

OFFICE OF THE DIRECTOR OF AUDIT

AUDITED  
FINANCIAL REPORT

2012

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## ACKNOWLEDGEMENT

I would like to express my gratitude and sincere appreciation for the work and support of the Audit staff, whose dedicated efforts have permitted the completion and submission of this report.

I also wish to thank the staff of the Government Printing office for their cooperation and courtesies extended to the Director of Audit and his staff.



**GOVERNMENT OF ANTIGUA AND BARBUDA**

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**Ref: No**

**27<sup>th</sup> October, 2015**

**AUDITOR'S REPORT**

**To: The Honourable Members of the House of Parliament**

**Report on the Financial Statements**

I have audited the accompanying Public Accounts of the Government of Antigua and Barbuda as at December 31, 2012 which comprises the Statements of Assets and Liabilities, Revenue and Expenditure, Special Fund/Special Accounts, Deposit Funds, Public Debt, Contingent Liability and Advances as required by the Finance Administration Act, 2006 section 56.

**Management's Responsibility for the Financial Statements**

Under Part IX, 56 (2) of the Finance Administration Act, the Accountant General is responsible for preparing, maintaining and ensuring that a proper system of accounts is established and all public monies are accounted for and that the financial statements reflect the financial position of the government of Antigua and Barbuda at the end of the financial year. This section of the Act also requires the Accountant General to certify the Public Accounts and submit these statements to the Director of Audit, not later than six (6) months after the end of every financial year.

The Accountant General's responsibilities include the maintenance of adequate accounting records and internal controls relevant to determine if these Public Accounts are free from

material misstatements due to error of fraud in accordance with International Financial Reporting Standards.

### **Auditor's Responsibility**

The Director of Audit's responsibility is to express an opinion on these Public Accounts. This audit was guided by the International Standards for Supreme Audit Institutions (ISSAIs), issued by the International Organization of Supreme Audit Institutions (INTOSAI).

The audit was conducted using tests and other procedures that are considered necessary for reporting, as required by the Constitution of Antigua and Barbuda Section 97 subsection 2b.

The audit involved performing procedures to obtain audit evidence to support the amounts and disclosures in the Public Accounts. An Audit assessment is based on the auditor's judgment in determining the risk of material misstatements of the Public Accounts as well as the appropriateness of accounting policies used; the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Public Accounts. In making those risk assessments; the auditor considers internal controls relevant to the preparation and fair presentation of the financial statements with the view of designing audit procedures suitable under the given circumstances. This is not to be used for the purpose of expressing an opinion on the effectiveness of the internal controls.

### **Opinion**

Although there has been some improvement in the quality of information presented in the financials, we found that there were many areas where policies and regulations were not fully adhered to. The whole issue of accountability and reliability is paramount in any financial institution and as such the financial statements of Antigua and Barbuda should be prepared and presented in a manner that promotes full disclosure.

Revenue collection and reporting continue to be an area of high risk. From our examination of the selected sample, there was a difference of \$109,738,830.34 between the collections from the revenue departments and the Office of the Accountant General. Additionally, an amount of \$50,154,492.30 representing Supplementary Appropriation for special warrants that have not been approved by Parliament as stipulated by the Finance and Administration Act 2006 and an amount of \$30,500 for undisclosed litigations were also listed among our audit findings.

These, along with our other findings, contribute to the opinion given by this office. We did not find that the audit evidence present fairly the financial position of the Government of Antigua and Barbuda for the financial year ending 31<sup>st</sup> December 2012.

A rectangular box containing a handwritten signature in cursive script that reads "Dean Evanson".

Dean Evanson  
Director of Audit

St Mary's & Temple Street  
St John's

27<sup>th</sup> October 2015

Government of Antigua and Barbuda - Financial Statements - 2012  
 Statement 1: Consolidated Statement of Revenues and Expenditure  
 for the year ended December 31, 2012

27-06-2013

In EC\$

	2012 - Original Budget	2012 - Revised Budget	2012 - Actuals	2011 - Actuals
<b>Revenue</b>				
<b>Tax Revenue</b>	<b>123,907,832</b>	<b>123,907,832</b>	<b>98,179,622</b>	<b>88,080,064</b>
Income Tax Revenue	103,519,111	103,519,111	77,964,216	71,790,945
Property & Land Tax Revenue	20,388,721	20,388,721	20,215,406	16,289,119
<b>Indirect Tax Revenue</b>	<b>532,990,652</b>	<b>532,990,652</b>	<b>458,472,290</b>	<b>439,821,726</b>
International Trade & Transactions Tax Revenue	142,039,241	142,039,241	105,825,536	104,075,319
Taxes on Domestic Trade and Transactions	386,645,460	386,645,460	348,362,430	331,321,735
Income from Business Licenses	2,121,710	2,121,710	2,281,856	2,122,361
Income from Other Licenses	2,184,241	2,184,241	2,002,468	2,302,311
<b>Non-Tax Revenue</b>	<b>49,143,161</b>	<b>49,143,161</b>	<b>54,221,429</b>	<b>41,123,546</b>
Rent & Royalties	3,870,532	3,870,532	5,494,983	3,431,171
Income from Sale of Chattels	40,587	40,587	-	28,717
Interest on Investments	56,840	56,840	1,537,875	1,883,631
Dividends Received	12,240,000	12,240,000	17,343,394	17,989,293
Administrative Fees	10,893,425	10,893,425	9,216,228	8,078,650
Service Fees	4,474,937	4,474,937	2,859,692	2,774,745
Income from Postal Services	5,302,430	5,302,430	2,758,694	3,762,954
Income from Printed Materials	154,603	154,603	120,956	119,560
Income from Agriculture	258,000	258,000	142,652	159,116
Other Commercial Operations	1,590,000	1,590,000	928,875	930,044
Judicial Fines	1,146,817	1,146,817	1,528,267	1,128,143
Fees & Costs of Court	549,070	549,070	306,845	33,025
Repayments and Reimbursement Received	8,565,920	8,565,920	11,982,968	804,497
<b>Capital Revenue Other</b>	<b>28,947,078</b>	<b>28,947,078</b>	<b>148,776,005</b>	<b>195,974,241</b>
Local resources	4,000,000	4,000,000	32,304,769	153,339,111
External Resources	24,947,078	24,947,078	116,471,237	42,635,130

