liabilities</td>
<td>36,263,803</td>
<td>27,259,092</td>
</tr>
<tr>
<td>External – Contingent Liabilities</td>
<td>106,418,754</td>
<td>116,663,489</td>
</tr>
<tr>
<td><strong>TOTAL NATIONAL DEBT</strong></td>
<td><strong>817,067,133</strong></td>
<td><strong>846,307,863</strong></td>
</tr>
</tbody>
</table>

2.48 Contingent Liabilities are loans guarantees issued by the Minister for Finance under the Loans Act to Statutory Boards and Public Corporations. These loans are repaid by those institutions and not from the Consolidated Fund administered at the Government Treasury. However, the loan guarantee can be exercised in the event of default on any of these loans.

2.49 The Value of Unpaid Cheques represents the total of cheques prepared and were not collected as at June 30, 2009.
CHAPTER 3

ARREARS OF REVENUE

3.1 A amount of $2,179,078 was reported as the total of Arrears of Revenue for the year ended June 30, 2009. The details of the Arrears of Revenue for the year is as follows:-

| Ministry of Finance – Customs Division | $2,151,268 |
| Ministry of Tourism and Legal Affairs - Magistrate Court “G” | $27,810 |

**TOTAL** $2,179,078

3.2 The amount stated above is not a true reflection of Government’s outstanding arrears, as Accounting Officers and Heads of Divisions continue to neglect their responsibility of preparing and submitting Annual Returns of Arrears of Revenue and Monthly and Half Yearly Reports of Revenue recovered.

3.3 Accounting Officer should be reminded of their responsibility as it relates to arrears of revenue as stipulated in Section 31 (1), (2) and (3) of Financial Regulations, Chapter 63:01 of the 1990 Revised Laws of Dominica which states as follows:-

“Heads of Divisions who are responsible for the collection of revenue shall render annual returns of arrears of revenue, and monthly and half-yearly reports of revenue received. These returns must be rendered on the prescribed forms to the Accountant General for transmission to the Director of Audit.

The half-yearly reports will be rendered in respect of the half years ending on the 30th June and 31st December. The annual returns shall be submitted as at 30th June. “NIL” reports and returns will be submitted where appropriate.

The half-yearly reports and the annual reports must be submitted to reach the Accountant General not later than the 31st July and 31st January in each year respectively”

3.4 In October 2008, the Director of Audit sent out Circular No. 1 of 2008/2009 to all Accounting Officers reminding them of their responsibilities of the submission of these reports. The only reports that were received were from the Customs Division and the Magistrate Court District “G” – Portsmouth. These two Divisions should be commended for their efforts in complying with Financial Regulations.

3.5 The Office of the Director of Audit is recommending the compliance with Financial Regulations relating to the submission of returns of arrears of revenue and monthly and half yearly reports of revenue recovered. Additionally, all efforts should be made to recover arrears of revenue.
Overtime

3.6 An amount of $1,277,758 was spent on overtime fees to public officers for the year. This amount is $136,227 more than the previous year’s figure of $1,141,531. The Ministry of Finance accounted for $1,033,261 or about 81% of the total overtime fees. The Customs Division accounted for $988,604 or about 96% of the Ministry of Finance figure and 77% of the total overtime fees for the year.

3.7 The Prime Minister’s Office accounted for $128,572 or about 10% of the total overtime fees with the Printing Division accounting for $115,871 or 90% of the Prime Minister’s Office amount and 9% of the total overtime fees for the year.

3.8 A listing of the overtime fees paid by Ministries/Departments for the financial year 2008/2009 with 2007/2008 amount shown for comparison is illustrated as follows:-

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>President’s Office</td>
<td>-</td>
<td>308</td>
</tr>
<tr>
<td>House of Assembly</td>
<td>2,953</td>
<td>1,328</td>
</tr>
<tr>
<td>Audit</td>
<td>2,123</td>
<td>2,710</td>
</tr>
<tr>
<td>Electoral Office</td>
<td>-</td>
<td>370</td>
</tr>
<tr>
<td>Prime Minister’s Office</td>
<td>128,572</td>
<td>49,759</td>
</tr>
<tr>
<td>Ministry of Finance</td>
<td>44,657</td>
<td>31,592</td>
</tr>
<tr>
<td>Customs Division</td>
<td>988,604</td>
<td>962,758</td>
</tr>
<tr>
<td>Ministry of Agriculture</td>
<td>16,989</td>
<td>8,480</td>
</tr>
<tr>
<td>Ministry of Education</td>
<td>2,719</td>
<td>4,354</td>
</tr>
<tr>
<td>Ministry of Housing</td>
<td>273</td>
<td>1,270</td>
</tr>
<tr>
<td>Ministry of Health</td>
<td>48,659</td>
<td>45,279</td>
</tr>
<tr>
<td>Ministry of Tourism</td>
<td>910</td>
<td>-</td>
</tr>
<tr>
<td>Ministry of Public Utilities</td>
<td>27,482</td>
<td>24,126</td>
</tr>
<tr>
<td>Ministry of Foreign Affairs</td>
<td>13,819</td>
<td>9,197</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,277,758</strong></td>
<td><strong>1,141,531</strong></td>
</tr>
</tbody>
</table>
3.9  The Pie Chart displays the apportionment of overtime fees paid by the various Ministries/Departments.

3.10  A total of Four hundred and eleven (411) Virement Warrants amounting to $17,338,153 were issued for the year ended June 30, 2009. This compared with three hundred and fifty (350) in the amount of $10,932,865 for the previous year.

3.11  The Ministry of Education accounted for $2,756,097 or 16% of the total warrants issued followed by the Establishment Department with $2,530,665 or 15% of the warrant approved for the year.

3.12  An analysis of the number and value of warrants approved for the past five (5) years is indicated below:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>No. of Virement Warrants</th>
<th>Amount $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004/2005</td>
<td>359</td>
<td>6,692,309</td>
</tr>
<tr>
<td>2005/2006</td>
<td>348</td>
<td>5,533,220</td>
</tr>
<tr>
<td>2006/2007</td>
<td>376</td>
<td>8,910,580</td>
</tr>
<tr>
<td>2007/2008</td>
<td>350</td>
<td>10,932,865</td>
</tr>
</tbody>
</table>
The Government of Dominica in its initiative to provide incentives to businesses and individuals continued the granting of concessions on building material, raw material, plant and equipment and vehicles during the year ended June 30, 2009. According the information received from the Customs Division, the Government realised a decrease in revenue in the amount of $32,747,621 as a result of the concessions granted for the year. This amount is $4,785,475 more than the amount of $27,962,146 realised the previous year. The listing below indicates the breakdown of the amount on a monthly basis.

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2008</td>
<td>$2,120,646</td>
</tr>
<tr>
<td>August 2008</td>
<td>$2,859,715</td>
</tr>
<tr>
<td>September 2008</td>
<td>$2,531,187</td>
</tr>
<tr>
<td>October 2008</td>
<td>$6,754,878</td>
</tr>
<tr>
<td>November 2008</td>
<td>$2,511,628</td>
</tr>
<tr>
<td>December 2008</td>
<td>$2,193,534</td>
</tr>
<tr>
<td>January 2009</td>
<td>$3,564,150</td>
</tr>
<tr>
<td>February 2009</td>
<td>$2,204,282</td>
</tr>
<tr>
<td>March 2009</td>
<td>$1,735,559</td>
</tr>
<tr>
<td>April 2009</td>
<td>$2,729,236</td>
</tr>
<tr>
<td>May 2009</td>
<td>$1,578,269</td>
</tr>
<tr>
<td>June 2009</td>
<td>$1,964,538</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32,747,621</strong></td>
</tr>
</tbody>
</table>
3.14 Outlined hereunder is an analysis of Revenue foregone as a percentage of total revenue collected at the Customs Division for the past five (5) years.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue</th>
<th>Total Revenue</th>
<th>Revenue Foregone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Foregone</td>
<td>collected at</td>
<td>as a percentage</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>Customs Division</td>
<td>of collected</td>
</tr>
<tr>
<td>2004/2005</td>
<td>37,793,491</td>
<td>115,821,076</td>
<td>32.63%</td>
</tr>
<tr>
<td>2005/2006</td>
<td>28,432,273</td>
<td>101,977,123</td>
<td>27.88%</td>
</tr>
<tr>
<td>2006/2007</td>
<td>31,971,672</td>
<td>57,130,357</td>
<td>55.96%</td>
</tr>
<tr>
<td>2007/2008</td>
<td>27,962,146</td>
<td>64,109,960</td>
<td>43.62%</td>
</tr>
<tr>
<td>2008/2009</td>
<td>32,747,621</td>
<td>69,384,364</td>
<td>47.20%</td>
</tr>
</tbody>
</table>

3.15 During the last five (5) years, an average of $31,781,441 or 41.46% of total revenue collected has been recorded as revenue foregone by the Customs Division, as a result of concessions granted to businesses and individuals.

**PUBLIC SUPPORT PROGRAMME**

3.16 The Public Support programme was established in 2007 by direct Cabinet policy decision which allows the Honorable Prime Minister/Minister of Finance to make direct, timely and speedy interventions to persons, groups and organizations who make direct representation to the Hon Prime Minister for Public Support.
For the period under review, an amount of **EC$1,577,000.00** was allocated to the programme under head D30 M100 M11 3406 P0722 11 406. The entire amount was funded from local funds.

The disbursed funds were allocated as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>$368,617.74</td>
</tr>
<tr>
<td>Education</td>
<td>408,271.47</td>
</tr>
<tr>
<td>Sports Associations</td>
<td>46,800.00</td>
</tr>
<tr>
<td>Small Business</td>
<td>168,097.87</td>
</tr>
<tr>
<td>Cultural Activities</td>
<td>79,330.84</td>
</tr>
<tr>
<td>House Repairs</td>
<td>208,445.27</td>
</tr>
<tr>
<td>Other</td>
<td>289,981.33</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,569,524.52</strong></td>
</tr>
</tbody>
</table>

The office of Director of Audit wishes to express the view that some level of monitoring and evaluation should have been instituted for disbursements to small business and house repairs so as to ensure that the monies disbursed were utilized for the purpose granted. This would provide greater accountability for monies disbursed for that aspect of the programme.

Generally, it can be stated that the accounting officer adhered to the Financial Rules and Regulation Chapter 63:01 section 34 of the Financial Regulations in the disbursement of funds under this programme.

**SMALL BUSINESS SUPPORT UNIT**

The Small Business Support Unit was established under the auspices of the Ministry of Trade, Industry, Consumer and Diaspora Affairs during financial year 2008/09 with the Government of Dominica the main funding agency under Capital Head Expenditure **D29 T500 T50 34403 P0926 111 205**.
### 3.22
The approval process was designed by the Small Business Support Unit with the guidance of the Permanent Secretary and approved by the Minister. A committee of five persons consisting of the Director of SBSU (ex officio), SBSU Secretary (secretary to the review committee), Mr. Edward Lambert, Dr. Philsbert Aaron, Ambassador Charles Maynard and Ambassador Steve Ferrol reviews and approve projects for funding.

### 3.23
For the period under review the following amounts were budgeted and released to the Small Business Support Unit:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>BUDGETED AMT</th>
<th>AMT RELEASED</th>
<th>EXPENDITURE</th>
<th>BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>EC$270,000.00</td>
<td>EC$270,000.00</td>
<td>EC$252,405.41</td>
<td>EC$17,594.59</td>
</tr>
<tr>
<td>2009/10</td>
<td>EC$2,730,000.00</td>
<td>EC$2,699,619.86</td>
<td>EC$2,503,712.61</td>
<td>EC$176,623.11</td>
</tr>
</tbody>
</table>

### 3.24
Expenditure for the period were as follows:

- **Office Set Up and Furnishing**: $234,743.87
- **Tourism**: 293,013.70
- **Food Service**: 292,797.15
- **Retail Trade**: 355,631.38
- **Cosmetology**: 208,834.00
- **Fishing**: 14,000.00
- **Entertainment**: 79,500.00
- **Other Business Operations**: 1,277,598.15
- **Total**: $2,742,118.25
3.25 The other business operation category took into consideration amounts disbursed for starting up of small enterprises such as purchasing of equipment, raw material, supplies, refurbishment and general working capital.

3.26 The Office of Director of Audit can conclude that from the examination of the expenditure records for 2008/09 and 2009/10 funds were disbursed according to financial regulations and that there were no discrepancies or inaccuracies found and an electronic data was maintained to track information on applicants.

WORLD CREOLE MUSIC FESTIVAL 2009

3.27 By virtue of Cabinet Decision No. 0454 of May 7, 2008 Cabinet established the Dominica Festivals Committee under the ambit of Discover Dominica Authority. The Committee which replaces the Dominica Festivals Commission (DFC) has among its mandate the staging of one of Dominica’s major festival, the World Creole Music Festival (WCMF).

3.28 The Office of Director of Audit conducted a review on the 2009 WCMF. The year 2009 was the staging of the thirteenth (13th) and hosted eighteen (18) performing artists at the Windsor Park Stadium from October 30 to November 1, 2009.

AUDIT OBJECTIVES

3.29 The objectives were to:

- Evaluate internal controls related to the management of funds for the period July 1 to Dec. 31 2009.
- Examine controls in the execution of contracts with artists and other service providers.

SCOPE & LIMITATIONS

3.30 The review relates only to financial transactions for the WCMF 2009 up to December 31, 2009.

METHODOLOGY

3.31 To accomplish the audit objectives, discussions were held with Mr. Aaron Dalrymple, Accountant at Discover Dominica Authority and Mrs. Jacqueline Davis, Administrative/Accounts officer of Dominica Festivals Commission.
3.32 The National Bank of Dominica statements were reviewed along with deposits and receipts. Contracts with goods and services providers were also examined. Payment vouchers and other supporting documents were presented for examination to verify approval, adequacy of supporting documentation and compliance with contractual agreements. An electronic cash book was also analyzed. The draft financial statements were presented and information on complimentary and VIP tickets was reviewed.