Government of Antigua and Barbuda - Financial Statements - 2012					27-06-2013
Statement 1: Consolidated Statement of Revenues and Expenditure					
for the year ended December 31, 2012					
	2012 - Original Budget	2012 - Revised Budget	2012 - Actuals	2011 - Actuals	In EC \$
<b>Total Revenue</b>	<b>734,988,723</b>	<b>734,988,723</b>	<b>759,649,346</b>	<b>764,999,577</b>	
<b>Expenses</b>					
<b>Personnel Direct</b>	<b>248,958,144</b>	<b>248,960,387</b>	<b>236,758,796</b>	<b>235,298,316</b>	
Personal Emoluments – Established Staff	138,586,114	138,588,357	132,564,307	131,238,764	
Personal Emoluments – Non-Established Staff	110,372,030	110,372,030	104,194,490	104,059,552	
<b>Personnel Indirect</b>	<b>60,753,265</b>	<b>60,753,265</b>	<b>54,937,597</b>	<b>53,564,221</b>	
Allowances and Benefits – Established Staff	19,404,548	19,404,548	17,635,414	17,193,996	
Allowance and Benefits – Non-Established Staff	14,340,413	14,340,413	13,082,314	12,581,099	
Employer Contributions – Established Staff	11,330,571	11,330,571	9,958,822	10,080,054	
Employer Contributions – Non-Established Staff	9,290,967	9,290,967	9,352,524	8,319,754	
Other Personnel Costs	6,386,766	6,386,766	4,908,523	5,389,318	
<b>Travel</b>	<b>3,988,686</b>	<b>3,988,686</b>	<b>3,517,922</b>	<b>3,072,299</b>	
Travel Expenses	3,988,686	3,988,686	3,517,922	3,072,299	
<b>Material &amp; Supplies</b>	<b>20,677,180</b>	<b>20,677,180</b>	<b>14,568,860</b>	<b>13,092,537</b>	
Food and Beverages	5,928,321	5,928,321	4,252,672	4,202,177	
Vehicle Supplies	4,182,172	4,182,172	3,533,782	3,234,841	
Printed Materials and Publishing Expenses	725,593	725,593	233,592	377,035	
Health, Medical and Laboratory Supplies	1,399,307	1,399,307	737,849	607,009	
Office, Computer Supplies and Equipment	5,730,496	5,730,496	4,256,792	3,167,008	
Agricultural related supplies	807,534	807,534	633,591	272,085	
Miscellaneous Materials and Supplies	991,495	991,495	592,795	658,840	
Official Documents and Consumables	912,262	912,262	327,786	573,541	
<b>Services</b>	<b>115,281,315</b>	<b>115,281,315</b>	<b>89,340,715</b>	<b>96,388,260</b>	
Public Awareness and Promotion Expenses	14,031,163	14,031,163	6,496,301	11,099,764	
Security Related Expenses	4,313,558	4,313,558	3,839,346	5,813,538	

Government of Antigua and Barbuda - Financial Statements - 2012  
 Statement 1: Consolidated Statement of Revenues and Expenditure

27-06-2013

for the year ended December 31, 2012

In EC \$

	2012-Original Budget	2012- Revised Budget	2012 - Actuals	2011 - Actuals
Insurance	6,003,329	6,003,329	5,589,786	1,414,392
IT Services and Supplies	3,152,480	3,152,480	1,413,797	576,851
Sanitation Expenses	26,885,799	26,885,799	24,550,529	28,305,768
Transportation and Mail Services	1,191,593	1,191,593	201,753	275,195
Education, Training & Development	2,882,268	2,882,268	1,366,008	1,052,795
Utilities	6,812,120	6,812,120	6,473,854	6,520,672
Contributions and Subscriptions	9,741,806	9,741,806	4,736,237	4,729,616
Professional and Consulting Services	8,253,192	8,253,192	5,532,695	6,420,312
Rents and Leases	28,014,237	28,014,237	27,866,740	27,816,104
Social Services	15,000	15,000	4,700	2,400
Miscellaneous Expenses	2,851,008	2,851,008	1,133,349	2,176,799
Miscellaneous Reimbursements	1,133,762	1,133,762	135,620	184,056
<b>Repairs &amp; Maintenance</b>	<b>7,131,522</b>	<b>7,131,522</b>	<b>5,766,774</b>	<b>4,895,365</b>
Repairs and Maintenance Buildings and Grounds	4,113,683	4,113,683	3,627,817	3,096,487
Repairs and Maintenance Vehicles	1,472,455	1,472,455	1,148,456	1,117,832
Repairs and Maintenance Miscellaneous	1,545,384	1,545,384	990,502	681,045
<b>Advances</b>	<b>75,000</b>	<b>75,000</b>	<b>64,334</b>	<b>106,222</b>
Bank Advances – Public Officers	75,000	75,000	64,334	106,222
<b>Transfers &amp; Grants</b>	<b>182,701,990</b>	<b>182,751,992</b>	<b>150,252,424</b>	<b>157,499,747</b>
Gratuities	37,464,980	37,464,980	15,348,977	17,409,289
Pensions	42,517,595	42,517,595	46,377,991	44,957,593
Transfers and Grants	102,719,415	102,769,417	88,525,457	95,132,865
<b>Debt Service - Domestic</b>	<b>97,385,590</b>	<b>97,385,590</b>	<b>120,710,915</b>	<b>141,137,813</b>
Debt Service - Domestic	97,385,590	97,385,590	120,710,915	141,137,813
<b>Debt Service - Domestic</b>	<b>60,263,112</b>	<b>60,263,112</b>	<b>78,515,284</b>	<b>68,269,995</b>

**Government of Antigua and Barbuda - Financial Statements - 2012**  
**Statement 1: Consolidated Statement of Revenues and Expenditure**  
 for the year ended December 31, 2012

27-06-2013

In EC \$

	2012- Original Budget	2012- Revised Budget	2012 - Actuals	2011 - Actuals
Debt Service – External	60,263,112	60,263,112	78,515,284	68,269,995
<b>Purchase of Assets</b>	<b>12,472,230</b>	<b>12,472,230</b>	<b>6,387,907</b>	<b>5,650,453</b>
Purchase of Vehicles, Heavy Vehicular Equipment & Marine Vessels	529,825	529,825	137,900	
Purchase of Office Equipment and Furnishings	5,612,910	5,612,910	3,654,161	2,601,836
Purchase of Other Equipment	3,862,495	3,862,495	1,477,934	1,858,331
Supplies and Spare Parts	2,467,000	2,467,000	1,117,912	1,190,286
<b>Purchase of Real Property &amp; Real Estate</b>	<b>300,000</b>	<b>300,000</b>	<b>296,493</b>	<b>98,806</b>
Purchase of Assets and Real Estate	300,000	300,000	296,493	98,806
<b>Development Costs</b>	<b>65,319,535</b>	<b>65,319,535</b>	<b>13,602,625</b>	<b>9,222,570</b>
Project Related Costs	65,319,535	65,319,535	13,602,625	9,222,570
<b>Total Expenses</b>	<b>875,307,569</b>	<b>875,359,814</b>	<b>774,720,645</b>	<b>788,296,602</b>
<b>Deficit(-)/Surplus(+)</b>	<b>(140,318,846)</b>	<b>(140,371,091)</b>	<b>(15,071,299)</b>	<b>(23,297,025)</b>

**Accountant General**

**Accountant**

**Government of Antigua and Barbuda - Financial Statements - 2012**  
**Statement 2: Assets and Liabilities**  
 for the year ended December 31, 2012

27-06-2013

*In EC\$*

	2012 - Actuals	2011 - Actuals	Note
<b>Assets</b>			
<b>Cash in Hand</b>			
Cash Account	36,705	2,150	
Short Term Deposit	42,316,854	43,397,112	
Bank Account	(50,908,751)	(96,462,258)	
<b>Advances</b>			
Advances - Other Governments	2,214,084	246,323	
Advances - Personal	11,730,327	1,248,934	
Advances - Departmental	6,144	6,144	<b>A</b>
Advances - Undefined	46,971,307	43,605,887	
Advances: Embassies and Missions	(356,826)		
<b>Imprest</b>			
Imprest - Departmental	450,850	450,850	
<b>Suspense Accounts</b>			
Suspense Accounts	(49,002,111)		<b>B</b>
<b>Drafts &amp; Remittances</b>			
Drafts & Remittances	1,018,257	(33,177)	
<b>Total Assets</b>	<b>4,476,839</b>	<b>(7,538,035)</b>	
<b>Liabilities</b>			
<b>Long Term Liabilities</b>			
Domestic Loans	1,080,500,073	1,071,703,576	
External Loans	1,098,948,364	1,047,927,328	
<b>Deposit</b>			
Deposit-Oth. Deduc. from Sala.	785,177	412,846	
Deposit - Statutory Bodies	16,025,993	7,516,949	
Deposit - Departmental Account	(2,772,648)	(3,300,584)	<b>5</b>

Government of Antigua and Barbuda - Financial Statements - 2012  
 Statement 2: Assets and Liabilities  
 for the year ended December 31, 2012

27-06-2013

In EC \$

	2012 - Actuals	2011 - Actuals	Note
Deposit - Local Government	13,551,653	430,781	
Deposit - Other	2,928,907	1,683,142	
Deposit - Insurance & Banks	4,147,495	851,571	
Deposit - Unions	539,448	232,377	
Accounts Payable	81,574,151	89,679,259	
<b>Other Funds</b>			
Special Funds	30,550,747.46	1,222,567	C
Special Accounts	21,869.18	20,722	
<b>Total Liabilities</b>	<b>2,326,801,230</b>	<b>2,218,380,533</b>	
<b>Equity</b>			
Surplus/Deficit	(104,507,629)	(82,990,638)	D
Financing Adjustment	(2,179,448,437)	(2,119,630,904)	E
Retained Earnings	(23,297,025)		F
<b>Total Equity</b>	<b>(2,307,253,091)</b>	<b>(2,202,621,542)</b>	
<b>Income/Loss (-) for the year</b>	<b>(15,071,299)</b>	<b>(23,297,025)</b>	
<b>Total Liabilities and Equity</b>	<b>4,476,839</b>	<b>(7,538,035)</b>	

- Note
- A. Advances not retired in 2010 have been reported.
  - B. Uncleared cheques post dated and stale dated for 2012
  - C. Balances removed from the Balance Sheet in 2006 Financial Statements but are obligations of the Government of Antigua & Barbuda dating back 30 years.
  - D. This figure represents 2009, 2010, 2011 & 2012 payables. It includes an adjustment for 2009 payables which were not reported in 2010 statements.
  - E. The Surplus/Deficit is comprised of an accumulated amounts including the years prior to 2010.
  - F. The Financing Adjustment equals the amount for Long Term Liabilities.
  - F. The Retained Earnings for 2011 contains the 2010 balance of retained earnings

Accountant General

Accountant

**Government of Antigua and Barbuda - Financial Statements - 2012**  
**Statement 3: Comparative Statement of Actual Revenues for 2011 & 2012**  
 for the year ended December 31, 2012

27-06-2013

In EC \$

	2012 - Actuals	2011 - Actuals
<b>Income Tax Revenue</b>	<b>77,964,216</b>	<b>71,790,945</b>
Income Tax Companies	40,347,719	36,535,340
Income Tax Self Employed	329	499
Tax on Gross Income of Unincorporated Businesses (2%)	200	22
Contribution to Stabilization Fund	37,615,968	35,255,085
<b>Property &amp; Land Tax Revenue</b>	<b>20,215,406</b>	<b>16,289,119</b>
Property Tax	17,334,672	16,014,937
Non citizens Undeveloped Land Tax	11,267	29,572
Land Value Appreciation Tax	2,869,466	244,610
<b>International Trade &amp; Transactions Tax Revenue</b>	<b>105,825,536</b>	<b>104,075,319</b>
Import Duties	80,743,492	77,699,873
Export Duties	486,593	224,448
Travel Tax	5,804,827	6,201,088
Embarkation Tax	13,450,370	15,603,482
Cruise Passenger Tax	856,449	-
Environmental Tax	2,423,532	2,427,146
Money Transfer Levy	1,629,286	1,514,552
Passenger Facility Charge	430,988	404,730
<b>Taxes on Domestic Trade and Transactions</b>	<b>348,362,430</b>	<b>331,321,735</b>
Entertainment Tax & Arrears	676,294	656,641
Stamp Duties	39,298,859	29,227,300
Consumption Tax	23,603,232	39,252,889
Taxes on Foreign Currency Transactions	-	0
Guest tax	-	12
Insurance Levy	4,023,365	4,016,949
Business Tax	-	3,000
Customs Service Tax	1,594,024	25,792
Other Licenses & Fees	567,839	331,134
Antigua & Barbuda Sales Tax	209,709,980	189,281,183
Revenue Recovery Tax	68,888,838	68,526,834

Government of Antigua and Barbuda - Financial Statements - 2012  
**Statement 3: Comparative Statement of Actual Revenues for 2011 & 2012**  
 for the year ended December 31, 2012

27-06-2013

*In EC \$*

	2012 - Actuals	2011 - Actuals
<b>Rent &amp; Royalties</b>	<b>5,494,983</b>	<b>3,431,171</b>
Royalties – Public Works Dept	16,261	18,602
Rental of Government Buildings and Lands	179,596	141,546
Rents – Government Quarters and Furniture	27,879	27,106
Warehouse Rents – Customs	82,600	74,170
U.S. Bases Lease Agreement	3,645,000	2,733,750
Royalties on Antigua and Barbuda Notes and Coins	-	(62,100)
Crown Land Leases	16,591	39,536
Rents From Settlements by Agriculture	19,599	15,994
Throughput Levy on Fuel Products	1,507,456	442,567
<b>Income from Sale of Chattels</b>	<b>-</b>	<b>28,717</b>
Sale of forfeited goods by Customs	-	28,717
<b>Interest on Investments</b>	<b>1,537,875</b>	<b>1,883,631</b>
Interest – Savings Bank	-	(10,829)
Interest on advances	316,626	289,958
Interest on Bank Accounts	1,221,250	1,604,501
<b>Dividends Received</b>	<b>17,343,394</b>	<b>17,989,293</b>
Profits - Currency Authority	-	3,121,858
Surplus Funds from Merchant Shipping Corp	6,600,000	6,600,000
Share of Profits – State Insurance Corporation	10,743,394	8,267,435
<b>Income from Business Licenses</b>	<b>2,281,856</b>	<b>2,122,361</b>
Banking & insurance licenses	870,500	724,000
Liquor licenses	702,349	668,653
Radio & Television Licenses	-	16,000
Telecommunications licenses and fees	356,672	312,523
Casino licenses	335,000	376,000
Professional License Fees	6,500	7,500
Beach vendors' licenses	4,335	8,060
Trade Licenses	6,500	9,625
<b>Income from Other Licenses</b>	<b>2,002,468</b>	<b>2,302,311</b>

Government of Antigua and Barbuda - Financial Statements - 2012  
 Statement 3: Comparative Statement of Actual Revenues for 2011 & 2012  
 for the year ended December 31, 2012

27-06-2013

	2012 - Actuals	2011 - Actuals
Motor vehicle licenses	1,361,346	1,613,860
Firearm licenses	112,180	124,380
Marriage license fees	481,095	498,560
Other Miscellaneous licenses	47,847	65,511
<b>Administrative Fees</b>	<b>9,216,228</b>	<b>8,078,650</b>
Permanent residence fees	300	465
Registration and naturalization fees	517,800	352,600
Sale of Passports	34,371	46,054
Fees for issuing of visas	36,127	14,463
Fees for certification of documents	10,966	9,300
Examination Fees	4,345	29,626
Sale of syllabus	1,660	340
School and college fees	770,885	105,431
Photocopying	199,852	233,209
Police certificate of character	158,701	158,960
Immigration Extension	2,563,052	2,596,958
Police reports	64,150	66,600
Work permits	4,257,138	3,780,455
Registration & Examination Fees	593,382	652,690
Pesticide Registration Fee	3,500	31,500
<b>Service Fees</b>	<b>2,859,692</b>	<b>2,774,745</b>
Landing fees	95,578	106,502
Parking fees V.C. Bird Airport	2,851	3,780
Fees for DCA services	540,340	465,178
Customs Handling Charges	29,057	20,768
Customs' Officers Fees	641,190	822,302
Market Dues and Fees	259,510	253,215
Miscellaneous agricultural service fees	34,173	28,619
Licensing & inspection fees - Veterinary Authority	110,763	131,411
Slipway	13,783	13,409