3.33 The following is a summary of expenditure for the period under review as matched against the budgeted amounts

WORLD CREOLE MUSIC FESTIVAL 2009
EXPENDITURE STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>AUDIT 2009</th>
<th>APPROVED BUDGET</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band Fees</td>
<td>679,116.88</td>
<td>731,833.00</td>
<td>52,716.12</td>
</tr>
<tr>
<td>Travel overseas</td>
<td>464,131.37</td>
<td>700,000.00</td>
<td>235,868.63</td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>286,157.09</td>
<td>40,000.00</td>
<td>(246,157.09)</td>
</tr>
<tr>
<td>Accommodation and per diem</td>
<td>512,130.74</td>
<td>347,604.00</td>
<td>(164,526.74)</td>
</tr>
<tr>
<td>Venue Preparation</td>
<td>186,224.81</td>
<td>220,000.00</td>
<td>33,775.19</td>
</tr>
<tr>
<td>Windsor Park Rental</td>
<td>17,000.00</td>
<td>220,000.00</td>
<td>203,000.00</td>
</tr>
<tr>
<td>Sound and Light</td>
<td>258,105.50</td>
<td>203,768.00</td>
<td>(54,337.50)</td>
</tr>
<tr>
<td>Security</td>
<td>129,549.00</td>
<td>175,000.00</td>
<td>45,451.00</td>
</tr>
<tr>
<td>Performing Rights</td>
<td>38,251.65</td>
<td>68,227.00</td>
<td>29,975.35</td>
</tr>
<tr>
<td>Ground Transportation</td>
<td>70,901.06</td>
<td>60,492.00</td>
<td>(10,409.06)</td>
</tr>
<tr>
<td>VIP Bar</td>
<td>16,162.21</td>
<td>41,800.00</td>
<td>25,637.79</td>
</tr>
<tr>
<td>Secretarial and administration</td>
<td>69,023.97</td>
<td>20,000.00</td>
<td>(49,023.97)</td>
</tr>
<tr>
<td>Insurance</td>
<td>67,220.14</td>
<td>60,000.00</td>
<td>(7,220.14)</td>
</tr>
<tr>
<td>Printing tickets</td>
<td>15,029.68</td>
<td>30,000.00</td>
<td>14,970.32</td>
</tr>
<tr>
<td>Port Charges</td>
<td>30,090.14</td>
<td>12,500.00</td>
<td>(17,590.14)</td>
</tr>
<tr>
<td>Local and overseas launch</td>
<td>37,050.70</td>
<td>54,564.00</td>
<td>17,513.30</td>
</tr>
<tr>
<td>Masters and DJ's</td>
<td>19,850.00</td>
<td>21,120.00</td>
<td>1,270.00</td>
</tr>
<tr>
<td>Equipment rental</td>
<td>41,210.03</td>
<td>10,000.00</td>
<td>(31,210.03)</td>
</tr>
<tr>
<td>Customs charges</td>
<td>5,295.72</td>
<td>25,000.00</td>
<td>19,704.28</td>
</tr>
<tr>
<td>Sundries</td>
<td>4,095.72</td>
<td></td>
<td>(4,095.72)</td>
</tr>
<tr>
<td>Item</td>
<td>Budget</td>
<td>Actual</td>
<td>Variance</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------</td>
<td>--------</td>
<td>----------</td>
</tr>
<tr>
<td>Exit taxes</td>
<td>10,715.00</td>
<td>13,500.00</td>
<td>2,785.00</td>
</tr>
<tr>
<td>Communications</td>
<td>1,250.00</td>
<td>10,000.00</td>
<td>8,750.00</td>
</tr>
<tr>
<td>Audit</td>
<td>-</td>
<td>6,250.00</td>
<td>6,250.00</td>
</tr>
<tr>
<td>VIP Passes</td>
<td>3,358.95</td>
<td>(3,358.95)</td>
<td></td>
</tr>
<tr>
<td>Stationery</td>
<td>5,664.82</td>
<td>20,000.00</td>
<td>14,335.18</td>
</tr>
<tr>
<td>Taxes Local</td>
<td>1,500.00</td>
<td>(1,500.00)</td>
<td></td>
</tr>
<tr>
<td>Interest and bank charges</td>
<td>1,213.21</td>
<td>(1,213.21)</td>
<td></td>
</tr>
<tr>
<td>VAT Credits</td>
<td>(83,374.93)</td>
<td>-</td>
<td>83,374.93</td>
</tr>
</tbody>
</table>

**Total**

|                   | 2,886,923.46 | 3,091,658.00 | 204,734.54 |

3.34 The budget as approved by the Board of the Dominica Festivals Commission was $3,091,658.00. Expenditure for the period was $2,886,923.46 with a favorable variance of $204,734.54 which represents 7% of amount budgeted.

3.35 Notable adverse variances were that of advertising and promotion which was $246,157.09 and six (6) times more than budgeted and accommodation and per diem which was $164,526.74 more than budgeted.

3.36 Notable favorable variances were for overseas travel which was $235,868.63 less than budgeted and Windsor Park Rental which was initially invoiced for $96,828.15 but was later reduced to $17,000. This reflected a positive variance of $203,000.00 on the amount budgeted.
## WORLD CREOLE MUSIC FESTIVAL
### INCOME AND EXPENDITURE STATEMENT
#### JULY TO DECEMBER, 2009

### REVENUES
- **Ticket Sales**: 1,087,235.00
- **Less VAT**: (141,813.52)
- **TOTAL**: 945,421.48
- **Sponsorship**: 456,131.75
- **Sundries**: 1,993.38
- **Booth Rentals**: 60,700.00
- **TOTAL REVENUE**: 1,464,246.61

### EXPENDITURES
- **Band Fees**: 679,116.88
- **Travel overseas**: 464,131.37
- **Advertising and promotion**: 286,157.09
- **Accommodation and per diem**: 512,130.74
- **Venue Preparation**: 186,224.81
- **Windsor Park Rental**: 17,000.00
- **Sound and Light**: 258,105.50
- **Security**: 129,549.00
- **Performing Rights**: 38,251.65
- **Ground Transportation**: 70,901.06
- **VIP Bar**: 16,162.21
- **Secretarial and administration**: 69,023.97
- **Insurance**: 67,220.14
- **Printing tickets**: 15,029.68
- **Port Charges**: 30,090.14
- **Local and overseas launch**: 37,050.70
- **Masters and DJ's**: 19,850.00
- **Equipment rental**: 41,210.03
- **Customs charges**: 5,295.72
- **Sundries**: 4,095.72
- **Exit taxes**: 10,715.00
- **Communications**: 1,250.00
- **VIP Passes**: 3,358.95
- **Stationery**: 5,664.82
- **Taxes Local**: 1,500.00
- **Interest and bank charges**: 1,213.21
- **VAT Credits**: (83,374.93)
- **TOTAL EXPENDITURE**: 2,886,923.46

#### LOSS BEFORE GOVERNMENT SUBVENTION
(1,422,676.85)

#### GOVERNMENT SUBVENTION
693,558.00

#### LOSS AFTER GOVERNMENT SUBVENTION
(729,118.85)
Income

3.37 From interviews conducted and through the perusal of financial records it was observed that the DFC relies heavily on Government’s contribution and private sector sponsorship.

3.38 For the period under review Government’s contribution towards the WCMF was EC$693,558.00.

3.39 The other cash sponsors were: -
- Digicel
- Tamarin Tree
- Fast Cash
- Springfield Trading
- Dominica Brewery & Beverages Ltd
- Fine Foods
- Josephine Gabriel
- Archipelago

3.40 Total cash sponsorship amounted to $327,411.40. Other revenue earnings were from the rental of booths which amounted to $60,700.00 and sundries which was mainly media accreditation and amounted to $1,993.38. Total income was $1,285,526.26.

Expenditure

3.41 Revenue from the sale of tickets was $1,087,235.00. Ticket sales do not include complimentary and VIP tickets, while an amount of $15,029.68 was spent for the printing of tickets. There were four (4) categories of tickets namely: VIP, complimentary, season and nightly tickets.

3.42 In total 336 VIP tickets and 434 Complimentary were issued. This represented a monetary value of $417,351.09 or 44% of actual ticket sales. The Office of Director of Audit is of the view that free tickets as a percentage of actual ticket sales were extremely high in the circumstances.

3.43 Total expenditure for the period under review was $2,886,923.46. The amount was $1,603,390.58 more than revenue.

3.44 Band fees represented the single largest item of expenditure representing some 21% of total expenditure. Other high expenditure items included airfares, accommodation, venue preparation, sound and light and security. A daily per diem was also paid to foreign band members.
VIP Tickets to Government 115 x $801 92,115.00  
150 x 42,391.50  
Complimentary tickets to Government $282.61 42,391.50  
134,506.50

VIP Tickets to DIGICEL 120 x $801 96,120.00  
150 x 42,391.50  
Complimentary tickets to DIGICEL $282.61 42,391.50  
138,511.50

VIP Tickets to persons other than Government and DIGICEL 50 x $801 40,050.00
Complimentary Tickets to persons other than 369 x 104,283.09
Government and Digicel $282.61  
Total 417,351.09

**Ticket Sales**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Season tickets</td>
<td>366,875.00</td>
</tr>
<tr>
<td>Friday night</td>
<td>123,960.00</td>
</tr>
<tr>
<td>Saturday night</td>
<td>495,480.00</td>
</tr>
<tr>
<td>Sunday night</td>
<td>100,920.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,087,235.00</td>
</tr>
</tbody>
</table>
## World Creole Music Festival
### Accounts Payable
#### As at December 31, 2009

<table>
<thead>
<tr>
<th>Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominica Police Force</td>
<td>85,650.00</td>
</tr>
<tr>
<td>H H V Whitchurch</td>
<td>508.00</td>
</tr>
<tr>
<td>Depex Color Lab</td>
<td>22,667.80</td>
</tr>
<tr>
<td>DBS Radio</td>
<td>5,000.00</td>
</tr>
<tr>
<td>First Domestic Insurance</td>
<td>56,168.60</td>
</tr>
<tr>
<td>Jason Morancie</td>
<td>14,300.00</td>
</tr>
<tr>
<td>GIS</td>
<td>25,500.00</td>
</tr>
<tr>
<td>DBS Radio</td>
<td>5,575.00</td>
</tr>
<tr>
<td>Element Agencies</td>
<td>630.00</td>
</tr>
<tr>
<td>The Sun</td>
<td>1,834.25</td>
</tr>
<tr>
<td>Josephine Gabriel</td>
<td>5,694.14</td>
</tr>
<tr>
<td>Cable &amp; Wireless</td>
<td>4,484.14</td>
</tr>
<tr>
<td>Ministry of Education (Rental of Windsor Park Stadium)</td>
<td>237,899.12</td>
</tr>
<tr>
<td>Montgomery Blanchard</td>
<td>9,200.00</td>
</tr>
<tr>
<td>Pirates Ltd</td>
<td>4,640.00</td>
</tr>
<tr>
<td>VASOD</td>
<td>5,800.00</td>
</tr>
<tr>
<td>Angus Tavernier</td>
<td>100.00</td>
</tr>
<tr>
<td>Campbell Business Machine</td>
<td>761.94</td>
</tr>
<tr>
<td>Gordon Moreau</td>
<td>3,000.00</td>
</tr>
<tr>
<td>Fire &amp; Ambulance</td>
<td>6,000.00</td>
</tr>
<tr>
<td>Auto Trade</td>
<td>1,730.39</td>
</tr>
<tr>
<td>U.D.L.</td>
<td>3,726.08</td>
</tr>
<tr>
<td>Leo Casimir</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Joseph Thomas</td>
<td>1,200.00</td>
</tr>
<tr>
<td>Cultural Division</td>
<td>650.00</td>
</tr>
<tr>
<td>Deve Trading</td>
<td>3,500.00</td>
</tr>
<tr>
<td>Krystallion inc</td>
<td>235.00</td>
</tr>
<tr>
<td>Ayo Green</td>
<td>3,700.00</td>
</tr>
<tr>
<td>Shara Georges</td>
<td>900.00</td>
</tr>
<tr>
<td>Performers Rights</td>
<td>86,783.00</td>
</tr>
<tr>
<td>Element Agencies</td>
<td>39,656.18</td>
</tr>
<tr>
<td>H.H.V.Whitchurch.</td>
<td>26,662.16</td>
</tr>
<tr>
<td>H.H.V.Whitchurch.</td>
<td>331.00</td>
</tr>
<tr>
<td>A &amp; P Solutions</td>
<td>4,830.00</td>
</tr>
<tr>
<td>Steve Hyacinth</td>
<td>13,650.00</td>
</tr>
<tr>
<td>Dominica Brewery</td>
<td>2,218.83</td>
</tr>
<tr>
<td>Dominica Taxi Association</td>
<td>63,205.00</td>
</tr>
<tr>
<td>St Aimies Guest House</td>
<td>13,856.19</td>
</tr>
<tr>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Caprice Studio Apartments</td>
<td>8,940.00</td>
</tr>
<tr>
<td>Renelia Caprice</td>
<td>14,580.00</td>
</tr>
<tr>
<td>Leo Casimir</td>
<td>11,232.00</td>
</tr>
<tr>
<td>Julian Johnson</td>
<td>2,988.60</td>
</tr>
<tr>
<td>Decod Investment</td>
<td>6,000.00</td>
</tr>
<tr>
<td>Fort Young Hotel</td>
<td>54,999.00</td>
</tr>
<tr>
<td>St Aimies Guest House</td>
<td>18,360.00</td>
</tr>
<tr>
<td>Ian Dorival</td>
<td>4,890.42</td>
</tr>
<tr>
<td>Garraway</td>
<td>10,663.44</td>
</tr>
<tr>
<td>Anchorage</td>
<td>10,935.00</td>
</tr>
<tr>
<td>Sutton</td>
<td>6,731.64</td>
</tr>
<tr>
<td>Garraway Hotel</td>
<td>1,077.50</td>
</tr>
<tr>
<td>Jeff Joseph</td>
<td>5,433.80</td>
</tr>
<tr>
<td>Fanatic Band</td>
<td>2,000.00</td>
</tr>
<tr>
<td>F.J.Luke</td>
<td>2,999.00</td>
</tr>
<tr>
<td>Morning Bird Suite Hotel</td>
<td>1,798.20</td>
</tr>
<tr>
<td>Wrieve Ltd</td>
<td>1,982.54</td>
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<td>Dominica Red Cross</td>
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<tr>
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<tr>
<td>Monty Blanchard</td>
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<tr>
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<tr>
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<td>Montgomery Blanchard</td>
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<td>Neville Toussaint</td>
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<tr>
<td>Michael Durand</td>
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</tr>
<tr>
<td>Francisco Marchardo</td>
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<tr>
<td>Print Express</td>
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<td>Freestyle Inc</td>
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<tr>
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<td>Miguel Labadie</td>
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<td>ULTIMATE Plus Services</td>
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<tr>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>-------------------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Miguel Labadie</td>
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<tr>
<td>A &amp; P Solutions</td>
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<tr>
<td>Fire &amp; Ambulance</td>
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<td>Voice of St Martin</td>
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<td>Roseau City Council</td>
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<tr>
<td>CMC</td>
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<td>Copyrights</td>
<td>38,251.65</td>
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<tr>
<td>Waitukubuli Dance Theatre Company</td>
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</tr>
<tr>
<td>Dawn Symes</td>
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</tr>
<tr>
<td>Linda Gonzales</td>
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<td>Protection One</td>
<td>3,864.00</td>
</tr>
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<td>Campbell's Business Systems</td>
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<td>Backstage (estimate-name to be submitted)</td>
<td>700.00</td>
</tr>
<tr>
<td>Agoulou-Francis Vala</td>
<td>24,585.03</td>
</tr>
<tr>
<td>Min Education</td>
<td>17,000.00</td>
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<tr>
<td>Dominica Brewery</td>
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<tr>
<td>First Domestic Insurance</td>
<td>19,845.00</td>
</tr>
<tr>
<td>Pirate Ltd</td>
<td>2,001.51</td>
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<tr>
<td>Josephine Gabriel</td>
<td>1,587.87</td>
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<td><strong>TOTAL AMOUNT OUTSTANDING</strong></td>
<td><strong>816,254.74</strong></td>
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## WORLD CREOLE MUSIC FESTIVAL 2009