*In EC\$*

**Government of Antigua and Barbuda - Financial Statements - 2012**  
**Statement 3: Comparative Statement of Actual Revenues for 2011 & 2012**  
 for the year ended December 31, 2012

27-06-2013

	2012 - Actuals	2011 - Actuals
		<i>In EC \$</i>
Fees for fisherman identification cards	3,540	3,430
Fishing processing plant licensing fees	119,881	135,189
Local fishing vessel registration and licensing fees	36,862	39,280
Laboratory fees	41,041	27,270
Survey fees	76,726	92,758
Miscellaneous receipts	136,168	120,266
Government dispensaries	-	645
Crèche receipts	3,100	2,280
Maintenance of mental patients	109,600	36,800
School Meals	329,663	344,502
Immigration Fees	275,865	127,140
<b>Income from Postal Services</b>	<b>2,758,694</b>	<b>3,762,954</b>
Rental of letter boxes	383,788	455,669
Transit receipts	58,296	250,970
Miscellaneous postal receipts	4,139	660
Philatelic sales	26,440	176
Parcel post receipts	-	65,000
Gains on remittances	2,272	5,274
Advice on arrival of parcels	8,700	11,176
Storage charges on parcels	625	2,226
Bulk postage	154,262	188,851
Receipts from postal meters	210,132	365,390
Reimbursement of Compensation for loss of registered mail	-	17
Letter Box Re-opening fee	11,085	4,195
Commission on money and postal orders	236	522
Sale of stamps (Net)	1,891,879	2,392,457
Express Services	6,841	20,370
<b>Income from Printed Materials</b>	<b>120,956</b>	<b>119,560</b>
Printing services	87,841	54,985
Sale of Customs Forms	33,116	64,575

Government of Antigua and Barbuda - Financial Statements - 2012  
 Statement 3: Comparative Statement of Actual Revenues for 2011 & 2012  
 for the year ended December 31, 2012

27-06-2013

	2012 - Actuals	2011 - Actuals
<b>Income from Agriculture</b>	<b>142,652</b>	<b>159,116</b>
Sale of produce - Cades Bay	15,893	12,568
Sale of produce - Christian Valley	9,349	6,414
Sale of produce - Green Castle	14,505	37,385
Sale of livestock	1,920	9,422
Sale of ice	98,571	92,328
Sale of cotton lint and seeds	2,415	1,000
<b>Other Commercial Operations</b>	<b>928,875</b>	<b>930,044</b>
Sundry Revenue - Radio	80,586	65,470
Sundry Revenue - TV	734,827	784,246
Sale of aggregate	64	10,327
Sale of stones	19,430	53,078
Sale of marl	-	11,839
Sale of hot mix	93,969	759
Sale of boulders	-	4,324
<b>Judicial Fines</b>	<b>1,528,267</b>	<b>1,128,143</b>
Traffic offence charges	338,300	257,950
Fines and forfeitures	1,189,967	870,193
<b>Fees &amp; Costs of Court</b>	<b>306,845</b>	<b>33,025</b>
Other Court fees	306,845	33,025
<b>Repayments and Reimbursement Received</b>	<b>11,982,968</b>	<b>804,497</b>
Miscellaneous receipts	11,980,133	814,970
Reimbursement of debt service payments - public sector enterprises	-	(19,534)
Repayment of loans to small farmers	2,835	9,061
<b>Local resources</b>	<b>32,304,769</b>	<b>153,339,111</b>
Sale of Land	1,929,885	3,074,157
Issue of Government Securities	29,870,385	25,525,000
Loans – Various Financial Institutions	-	124,411,304
Retirement of other Fixed Assets	370,135	328,650
Proceeds from Sale of Assets	134,364	-

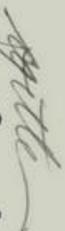
In EC \$

Government of Antigua and Barbuda - Financial Statements - 2012  
 Statement 3: Comparative Statement of Actual Revenues for 2011 & 2012  
 for the year ended December 31, 2012

27-06-2013

In EC \$

	2012 - Actuals	2011 - Actuals
<b>External Resources</b>		
Loan- Various Creditors	116,471,237	42,635,130
Grants - Venezuelan Aid	69,045,694	28,789,968
Issue of Government Securities	-	13,500,000
Grants - the World Bank	47,425,543	-
<b>Total Revenue Collected</b>	<b>759,649,346</b>	<b>764,999,577</b>

  
**Accountant General**

  
**Accountant**

**Government of Antigua and Barbuda - Financial Statements - 2012**  
**Statement 4: Public Debt**  
 for the year ended December 31, 2012

27-06-2013

*In EC \$*

	<b>2012 - Actuals</b>	<b>2011 - Actuals</b>
<b>Domestic Loans</b>	<b>1,080,500,073.08</b>	<b>1,071,703,575.61</b>
Finance & Development Loans	33,880,888.71	35,366,159.86
Social Security Loan	329,742,062.00	329,742,062.00
Medical Benefits Loan	125,852,116.15	125,852,116.15
ABIB Loans	171,385,740.00	160,054,175.16
Bank of Antigua Loans	101,874,853.00	103,205,973.82
ACB Loans	58,435,717.00	61,619,870.00
BNS Loans	23,358,549.00	23,255,721.74
CUB Loans	48,465,930.00	51,085,685.66
ECCB Loans	121,229,281.24	115,246,875.24
Old Securities - Bonds	12,230,400.00	12,230,400.00
Old Securities - T-Bills	42,294,386.01	42,294,386.01
Old Securities - Interest	2,541,688.97	2,541,688.97
Board of Education Loan	9,208,461.00	9,208,461.00
<b>External Loans</b>	<b>1,098,948,364</b>	<b>1,047,927,328</b>
ABI Bond to External Creditors	30,825,056.08	35,839,342.08
Banco de Brasil Loans	61,241,119.20	61,241,119.20
British Development Division	5,861,473.25	5,984,930.25
Caribbean Development Bank	99,884,260.75	105,936,418.75
Credit Lyonnais	79,510,223.84	81,003,377.86
El Fondo De Desarrollo(FONDEN)	135,000,000.00	135,000,000.00
European Economic Community	5,946,683.94	6,068,058.94
European Investment Bank (EIB)	5,457,221.39	7,070,838.39
EXIM Bank of USA	67,536,651.22	68,931,355.22
Export-Import Bank of China	134,205,628.54	135,100,322.54
Global Bank of Commerce	3,964,330.48	4,105,057.48
Government of Trinidad and Tobago	5,700,000.00	5,700,000.00
IHI Debt Settlement Company	84,769,253.26	85,434,552.26

Government of Antigua and Barbuda - Financial Statements - 2012

27-06-2013

Statement 4: Public Debt

for the year ended December 31, 2012

In EC\$

	2012 - Actuals	2011 - Actuals
Kuwaiti Fund for Arab Economic	63,756,914.91	63,756,914.91
OPEC Fund for International De	1,584,323.68	1,853,118.68
Peoples Republic of China	20,976,511.00	20,976,511.00
Phillips Export B. V.	18,062,433.81	18,304,825.81
Standford Financial Group Ltd.	96,794,424.64	96,794,424.64
IMF Standby Facility	177,871,854.33	108,826,160.43
<b>Total Public Debt</b>	<b>2,179,448,437</b>	<b>2,119,630,904</b>

  
Accountant General

  
Accountant

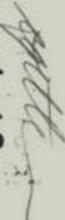
Government of Antigua and Barbuda - Financial Statements - 2012  
 Statement 5: Special Funds/ Special Accounts  
 for the year ended December 31, 2012