### SPONSORSHIP IN KIND

<table>
<thead>
<tr>
<th>NAME</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFMC Breadstrong Food – Drinks</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Pirates Ltd - Drinks</td>
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<tr>
<td>Fine Foods - Drinks</td>
<td>8,100.00</td>
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<tr>
<td>Archipelago Trading - Drinks</td>
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</tr>
<tr>
<td>Springfield Trading - Drinks</td>
<td>2,000.00</td>
</tr>
<tr>
<td>Josephine Gabriel (Distributors) Ltd - Drinks</td>
<td>3,000.00</td>
</tr>
<tr>
<td>Cedric Phillip - Camera for accreditation</td>
<td>1,745.00</td>
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<tr>
<td>H.H.V. Whitchurch &amp; Co. Ltd. – travel tickets</td>
<td>13,400.00</td>
</tr>
<tr>
<td>A &amp; M Home Security Services - installation of security device on Office door of DFC</td>
<td>10,500.00</td>
</tr>
<tr>
<td>Caribbean Media Services - Advertising</td>
<td>4,075.35</td>
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<tr>
<td>L’Express des Ills - travel tickets</td>
<td>13,400.00</td>
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<tr>
<td>Dominica Brewery - drinks</td>
<td>2,000.00</td>
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<tr>
<td>SAT - Advertising</td>
<td>64,000.00</td>
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**Total**: 128,720.35

<table>
<thead>
<tr>
<th>CASH SPONSORSHIP</th>
<th>327,411.40</th>
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</thead>
<tbody>
<tr>
<td>TOTAL SPONSORSHIP</td>
<td>456,131.75</td>
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</table>
### World Creole Music Festival 2009

#### Band Fees

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<thead>
<tr>
<th>Local Bands</th>
<th>Amount</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Tradibelle</td>
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</tr>
<tr>
<td>WCK</td>
<td>13,584.50</td>
<td>15,084.50</td>
</tr>
<tr>
<td>Swinging Stars</td>
<td>13,584.50</td>
<td>15,084.50</td>
</tr>
<tr>
<td>Triple Kay</td>
<td>13,584.50</td>
<td>15,084.50</td>
</tr>
<tr>
<td>Waiticubuli Dance Theatre Co</td>
<td>500.00</td>
<td></td>
</tr>
<tr>
<td>Caribbean Vibes</td>
<td>5,000.00</td>
<td></td>
</tr>
<tr>
<td>Etienne Frampton - Nature Boys</td>
<td>5,000.00</td>
<td></td>
</tr>
<tr>
<td>MFR</td>
<td>13,584.50</td>
<td>15,084.50</td>
</tr>
</tbody>
</table>

#### Bands - Overseas

<table>
<thead>
<tr>
<th>Bands</th>
<th>Amount</th>
<th>Total</th>
</tr>
</thead>
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<tr>
<td>Roy Cape All Stars/Car. Vizion</td>
<td>76,073.20</td>
<td>77,657.70</td>
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<tr>
<td>Sweet Mickey (US$9,000)</td>
<td>24,452.10</td>
<td>26,468.10</td>
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<tr>
<td>Morgan Heritage (US$35,000)</td>
<td>104,600.65</td>
<td>121,065.15</td>
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<tr>
<td>Maxi Priest (US$20,000)</td>
<td>54,338.00</td>
<td>56,569.56</td>
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<td>Delux Band</td>
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<td>15,084.50</td>
</tr>
<tr>
<td>Machine A Swinger (EUR3,500)</td>
<td>14,130.06</td>
<td>16,664.66</td>
</tr>
<tr>
<td>Zin &amp; Alan Cave (EUR6,500)</td>
<td>20,490.66</td>
<td>23,081.32</td>
</tr>
<tr>
<td>Icons of Zouk - Caraib Events prod</td>
<td>52,569.56</td>
<td>58,177.06</td>
</tr>
<tr>
<td>La Perfecta</td>
<td>28,259.40</td>
<td>30,843.90</td>
</tr>
<tr>
<td>Michel Henderson (EUR 7,500)</td>
<td>23,433.26</td>
<td>26,057.52</td>
</tr>
<tr>
<td>Cadence Icons</td>
<td>27,169.00</td>
<td>29,744.26</td>
</tr>
<tr>
<td>Kassav</td>
<td>158,587.50</td>
<td>188,091.00</td>
</tr>
</tbody>
</table>

Total: 612,778.88
The following were the findings of the Office of Director of Audit

- The controls exercised by the DFC in relation to the receipt and expenditure of funds is sufficient to provide reasonable assurance that transactions were executed in accordance with management's authorizations and were properly recorded; that appropriate financial reports were prepared and that applicable laws, rules and regulations were observed.

- Accounting records were complete, accurate, and timely; cash reconciliations were properly performed, duties performed by those involved in the financial operation were properly segregated with individual accountability established and maintained; moneys were deposited and recorded in a timely manner. However, paid invoices were not filed in an organized manner to allow data to be easily located. Individual files were not kept for each event organized by the DFC during the year. For example invoices/documents for activities such as Carnival Queen Show, Soca Monarch, Lime Jamboree, etc were all filed together with invoices/documents for the WCMF. Those invoices were alternatively filed on a monthly basis.

  - There was no observation of possible conflict of interest in the execution of the festival. However detecting conflicts of interest in the overall administration of such an event may be complex.

  - Based on the anticipated audience turnout by the DFC and interviews conducted the audit considers attendance unsatisfactory and is concerned about the distribution of a large number of free tickets which represents 38% of the audience turnout. The low attendance rate can be attributed to a lack of market receptiveness, a shortage of time to organise, promote and distribute tickets for the festival.

  - Digicel who was the main cash sponsor of $250,000.00 was also the recipient of Complimentary and VIP tickets valued at $138,511.50.

  - Virtually all of the contractual obligations with the bands and services providers were fulfilled as mutually agreed upon with the exception of Montgomery Blanchard who received part payment of the contract sum. The balance for his security services remained outstanding due to shortage of funds as at December 31, 2009.
RECOMMENDATIONS

3.46 The following recommendations are being forwarded which if followed will enhance financial reporting at the DFC.

- Financial documents should be filed by events held. Payment/purchasing files should be maintained in a manner that would allow efficient location and retrieval of supporting documentation for disbursements, such as purchase orders, paid invoices, etc.

- Management of the festival needs to rethink its target markets. From observations there has been a greater turnout to the festival by Caribbean visitors. In that regard more emphasis should be placed on targeting the Caribbean Visitors.

- By utilizing more of direct marketing such as email marketing, direct mail and telemarketing whereby a specific audience is targeted would also help to reduce overseas travel costs and allow for higher attendance levels.

- An attempt should be made by the DFC to undertake an evaluation to determine the overall financial impact of the WCMF to the private sector. This evaluation would assist the commission more effectively in targeting the private sector for sponsorship. The survey can also be adapted to meet the needs of a wide variety of organizations involved in the festival.

Conclusion

3.47 Generally, funds were managed in an efficient manner and contracts executed as agreed upon. The Office of Director of Audit continues to be amazed with the detailed recording regarding VIP and Complimentary tickets. However, the Office wishes to express its concerns over the quantum of those tickets issued especially to persons other than the main sponsors Government and Digicel.

3.48 Special thanks to the Accounting staff at DFC and Discover Dominica for the assistance and co-operation provided during the audit review.
CHAPTER 4

Fond St. Jean Sea Defense Wall

Introduction

4.01 The construction of a Sea Defense Wall at Fond St. Jean was imminent since this community was at great risk to natural disasters; such as, hurricanes and high sea swells. The construction of the Sea Wall decreases the potential hazards [effects of the sea] to the community, roads and the coastline by extension.

Tender Analysis

4.02 For the construction of the Fond St. Jean Sea Wall and Road works, the accelerated procurement method was utilized. Six pre-qualified contractors from among the data base of prequalified contractors at the Technical Services Division, were invited to bid on the project. They were as follows:

- ACE Engineering Limited
- JARS Sales & Service Company Limited
- Caribbean Construction Limited
- Gilbert Guye Construction
- Public Works Corporation
- Stewco Construction Limited

4.03 Three of the above contractors submitted their bids by the deadline, which was October 24, 2008 and were considered for evaluation.