27-06-2013

In FCS

	2012 - Actuals	2011 - Actuals
<b>Special Funds</b>		
Administrator of Unrepresented Estates	30,550,747	1,222,567 A
Administrator of Unrepresented Estates (Reserve Fund)	181,459	
Licensed Banks Statutory Deposits	4,767	
Reserve A/C Financial Institutions	11,633,095	76,077
Savings Bank Fund	4,025,256	439,460
Statutory Deposits – Insurance Companies	3,985,000	
Stabilization Fund -Income Tax	6,908,297	707,030
	3,812,873	
<b>Special Accounts</b>		
Antigua Surplus Fund	21,869	20,722
Crown Agents - JCF	1,286,930.06	574
	(1,265,060.88)	20,148
<b>Total Special Funds/ Special Accounts</b>	<b>30,572,617</b>	<b>1,243,288</b>

A. Special Funds/ Special Accounts Opening Balances to be adjusted on the completion of the 2009 Financial Statements

  
**Accountant General**

  
**Accountant**

**Government of Antigua and Barbuda - Financial Statements - 2011**  
**Statement 6: Deposit Funds**  
 for the year ended December 31, 2011

27-06-2013

*In EC\$*

	2012 - Actuals	2011 - Actuals	Note
<b>Deposit – Other Deductions from Salary</b>	<b>785,177</b>	<b>412,846</b>	<b>A</b>
Deposit - Deductions from Police Salaries in Civil Matters	7,491	7,146	
Deposit - Defence Force Canteen	93,868	42,176	
Deposit - Home Allotment	242,016	272,985	
Deposit – Police canteen account	161,735	87,942	
Deposit – Police Sports Fund	186,147	65	
Deposit – Police Welfare Association	85,698	(1,023)	
Deposit – Prison Sports Fund	8,194	3,555	
Deposit – Fire Brigade Sports	29		
<b>Deposit - Statutory Bodies</b>	<b>16,025,993</b>	<b>7,516,949</b>	
Deposit - Antigua Port Authority	11,530	79,988	
Deposit - Antigua Public Utilities Authority	(1,254,115)	2,444,095	
Deposit - Education Levy	4,355,370	24,438	
Deposit - Free Trade and Processing Zone	19,197	17,987	
Deposit - Housing Executive Officer	52,242	(94,962)	
Deposit - Medical Benefit	(248,295)	(7,001,880)	
Deposit - Medical Benefit Employees Contribution	(581,134)	10,166,175	
Deposit - Medical Benefit Employers Contribution	16,485,530	(11,097,330)	
Deposit - Social Security Employee Contribution	(16,566,143)	12,876,580	
Deposit - Social Security Employers Contribution	15,568,692		
Deposit - SJDC	(1,918,738)		
Deposit - Airport Authority	101,858	101,858	
<b>Deposit - Departmental Account</b>	<b>(2,772,648)</b>	<b>(3,300,584)</b>	
Deposit – Departmental Account	(800)	(800)	
Deposit - Magistrate	201,991	(315,841)	
Deposit – Postmaster General	(2,865,407)	(3,110,465)	
Deposit – Registrar of Courts	(122,082)	112,872	
Deposit – Returning Officer	13,650	13,650	

**Government of Antigua and Barbuda - Financial Statements - 2011**  
**Statement 6: Deposit Funds**  
 for the year ended December 31, 2011

27-06-2013

*In EC\$*

	2012 - Actuals	2011 - Actuals	Note
<b>Deposit - Local Government</b>	<b>13,551,653</b>	<b>430,781</b>	
Deposit- Subsc. Treasury Bills	13,132,000		
Net Salary Pending Distribution	419,653	430,781	
<b>Deposit - Other</b>	<b>2,928,907</b>	<b>1,683,142</b>	
Deposit - Auctioneer Bonds	19,700	8,180	
Deposit - Surety for Bail	2,107,902	1,277,224	
Net Salary pending distribution	80,326		
Cheques issued before 2009	689,934	397,738	
Deposit - 1BSS Study	(73,657)		
Guar. Under Betting and Gaming	100,000		
Inter-Sch'l Christian Fellows.	85		
United Security Life Insurance	4,617		
<b>Deposit - Insurance &amp; Banks</b>	<b>4,147,495</b>	<b>851,571</b>	
Deposit - American Life Insurance Co.,	47,389	(681)	
Deposit - Antigua and Barbuda Investment Bank	50	348	
Deposit - Antigua and Barbuda Development Bank	76,906	559	
Deposit - Barbados Life Association	4,655		
Deposit - Barbados Mutual Life Insurance	(9,888)	0	
Deposit - British American Life Insurance	34,823	13,784	
Deposit - Colonial Life Insurance	29,583	(595)	
Deposit - Finance and Development Limited	2,514	2,374	
Deposit - Life of Barbados insurance Limited	85,683	4,485	
Deposit - Police Credit Union	2,998,289	847,394	
Deposit - Selkridge Insurance	318		
Deposit - State Insurance	22,009	1,191	
Deposit - St. John's Credit Union	22,509	3,581	
Deposit - Teachers Credit union	840,236	(17,143)	
Deposit - Sagcor Insurance	(7,579)	(3,725)	

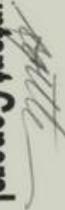
**Government of Antigua and Barbuda - Financial Statements - 2011**  
**Statement 6: Deposit Funds**  
 for the year ended December 31, 2011

27-06-2013

*In EC\$*

	2012 - Actuals	2011 - Actuals Note
<b>Deposit - Unions</b>	<b>539,448</b>	<b>232,377</b>
Deposit - Antigua and Barbuda Nurses Association	6,647	2,123
Deposit - Antigua and Barbuda Public Service Association	87,170	49,798
Deposit - Antigua and Barbuda Union of Teachers	(29,269)	(28,204)
Deposit - Antigua Trades and Labour Union	524,034	254,076
Deposit - Antigua Workers Union	5,830	4,430
Deposit - Civil Service Association (ABPSA)	(72,293)	(49,846)
Deposit - Guild of ABATCO	17,330	
<b>Total Deposit Funds</b>	<b>35,206,025</b>	<b>7,827,081</b>

A. Deposit Funds Opening Balances to be adjusted on the completion of the 2009 Financial Statements

  
**Accountant General**

  
**Accountant**

Government of Antigua and Barbuda - Financial Statements - 2012

27-06-2013

Statement 7: of Advances

for the year ended December 31, 2012

In EC \$

	2012 - Actuals	2011 - Actuals
	A	A
<b>Advances - Other Governments</b>	<b>2,214,084</b>	<b>246,323</b>
Advance - Barbados	315,044	51,512
Advance - Dominica	(139,525)	7,140
Advance - Grenada	24,623	(24,414)
Advance - Jamaica	(122,242)	
Advance - Montserrat	633,854	58,183
Advance - British Virgin Island	490,115	38,568
Advance - St Kitts	1,968,328	118,641
Advance St Lucia	(1,109,497)	7,877
Advance - St. Vincent	155,244	7,140
Advance - Trinidad & Tobago	(283,605)	(20,425)
Advance - Anguilla	281,744	2,100
<b>Advances - Personal</b>	<b>11,730,327</b>	<b>1,248,934</b>
Advances - Personal - Domestic	1,407,665	317,308
Advances - Personal - Medical	9,891,765	679,658
Advances - Personal - Vehicles	430,897	251,969
<b>Advances - Departmental</b>	<b>6,144</b>	<b>6,144</b>
Treasury Fund	6,144	6,144
<b>Advances - Undefined</b>	<b>46,971,307</b>	<b>43,605,887</b>
Advances - ABIB Bank	46,971,307	43,605,887
<b>Advances: Embassies and Missions</b>	<b>(356,826)</b>	<b>(356,826)</b>
Chinese Embassy	(356,826)	
<b>Imprest - Departmental</b>	<b>450,850</b>	<b>450,850</b>
Departmental	230,850	230,850
PS PRIME MINISTERS	(80,000)	(80,000)

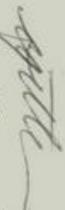
Government of Antigua and Barbuda - Financial Statements - 2012  
 Statement 7: of Advances  
 for the year ended December 31, 2012

27-06-2013

In EC \$

	2012 - Actuals	2011 - Actuals
PS TOURISM	300,000	300,000
<b>Total Advances</b>	<b>61,015,885</b>	<b>45,558,137</b>

Note  
 A. Advances Opening Balances to be adjusted on the completion of the 2009 Financial Statements

  
**Accountant General**

  
**Accountant**

Government of Antigua and Barbuda - Financial Statements - 2012  
 Statement 8: of Contingent Liabilities  
 for the year ended December 31, 2012

27-06-2013

Loan Guarantees Domestic	On behalf of	Loan number	(in thousands of EC \$)	
			Amount 31/12/2011	Amount 31/12/2012
Public Corporation Overdraft Account	Various		9,398	9,398
RBTT	APUA	611-076-1	4,914	4,914
Antigua Commercial Bank	Antigua Transport Board Board of Education APUA	AL#100003247&204000153	29,561	29,561
		AL62620002	2,485	2,485
		AL100003442	8,534	8,534
			197	197
			65,899	65,899
Caribbean Union Bank	Antigua Port Authority	CL-010-500-24	37,223	37,223
			10,852	10,852
Eastern Caribbean Amalgamated Bank	Mount St. John Medical Center Mount St. John Medical Center Mount St. John Medical Center National Parks Authority	700535	13,371	13,371
		701133	19,781	19,781
		706834	44,354	44,354
		705898	135	135
			127	127
Antigua Barbuda Investment Bank	APUA APUA APUA APUA St. John's Development Corp. APUA	871295	605	605
		871296	278	278
		871298	4,148	4,148
		871299	1,501	1,501
		376396	14,300	14,300
			871294	
<b>Total Domestic</b>			<b>267,663</b>	<b>267,663</b>

		31/12/2011	31/12/2011
<b>External</b>			
Exim Bank of China	APUA	1997020	2,665
			2,665
Caribbean Development Bank	ABDB	1997011	2,638
	ABDB	1997012	922
	Board of Education	1998022	6,502
	Board of Education	2002041	1,306
	Board of Education	2002042	1,297
	Board of Education	2005023	5,730
			5,730
European Economic Community	ABDB	1991040	270
			270
Royal Merchant Bank & Finance Co. Ltd.	APG	2009003	-
Royal Merchant Bank & Finance Co. Ltd.	APUA		25,677
			25,677
Banco de Desarrollo y Economico (BANDES)	CHAPA	2008003	21,661
			21,661
Andrade Gutierrez	Antigua Airport Authority		-
			-
<b>Total External</b>		<b>68,667</b>	<b>68,667</b>
<b>Grand Total</b>		<b>336,330</b>	<b>336,330</b>

**Accountant General**

**Accountant**

## **Notes to the Financial Statements**

### **1. Accounting Policies**

The financial statements comply with Generally Accepted Accounting Practices. Guidance has been obtained from Cash Basis and Accrual Basis IPSAS. Statements presented are as required by the Finance and Administration Act 2006.

#### **Basis of Preparation**

The Financial Statements have been prepared in accordance with modified cash basis of accounting. Generally, all payments and receipts are accounted for when payments are made and receipts are received. However, payment for works done, supplied received and services rendered up to 31 December of the Financial year can be made in January if the following year. Some expenses incurred for the period prior to January 1<sup>st</sup> 2012 have been carried as payables following the signing of the Standby Agreement with the International Monetary Fund in June 2010 whereby expenditure arrears would be paid over an extended period. These arrears are captured on the Statement of Assets and Liabilities as payables. The accounting policies have been applied consistently throughout the period.

#### **Reporting entity**

The financial statements are for the Central Government of Antigua and Barbuda. The financial statements encompass the reporting entity as specified in the relevant legislation (Finance and Administration Act 2006). This comprises:

- (i) Central government ministries and departments

#### **Reporting Date**

Statements cover the period January 1, 2012 to December 31, 2012

#### **Reporting currency**

The reporting currency is Eastern Caribbean Dollar (XCD).

#### **Foreign Currency**

Foreign currency transactions are converted to Eastern Caribbean dollars by using the exchange rate prevailing at the date of the transaction.

### **2. Cash**

Cash comprises cash on hand, demand deposits and cash equivalents. Demand deposits and cash equivalents consist of balances with banks and investments in short-term money market

instruments. Cash included in the statement of cash receipts and payments comprise the following amounts:

	2012	2011
Cash on hand and balances with banks	(50,872,046)	(94,257,958.00)
Short-term investments	42,316,854.00	41,197,112.00

Included in the amount stated above is drawdown amount received (US\$25,572,479.22) from the International Monetary Fund.

### 3. Borrowings

Borrowings comprise cash inflows from banks, similar lending agencies, and commercial institutions and amounts owing in respect of non-cash assistance provided by third parties.

### 4. Other Receipts

Included in other receipts are fees, fines, penalties and miscellaneous receipts.

### 5. Other Payments/Expenditure

Included in other payments are dividends, distributions paid, legal settlements of lawsuits and miscellaneous payments.

### 6. Payables

Payables represent obligations incurred prior to the reporting period but not yet paid.

Payables 2012: \$81,574,151.00

This figure represents 2009, 2010, and 2011 payables.

### 7. Other Liabilities – Deposit Accounts

From time to time, the Treasury Department collects fund on behalf of various organizations and arms of Governments; Balances owed to these organizations

### 8. Authorization Date

The financial statement was authorized for presentation on 29 June 2013 by Dr Cleopatra Gittens, Accountant General, Government of Antigua and Barbuda.

### 9. Original and Final Approved Budget and Comparison of Actual and Budget Amounts

The approved budget is developed on the same accounting basis (cash basis), same classification basis, and for the same period (from 1 January 2012 to 31 December 2012) as for the financial statements. The original budget was approved by legislative action on January .

### 10. External Assistance

The Government received external assistance over the period in the form of draw downs on concessionary a loan issued in 2010. External assistance received is listed below:

IMF Standby Agreement draw-downs totaling: EC\$69,045,693.90

#### Payments by Third Parties

All payments made by third parties are made by third parties which are not part of the economic entity.

#### External Assistance

No external assistance was received from multilateral and bilateral donor agencies under agreements specifying the purposes for which the assistance will be utilized. The following amounts are presented in Eastern Caribbean Dollars.

	<b>2012 Total</b>	<b>2011 Total</b>
<b>Grant Funds</b>		
Multilateral Agencies	0	345,162.00
Bilateral Agencies	0	13,500,000.00
<b>Total</b>	<b>0</b>	<b>13,845,162.00</b>
<b>Loan Funds</b>	<b>2012</b>	<b>2011</b>
<i>Multilateral Agencies</i>		
<i>Caribbean Development Bank</i>	0	0
<i>IMF</i>	0	0
<i>Bilateral Agencies</i>	0	0

**Non Compliance with significant terms and conditions and rescheduled and cancelled debt**

There have been no instances of non compliance with terms and conditions which have resulted in cancellation of external assistance loans

**Undrawn External Assistance**

Undrawn external assistance loans and grants at reporting date are amounts specified in a binding agreement which relate to funding for projects currently under development, where conditions have been satisfied, and their ongoing satisfaction is highly likely, and the project is anticipated to continue to completion.

	Loans	Grants	Loans	Grants
	2012	2012	2011	2011
Closing balance in reporting currency	2,119,630,904.00	42,635,130.00	2,119,630,904.00	42,635,130.00

**10. Opening Balances**

The January 1<sup>st</sup>, 2012 opening book balances are as per the reconciled closing balance as at December 31, 2011. Balances include undrawn cheques for the years prior including 2010.