<table>
<thead>
<tr>
<th>No.</th>
<th>Contractor’s Name</th>
<th>Tender EC$</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>JARS Sales &amp; Service Company Ltd</td>
<td>$3,172,051.44</td>
<td>34 weeks</td>
</tr>
<tr>
<td>2.</td>
<td>ACE Engineering Ltd</td>
<td>$2,333,367.19</td>
<td>25 weeks</td>
</tr>
<tr>
<td>3.</td>
<td>Caribbean Contractors Dominica Ltd</td>
<td>$3,928,129.75</td>
<td>26 weeks</td>
</tr>
</tbody>
</table>
4.04 The Budget estimates for the project as established by the Technical Services Division was **EC$3,023,914.65**. However the highest acceptable bid which could be accepted was set at **EC$3,326,306.12** while the lowest acceptable bid was set at **EC$2,419,131.72**. The estimated time frame for completion set by the Technical Services Division was 26 weeks.

**Bid Analysis.**

**Caribbean Contractors Dominica Limited**

4.05 The bid of this contractor was rejected on two grounds as follows-:

1) This contractor’s bid price of **EC$3,928,129.75** was 29.9% above the budget estimates established by the Technical Services Division and 19.9% above the highest acceptable price.

2) Clause 5 of the tender document was breached as certain documents were not returned by the date of submission.

4.06 Based on the foregoing, the tender of Caribbean Contractors Limited was disqualified and not accepted by the Technical Services Division of the Ministry of Public Works.

**Jars Sales & Service Company Ltd**

4.07 This contractor’s bid price was **EC$3,172,051.44** however, corrected arithmetic errors increased the amount by 12% taking it to **EC$3,552,057.90** thus making the bid price high in comparison to the budgeted estimate. The difference brought the estimated figure to 17.5% above the budgeted estimate. The contractor’s guaranteed completion time was **34 weeks** which was 8 weeks over the estimated completion time. Additionally, the company breach clause 5 of the instructions to tender by not pricing the original document.

4.08 The tender of this contractor was therefore rejected based on the foregoing.
**ACE Engineering Ltd**

**4.09** This contractor’s bid price of **EC$2,333,366.48** was 22.8% below the budget estimates of the Technical Services Division and 2.8% below the established lowest acceptable price. All prescribed information on the tender was submitted [bid security, priced document and work program]. The contractor’s estimated completion time was 25 weeks which is one week less than the time suggested.

**4.10** Based on the foregoing and after extensive discussions among technical personnel of the Technical Services Division as to whether the contractor could complete and deliver the project at their stated bid price, a recommendation was forwarded to the Ministry of Finance for the award of a works contract in the amount of **EC$2,333,366.48** to Ace Engineering Limited for the construction of the Fond St. Jean sea defence wall.

**4.11** Documents reviewed by the Office of Director of Audit revealed that all the contractors who submitted tenders had the technical capabilities to implement the project and that the selection process was based solely on cost and the works completion time frame.

**Project Financing**

**4.12** Financing for the project came from the Consolidated Fund utilizing local funds of which EC$1.5M was budgeted for in the 2008/2009 Appropriation Act and the remainder of the funds were advanced from the Contingencies Fund and approved by Parliament in Supplementary Appropriations.

**4.13** A review of payments to the contractor on the SMART STREAM Accounting system revealed that payments for the projects were effected as follows:-

<table>
<thead>
<tr>
<th>Claim #</th>
<th>Date paid</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20/02/09</td>
<td>$243,277</td>
</tr>
<tr>
<td>2</td>
<td>19/03/09</td>
<td>273,772</td>
</tr>
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<td>3</td>
<td>30/04/09</td>
<td>555,546</td>
</tr>
<tr>
<td>4</td>
<td>20/05/09</td>
<td>339,396</td>
</tr>
<tr>
<td>5</td>
<td>16/06/09</td>
<td>88,009</td>
</tr>
<tr>
<td>6</td>
<td>16/06/09</td>
<td>250,000</td>
</tr>
<tr>
<td>7</td>
<td>08/09/09</td>
<td>71,906</td>
</tr>
</tbody>
</table>
8 08/15/09 223,696
9 09/17/09 47,245
10 10/16/09 240,519
11 17/06/10 118,041
12 17/06/10 63,216

4.14 Total payment to the contractor to date **EC$2,514,623** however, audit can reveal that there are two other claims which have not been certified and paid by the Ministry of Public Works. Payment of these claims would take the actual cost of the project well above the original budget estimates for the project.

**New San San Sauveur Primary School.**

4.15 This project was awarded to contractor Melchisideck Toussaint on June 26, 2008. The project manager was Mr. Max Andrew of the Ministry of Education while consultant services were provided by La Robe Creole Professional Services.

4.16 The estimated cost of the project was **EC$3,217,628.82** with funding coming from a grant provided under the Petroleum CARICOM Funds – Hurricane Dean Assistance.

4.17 Based on the Documentation reviewed, all the normal procurement procedures were followed by the Consultant leading to the award of the works contract. These include invitation to tender, the tendering process, recommendation for award of contract and signing of the works contract. However, Audit did not received the bid analysis from the consultant.

4.18 Contractor Melchisideck Toussaint’s tender of **EC$4,193,494.43** was the lowest of four local contractors who were invited to and submitted tenders. However, the original price which was negotiated and awarded was **EC$ 3,880,917.88**. Due to a reduction in the scope of works, the contract sum was further reduced to **EC$3,217,628.82**.

4.19 The total contracted amount of **EC$3,217,628.82** was subdivided as follow:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour and Material</td>
<td>$2,768,258.10</td>
</tr>
<tr>
<td>Performance Bond</td>
<td>29,680.00</td>
</tr>
<tr>
<td>VAT</td>
<td>419,610.72</td>
</tr>
</tbody>
</table>

4.20 Based on the payment schedule on the SMART STREAM an amount of **EC$3,567,335.85** including VAT was disbursed to the contractor. This represent a project cost overrun of **EC$ 349,707.03**. Although there were approved works variations a significant amount of these costs overruns can be attributed to extended delays caused by a heavy rainy season, intermittent shortages of cement on the island leading to delays in the delivery in precast concrete blocks.
4.21 The construction works on this project included demolition of existing foundations, removal of trees and construction of a new two storey reinforced concrete building. Site works to include, retaining walls, security fencing, roadworks, car park and waste disposal. Most of the approved variations were in connection to the site works which were originally removed from the initial scope of works.

4.22 This project was funded by grant funds obtained from the Caribbean Development Bank and under the terms of the contract (using the CDB Conditions of Contract for the construction of the works) the employer, the Ministry of Education represented by the Permanent Secretary, was obligated to employ the Contractor for the works.

4.23 The contracted consultant for the works was La Robe Creole Professional Services Limited who ensured that all the normal processes for works procurement was adhered to. These include invitation to tender, the tendering process, recommendation for the award of contract and the signing of contract.

4.24 The works contract was awarded to Alixon Laronde, of Atkinson, Commonwealth of Dominica at a contract price of EC$3,285,512.05. The contract start date was May 27, 2008 with June 9, 2009 being the estimated completion date.

Financial Summary

4.25 A review of the SMART STREAM system revealed that a total of EC$3,435,512.05 inclusive of VAT as the final cost of the project was disbursed to the contractor. This indicates that there were cost overruns of EC$150,000.00.

Cost Overruns

4.26 From the initial setting out for the building foundation, the consultant found that the contour survey plan on which the design was based was in gross error. Hence the consultant had to engage a surveyor to re-survey the site.

4.27 The new contour survey called for higher sub-structure walls to support the building. In summary, more excavation was required, increased stepped concrete strip footings, and additional 8” blocks with greater quantities of backfill were required.
Old dilapidated School Building

Building works are approximately 90% completed
4.28 The RIMP Valley Road Project is one of the road improvement drives of the Government of Dominica to improve the deteriorated road conditions in the valley area and keeping with the provision of quality roads thus improving the economic status of the country. The valley is also an important area with a high volume of traffic traveling to the tourist sites which are situated there hence, the increase flow of vehicular traffic during the tourist season.