Accounts for 2008 to 2009 are being worked on. Any adjustments that may arise as a result of elements not captured in the 2011 and 2012 accounts will be made in the accounts of subsequent years.

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## REPORT OF THE DIRECTOR OF AUDIT ON THE ACCOUNTS OF ANTIGUA AND BARBUDA FOR THE YEAR ENDED DECEMBER 31, 2012

### INTRODUCTION

- 1.1 This report is made to the Honourable Minister of Finance, the Economy and Public Administration in accordance with Section 97(5) of the Constitution of Antigua and Barbuda. It does not report on the Ministerial/Divisional Accounts for the year ended December 31, 2012. The comments herein are accordingly confined to matters arising out of the Annual Financial Statements for the year ended December 31, 2012, submitted by the Accountant General.
- 1.2 The principle function and responsibilities of the Director of Audit as provided in Section 97(1) of the Constitution of Antigua and Barbuda 1981 are as follows:-
- “The Director of Audit shall –
- a) Satisfy himself that all monies that have been appropriated by Parliament and disbursed have been applied to the purposes to which they were so appropriated and that the expenditure conforms to the authority that governs it; and
  - b) At least once every year audit and report on the public accounts of Antigua and Barbuda, the accounts of all officers and authorities of the Government, the accounts of all courts of law in Antigua and Barbuda (including any accounts of the Supreme Court maintained in Antigua and Barbuda), the accounts of every Commission established by this Constitution and the accounts of the Clerk to the House and the Clerk to the Senate.”
- 1.3 The Director of Audit shall have the power to carry out audits of the accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by, or on behalf of, Antigua and Barbuda.
- 1.4 The Director of Audit and any officer authorized 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 sub-section (2) and (3) of this section.
- 1.5 The Director of Audit shall submit every report made by him in pursuance of this section to the Minister for the time being responsible for Finance, who shall, after receiving such report, lay it before the House not later than seven (7) days after the House next meets.

- 1.6 If the Minister fails to lay a report before the House in accordance with the provision of sub-section (5) of this section, the Director of Audit shall transmit copies of the report to the Speaker, who shall as soon as practicable, present them to the House.
- 1.7 The Director of Audit shall exercise such other functions in relation to the accounts of Government, the accounts of other authorities or bodies established by law for public purposes or the accounts of enterprises that are owned or controlled by or on behalf of Antigua and Barbuda as may be prescribed by or under any law enacted by Parliament.

## **2. THE NATURE AND SCOPE OF THE AUDIT**

- 2.1 Neither the Constitution of Antigua and Barbuda, 1981 nor the Finance Administration Act, 2006 defines the scope of the audit examination to be carried out. Accordingly, the manner in which the audit examination is to be carried out is left to the discretion of the Director of Audit. In this respect, it has been found practicable to carry out the examinations by way of a series of test checks varying in content and depth as are considered to be appropriate in enabling him to fulfill his functions .
- 2.2 In the meantime, the Office of the Director of Audit Act of 2014 elaborates upon the Constitutional provisions. Under this enactment, the Director of Audit is enjoined to satisfy himself that:
  - a) All reasonable precautions have been taken to safeguard the collection and custody of revenue and that the law, directions and instructions relating thereto have been duly observed;
  - b) Expenditure has been incurred with due regards to economy and to the value obtained;
  - c) That public monies other than those which have been appropriated have been dealt with in accordance with proper authority; and
  - d) Adequate regulations, directions and instructions exist for the guidance of accounting officers and accountable officers.
- 2.3 With a view to dispel certain chronic misconceptions regarding the role of the Director of Audit, I must point out that the normal audit procedures employed are designed primarily for the purpose of forming an opinion on the accounts. They are not intended to disclose each and every accounting error, nor for that matter, fraud, and the audit report cannot be regarded as a comprehensive statement of all weaknesses that exist or of all improvements that might be made. Indeed, it is primarily the responsibility of Accounting Officers (Permanent Secretaries) and Heads of Departments/Divisions to

ensure that effective systems of internal controls and safeguards are in place within their respective Ministries/Divisions so as to prevent and detect the occurrence of errors and fraud.

- 2.4 The Accountant General in her capacity as Chief Accounting Officer is required under The Finance Administration Act, 2006 Section 56 (2)(a) to

“prepare the Public Accounts for the financial year in accordance with generally accepted accounting principles as determined in writing by the Minister, accounting for all public money and showing fully the financial position of Antigua and Barbuda at the end of the financial year.”

### 3 PUBLIC ACCOUNTS

- 3.1 The Public Accounts as outlined in the Finance Administration Act, 2006 subsection (1) shall include:-

- a) A summary statement of revenue and expenditure of the Consolidated Fund by standard object code;
- b) A statement of assets and liabilities;
- c) A comparative statement of actual and estimated revenue by details object code;
- d) A statement of each Special Fund;
- e) A statement of the balance in each Deposit Fund;
- f) A statement of investment showing the funds on behalf of which the investment were made;
- g) A statement of public debt and accumulated sinking funds
- h) A statement of the balance in any fund, other than a sinking fund, for which provision is made by or under an Act;
- i) A statement of contingent liabilities of the Government;
- j) A statement of balances on advance accounts from consolidated Fund and Deposit Funds analyzed under the various categories set out in section 35(1);
- k) A statement of arrears of revenue by detailed object code;

- l) A statement of losses of cash and stores;
  - m) The summary statements referred in section 19(1) and
  - n) Any other statements that the House may require.
- 3.2 Section 97 (2) b of the Constitution of Antigua and Barbuda requires the Director of Audit to at least once every year to audit and report on the Public Accounts of Antigua and Barbuda, the accounts of all officers and authorities of the Government, the accounts of all Court maintained in Antigua and Barbuda (including any accounts of the Supreme Court maintained in Antigua and Barbuda), the accounts of every Commission established by this Constitution and the accounts of the Clerk to the House and the Clerk to the Senate.
- 3.3 The Director of Audit is required under Section 97 (5) of the Constitution of Antigua and Barbuda to submit every report made by him in pursuance of this section to the Minister for the time being responsible for Finance who shall, after receiving such report, lay it before the House not later than seven (7) days after the House next meets.
- 3.4 After the Public Accounts are laid before the house of Assembly, they are referred to the Public Accounts Committee which has the responsibility to examine and submit a report on the Public Accounts and the Director of Audit Report to the House of Assembly. The Accountant General, Director of Audit and Representatives of the Government attend these Public Accounts Committee meetings and provide advice, testimony and other information as requested by the Committee.
- 3.5 I have audited the 2012 Public Accounts as outlined in the Constitution of Antigua and Barbuda and the Finance Administration Act, 2006 except for the accounts of Statutory Bodies. These Bodies for the most part are audited by private firms in accordance with their enabling Acts. Appendix (H) highlights the status of Audited and Unaudited Financial Statements of Statutory Bodies for the year under review.

#### **4 AUDIT APPROACH**

- 4.1 The audit of the Annual Accounts of the Government of Antigua and Barbuda for the year ended December 31, 2012 was conducted based on the risk-based, materiality-driven approach to auditing.
- 4.2 Our planning materiality was set at \$2 million dollars representing 0.3 percent of total expenditure for the year under review. The risk of the accounts containing material misstatements was rated as high based on previous years' experience. Significant issues identified from audit of the accounts of previous years were:-

- i. Supplementary Estimates required to cover appropriation over expenditure were not approved
- ii. Unauthorized bank overdraft
- iii. Bank reconciliation statements not prepared
- iv. Inability to determine the amount of revenue arrears since the required returns are not submitted by most entities

## **Audit Procedures**

### **Expenditure**

- 4.3 Physical check was done on a sample of expenditure vouchers generated in 2012. Sampling method involved, extracting vouchers with amounts greater than or equal to our set materiality level of \$2,324,161.94; which represents 0.3% of the total expenditure. Additionally, a sample of one tenth of the monthly vouchers was selected and a comparison of the actual voucher was done against the Freebalance system, to verify the accuracy of the data recorded on the vouchers.