4.29 The main objective of the project is to upgrade the Valley Roads for better service to the communities and reduction in vehicular operating cost. This project includes the reconstruction of 11.3KM of roads to include improvements to drains, retaining walls, and the establishment of safety measures to include guard rails and road markings.

4.30 The executing agency for this project is the Ministry of Public Works and Infrastructural Development who has assigned engineer Dwight Lewis as Project Manager.

4.31 Project consultant services are being provided by DESSAU International Inc with the contractor being DIPCON Engineering Services of Trinidad and Tobago. The Project is being financed with a loan from the Caribbean Development Bank.

4.32 This project, financed by the Caribbean Development Bank is being procured under the CDB’s procurement rules and guidelines.

4.33 The tendering process was open where seven companies were invited to submit prequalification bids on the project. These seven companies were as follows:

- Surrey Paving Engineering Services Ltd – Jamaica
- DIPCON Engineering Services Ltd – Trinidad
- Professional Technologies Dominica Inc. – Dominica
- Atlas Engineering – Trinidad
- Lagan – UK
- ACE Engineering – Dominica
- Edghill Associates – Dominica

4.34 The following four contractors were short listed and invited to tender on the project:

- Surrey Paving Engineering Services Ltd,
- DIPCON Engineering Services Ltd
- Lagan Uk
- Edghill Associates
4.35 All of the above construction companies met the criteria for the construction of the new roads; however, only two companies submitted tenders. They were Surrey Paving Engineering Services Ltd – Jamaica and Dipcon Engineering Services Ltd of Trinidad.

4.36 Surrey Paving Engineering Services Ltd tender was disqualified because contrary to the Clause 19.2 (c)– Instruction to Bidders [the company’s name appeared on the envelope], Dipcon Engineering met the full criterion for the tender hence, the contract was therefore awarded to Dipcon Engineering Services Ltd by the Caribbean Development Bank at a contract price of EC$22,250,886.26.

4.37 It must be noted that the budget estimates for the project as compiled by DESSAU SOPRIN International the project consultant, is summarized as follows:-

- General Items EC$2,285,970
- Trafalgar Road 9,140,321
- Laudat Road 8,032,187
- St. Aroma Spur Road 2,685,106
- Laudat Village – aerial tram rd. 2,064,613
- Total Budget estimate EC$24,209,197

Commencement Date

4.38 The works contract was signed on April 28 2008 with a proposed start date of May 28 2008. However, actual work on the project commenced on August 18 2008 with the projected completion date being August 2009.

Audit Findings

- Lack of proper operational management of the project has caused significant delays in project implementation and increase in project costs. To date, the contractor seems unperturbed by their slow operation on the project. The contractor gives the Client and Consultant targets but these obligations are not being kept.
There appears to be inadequate supply of labour force, materials and equipment to meet the project objectives; for this reason, the contractor works at one location at any particular time. For instance, in the procurement of materials for paving of the roads payments must be made in advance before the sub-contractor can provide materials [concrete mixture]. In addition, for the month of March 2010 there was favorable weather conditions for the entire month however, the contractor did not capitalize on that condition to advance the works especially on the Laudat road where a significant amount of excavation was required.

This type of delay has definitely lead to financial and time overrun on the project. The Project Manager and the Consultant also expressed concern about the lack of motivation of staff on the project site. They were of the view that workers are available but does not feel obligated to complete works because of the tardiness of the contractor, low labour wages and unproductive equipment.

Significant changes in the scope of works are another factor which affected progress on the project. There were several modifications to road design especially in the Laudat area which caused significant delays hence, increasing time and cost on the project. For example, in the Laudat area a number of variations [massive excavation, retaining walls and concrete drains] had to be taken into consideration due to unforeseen environmental circumstances in the initial design.

Adverse weather conditions caused landslides and the heavy rains washed away the subbase. Another reason for increased costing was the changing from double surface dressing to Asphaltic Concrete from Bath Estate to Trafalgar. Nonetheless, the cost benefit analysis for that aspect will show that the change will be more cost effective to the government in the long run.

Poor communication between the Client [Ministry] and Consultant has caused the delays in payments for the project in the initial stages. For instance, the Project Manager for the consultant forwarded the payment vouchers to the Client but was unaware that he had to certify these voucher forms before submission thereby extending payment process.
• The technical aspect of Quality control on the grade of concrete that are being utilized by the contractor continues to be of high standard; Nonetheless, the Project Manager stated that the reporting on the concrete mixture/material testing still do not get to the contractor on time due to a limited number of personnel at the Government Soil Lab. This tardiness is a caused for concern since a technical risk could arise of faulty mixture; but the Office of the Director of Audit was reassured that to-date the sub-contractor has been delivering quality/acceptable concrete mixture.

• In respect to the project time extension, an updated evaluation by the project consultant extended the completion date to July 2010. This time extension along with the significant works variation has increased the cost of the project by an estimated EC$9M. This indicates that the RIMP project with an initial budget estimate of EC$24.21M and contracted at a price of EC$22.25M is now projected to cost EC$31.25M.

• According to the Project Manager for the Consultant the government should force/pressure the contractor to complete works at the given deadline since too much time is being wasted and this is not in the best interest to the government.
### Payments by the CDB to Contractor to Date

<table>
<thead>
<tr>
<th>Date</th>
<th>Payments to Date</th>
<th>Amount without VAT</th>
<th>VAT Payable</th>
<th>Grand Total with VAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>28/08/08</td>
<td>Payment 1</td>
<td>$467,721.28</td>
<td>$74,438.40</td>
<td>$542,159.68</td>
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<td>28/08/08</td>
<td>Payment 2</td>
<td>$479,484.75</td>
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<tr>
<td>18/09/08</td>
<td>Payment 3</td>
<td>$1,066,389.06</td>
<td>$168,377.22</td>
<td>$1,234,766.28</td>
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<tr>
<td>12/11/2008</td>
<td>Payments 4</td>
<td>$94,217.85</td>
<td>$14,876.50</td>
<td>$109,094.34</td>
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<tr>
<td>11/11/08</td>
<td>Advance Payment</td>
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<td>11/12/2008</td>
<td>Payment 5</td>
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<tr>
<td>27/01/09</td>
<td>Payment 6</td>
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<td>17/02/09</td>
<td>Payment 7</td>
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<td>30/03/09</td>
<td>Payment 8</td>
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<td>20/05/09</td>
<td>Payment 9</td>
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<td>8/7/2009</td>
<td>Payment 10</td>
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<tr>
<td>18/08/09</td>
<td>Payment 11</td>
<td>$616,564.08</td>
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<tr>
<td>18/08/09</td>
<td>Payment 11a</td>
<td>$181,922.07</td>
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<td>7/10/2009</td>
<td>Payment 12</td>
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<td>26/10/09</td>
<td>Payment 13</td>
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<td>$114,683.51</td>
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<td>1/12/2009</td>
<td>Payment 14</td>
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<td>18/12/09</td>
<td>Payments 15</td>
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<td>Payment 16</td>
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<td>01/03/10</td>
<td>Payment 17</td>
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<td>15/03/10</td>
<td>Payments 18</td>
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<td>01/04/10</td>
<td>Payment 19</td>
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<td></td>
<td>TOTAL TO DATE</td>
<td>$14,752,870.12</td>
<td>$2,538,279.80</td>
<td>$17,193,183.93</td>
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</tbody>
</table>

### Audit Concern

- The most critical concern of the Office of Director Audit has been the low productivity of output by the contractor. The contractor displays of lack of co-operation and inability to maintain control of the project. These concerns have also been expressed by the CDB’s technical personnel, the consultant and the client’s project manager.

- Audit is also concerned that the tendering process adopted by the Caribbean Development Bank was not sufficiently competitive and robust. With only two companies submitting tenders with one being disqualified Audit is of the view that the CDB should have re-opened the tendering process to allow for more participation.
4.39 To date, the quality output is said to be satisfactory based on reports from technical personnel working on the project with approximately 70% of works having been completed and over 67% of funds expended. In an interview with the project manager he stated that the remainder of the works has been re-evaluated and the cost may increase by approximately EC$9 million dollars.

Roosevelt Douglas Primary

4.40 The Roosevelt Douglas Primary School formerly known as the Portsmouth Government School was severely damaged by the earthquake of November 21, 2004. This made the School very unsafe for holding classes and thus the reason why the school needed reconstruction.

4.41 In an effort to create a favorable working and educational environment, the Government of Dominica sourced funds in the form of a foreign grant from the Casse’ Francaise De Development through the Regional Council of Martinique to reconstruct a modern and well equipped Primary School at Portsmouth, thereby addressing and correcting the problems of both safety and poor educational atmosphere.

4.42 The Reconstruction of the Roosevelt Douglas Primary School commenced in 2007 and was completed in March 2009. An initial agreement between the Ministry of Education and the Martinique Regional Council was signed on June 7 2006 with the following term and conditions.

1. Construction of a school building
   • Preparation of the construction site to include geotechnical survey and related activities
   • Preparation of detailed drawings for the new Roosevelt Douglas Primary School in Portsmouth to include structural, electrical, plumbing and landscaping
   • Construction of the new school building in accordance with approved designs, plans and scope of works

2. Consultancy Services
   • The Martinique Regional Council recommended team comprised of Anonym’Art Architecture INC/ CEP/ CETE shall be contracted by the Government of Dominica as sole design consultants for this project
3. **Technical training**
   - Provision of training in the seismic catastrophe resistance construction of buildings in areas prone to seismic activity

4. **Financing**
   - Government of the Commonwealth of Dominica to provide an amount of **EC$100,000.00** to pay for the services of the technical staff of the Ministry of Education
   - The Martinique Regional Council to provide the following:
     - an initial amount of **510,000.00 Euros** which will be transferred to the Government Development Aid Account established for the sole purpose of reconstruction of the Roosevelt Douglas Primary School (RDPS) at the National Bank (NBD) of Dominica
     - an amount of **164,571.60 Euros** as Design Consultant’s fees and to be disbursed to the recommended consultants in accordance with the consultant’s Contract
     - cost of training at the post-graduate level for technical officers from Dominica

4.33 The Office of Director Audit was reliably informed that the funding agency and the Martinique Regional Council undertook all the tendering process as well as conducted the bid analysis and as such documents pertaining to this process were not readily available to the Office of the Director for audit purposes.

4.34 A contract agreement was signed between the Ministry of Education as the employer and Stewco Construction Company the contractor on June 22, 2007 for the construction of the Roosevelt Douglas Primary School for in the contract price of **EC$6,205,011.30** inclusive of 15% VAT.
### The Project overall expenditure

<table>
<thead>
<tr>
<th>Funds Control Balance - Financial year</th>
<th>Sponsoring Agency</th>
<th>HEAD</th>
<th>Amount Budgeted</th>
<th>Actual Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006/07</td>
<td>Caisse Francaise De Development</td>
<td>D33 E200 E24 41202 C0622 607 402</td>
<td>$2,141,898.00</td>
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<tr>
<td>2007/08</td>
<td>Caisse Francaise De Development</td>
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<td>$3,927,144.84</td>
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<td>2008/09</td>
<td>Caisse Francaise De Development</td>
<td>D33 E200 E24 41202 C0622 607 402</td>
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<td>$1,476,521.96</td>
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<td>2008/09</td>
<td>European Union</td>
<td>D33 E200 E24 41202 C0622 614 402</td>
<td>$1,095,536.00</td>
<td>$1,095,536.00</td>
</tr>
</tbody>
</table>

### Conclusion

4.35 The Reconstruction of the Roosevelt Douglas Primary School is completed with an official opening held on the 20th of April 2009. The school, arguably the most modern of its kind in Dominica, boasts 12 classrooms, an Administrative Block, a Library, a Computer Room, two Science Labs, an Art and Craft room, Principal’s Office and Staff Room, a Counseling Room, an Archives Storage Room and a Multi-Purpose Hard Court.

4.36 While the contract price was EC$6,205,011.30, the actual amount disbursed as per the SMART STREAM Accounting system was EC$6,798,045.50 inclusive of VAT. This indicate cost overruns totaling EC$593,034.42
PORTSMOUTH FISHERIES COMPLEX

4.37 On the basis of the Exchange of Notes between the Government of Japan and the Government of the Commonwealth of Dominica dated March 25, 2009 concerning the Japanese grant assistance for the project for Construction of the Portsmouth Fisheries Complex, the Japan International Cooperation Agency [JICA] and the Government of the Commonwealth of Dominica agreed to conclude the following grant agreement:-

- For the purpose of contributing to the Portsmouth Fisheries Project, JICA shall extend a grant of the amount up to seven hundred and forty four million Japanese Yen [JPY 744,000,000] or approximately an amount equivalent to EC$25M to the Government of the Commonwealth of Dominica.

- This grant agreement was to remain in force until January 31, 2012, unless the period is extended by mutual consent between JICA and the Government of Dominica.

- The Grant shall be used by the Government of Dominica solely and exclusively for the procurement of products and services necessary for a Fish landing jetty, sea wall, slipway, main building and other related ancillary facilities.

- All products and services mentioned above must be originated and procured exclusively from Japan or the Commonwealth of Dominica and such services must be of Japanese or Dominican Nationals necessary for the implementation of the Project.

- The Authorities shall ensure that all products and services are procures in accordance with JICA’s Procurement Guidelines of the Japanese Grant Aid for General Projects.

- The Authorities shall enter into contracts in Japanese Yen with Japanese nationals for the purchase of products and services of Japanese or Dominican origin. JICA shall execute the Grant by making payments in Japanese Yen to cover all obligations incurred under the contract verified in accordance with article 5 of JICA’s procurement guidelines.

4.38 JICA engaged Fisheries Engineering Co Ltd a Japanese consulting firm as consultant for the project that ensured all the necessary procurement guidelines were adhered to. The budget estimates as provided by the technical consultants were as follows:-

- Maximum Grant Amount JPY744,000,000
- Consultant Contract Amount JPY102,600,000
- Budget Estimates JPY579,196,000
- Total Project Cost JPY681,796,000
- Balance on Grant Amount JPY 62,204,000
4.38 Invitations to tender were issued in Japan and opened to Japanese companies on August 27, 2009 based on the results of the Pre-Qualification for tender. In accordance with the invitation to tender, the following tenderers submitted tenders to the consultant on October 13, 2009.

- Toa Corporation JPY685,000,000 or 118% of budget estimates
- Tokura Corporation JPY579,000,000 or 99.9% of budget estimates

4.39 With price being a major factor for the award of contract, the lowest tender offered by Tokura Corporation was below the budget of JPY579,196,000 therefore that construction firm was recommended by the consultants for the award of contract.

4.40 The works contract was signed between the Ministry of Agriculture, Fisheries and Forestry of the Commonwealth of Dominica and the Tokura Corporation of Japan on October 20th 2009, the contract price being JPY579,000,000 or approximately EC$23,496,440.00. Physical works commenced on November 1st 2009 on the works site in Portsmouth.

Progress of Works

4.41 To date the following works have been completed on the project

- Four out of eight sections of the jetty have been completed
- Northern section of sea wall completed, work is ongoing on southern section and slipway and commencement of the preparation for the oil station construction.
- Commencement of plastering of the fisherman’s locker, work is estimated to be one month in advance. Overall the the fisherman’s locker is about 70% complete.
- Casting of Ground floor of Fisheries Center is complete, work has commenced on 1st floor.
- Casting of foundation and foundation beam for Repair Shed is complete.

4.42 Actual expenditure to date on the project as signified by claims from the contractor and paid by JICA amounts to approximately EC$7,963,865.85.