### **Revenue**

- 4.4 A process of comparative analysis was conducted on the financial statements to verify revenue amounts obtained from the different revenue departments. The comparison of the 2012 revenue figures obtained from the selected ministries and the financial statement showed variances which are explained in our findings.

### **Assets and Liabilities**

- 4.5 Amounts presented on the 2012 Financial Statements (Assets & Liabilities and Consolidated Statement of Revenue & Expenditures) were traced to the trial balance obtained from the Office of the Accountant General. All balances and transactions exceeding \$1,343,052 (thirty percent (30%) planning materiality) were considered for verification procedures as well. Additionally, expenditure and journal vouchers processed in period twelve (12) and thirteen (13), along with some high-risk transactions were selected for verification.

### **Contingent Liabilities**

- 4.6 Pending and threatening litigation were confirmed with the Attorney General's office. These litigations will be verified and the findings reported within the report.

**Advances & Deposits**

- 4.7 Advance and Deposit accounts were verified with supporting documentations and further clarifications were made where necessary.

**Electronic Software – Freebalance, SIGTAS and CASE**

- 4.8 Freebalance, SIGTAS and CASE are computer-based systems used by the Government of Antigua and Barbuda at the Treasury Department, the Inland Revenue Department and the Customs and Excise Department respectively. These departments utilize the electronic systems to record their daily transactions in respect to receipt from revenue, payments and warrants as well as generate data which is used in the preparation of the Public Accounts.

**Reconciliation of SIGTAS and CASE**

- 4.9 It cannot be overly emphasized the importance of having the transactions transferred from SIGTAS and CASE agreeing to those generated through Freebalance. This is of vital importance for the integrity and reliability of the accounts/financial statements for the Government of Antigua and Barbuda. Findings of the reconciliation process have shown that there are major differences between the figures from SIGTAS and Freebalance.

**AUDIT FINDINGS**

**5. STATEMENTS OF ASSETS AND LIABILITIES**

**Cash in Hand – Accountant General**

5.1 As per the Statement of Assets and Liabilities presented by the Accountant General as part of the financial report, Cash in hand showed a balance of \$36,705.00 as at 31<sup>st</sup> December 2012.

Additionally, we compared this information with the Internal Auditor’s Report dated 2<sup>nd</sup> January 2013 and the breakdown is presented below:

Revenue Collection .....	\$ 80,057.88
US\$ Cash .....	\$ 54.00
EC Cheques.....	\$8,691,162.09
<b>Total .....</b>	<b>\$8,771,273.97</b>

As can be seen from the above information, the figure of \$36,705.00 that was reported on the financial statement, is much less than the figure of \$8,771,273.97 reflected in the internal Auditors’ report. We must once again reiterate the fact that the actual cash on hand should include the deposited amount, since that amount would not have been accounted for at the bank. We can only then conclude that the Cash in Hand does not present fairly the correct figure in the financial statements.

**Bank Balances**

5.2 The Cash at Bank was given as (\$50,908,751) which represents regular and savings accounts and excludes balances on the fixed deposits account, overdraft accounts and short term money market instruments. As part of the notes to the financial statement it was stated that:

*“..... opening book balances are as per the reconciled closing balance as at December 31, 2011. Balances included undrawn cheques for the years prior including 2010”.*

5.3 The process once again is indicating that too much reliance is being placed on the completeness of the bank statements. The historical trend of making incorrect postings to government accounts is still an occurrence therefore, we cannot rely completely on the accuracy of the bank statements.

- 5.4 ISSAI 1510 Section 6, outlining the audit procedures pertaining to opening balances states that:

*“The auditor shall obtain sufficient appropriate audit evidence about whether the opening balances contain misstatements that materially affect the*

*current period’s financial statements by: (Ref: Para. A1–A2)*

*(a) Determining whether the prior period’s closing balances have been correctly brought forward to the current period or, when appropriate, have been restated;*

*(b) Determining whether the opening balances reflect the application of appropriate accounting policies;”*

- 5.5 In light of the preceding paragraphs, I am unable to express an opinion, based on this accounting method used by the Accountant General.

### **Imprest**

- 5.6 According to the Finance and Administration Act, 2006 Part V, Division 2 Section 36(1) and (2) which states:

- 1) “Subject to the regulations, the Accountant General may on the authority of an imprest warrant issued under the hand of the Minister issue imprest from the Consolidated Fund to accounting officers for the purpose of making payments of small amounts that cannot conveniently be made through the Treasury”
- 2) “Any accounting officer to whom an imprest has been issued pursuant to subsection (1) shall retire that imprest not later than the end of the financial year in which the imprest was issued or, if some earlier date is specified in the imprest warrant or by the Accountant General, not later than that earlier date.”

- 5.7 As at 31<sup>st</sup> December, 2012 the Treasury Department, Ministry of Finance the Economy and Public Administration had nine (9) imprest holders in the amount of \$623,430.56 and based on information obtained the full amount was retired during the financial year under review.

- 5.8 Unretired imprest on the government accounts gives misleading information based on the fact that unretired imprest may have been fully or partially expressed in the previous year. It is therefore commendable that all imprest were retired at the end of the financial year 2012, as stipulated in the Finance and Administration Act, 2006.

- 5.9 The Accountant General must be commended on her efforts to hold Departments responsible and thereby instilling accountability and responsibility on the various Departmental Heads to ensure that the stipulations as set down in the Finance and Administration Act, 2006 are adhered to.

### **Savings Bank**

- 5.10 The earliest available documented evidence of the existence of the St John's Savings Bank of Antigua and Barbuda is the Savings Bank Act of 1846 enacted and ordained by the Governor, Council and Assembly of Antigua and addresses the rules and regulations established for the management of the institution. The Savings Bank Act has been subsequently amended with the last amendment set out in Chapter 395 of the Laws of Antigua and Barbuda, Savings Bank Act of August 26, 1937.
- 5.11 The activities of the Savings Bank have remained the same as the previous year 2010, when it was reported that approximately ninety one percent (91%) of the accounts had an inactive status. This status remained basically the same for 2011 and now again in 2012.
- 5.12 In light of Section 9 of the Act which states:-
- 1) Interest shall be payable on deposits at the rate of 2½ per centum per annum, or such other rate as may be fixed from time to time by the Cabinet:  
  
        Provided that not less than three months notice of any change of rate shall be given in the Gazette.
  - 2) Such interest shall not be payable on any amounts less than one dollar or on any fraction of one dollar and shall not commence to accrue until the first day of the month next following the day of deposit, and shall cease on the last day of the month preceding that in which such deposits shall be withdrawn.
  - 3) Interest on deposits shall, subject to the provisions of subsection (2) be calculated to the thirty-first day of December in every year and shall be added to and become part of any principal money remaining on deposit.
- 5.13 The accounts which fall under the Savings Bank Act have become dormant over the years, however, these balances have continued to generate interest at the rate of 2.5% annually. For this financial year, Savings Bank Funds were recorded as \$3,985,000.12 which would generate a calculated amount of interest of \$99,625.00.
- 5.14 As was reported in my 2010 report, a sum of \$4,681,945.00 was transferred to the Government general revenue fund from investments made with Crown Agents on behalf of the Government Savings Bank. To date, this department has not been furnished with the desired documentation to support the transfer of funds in accordance with Cap.395 Sec 11 which states that:-

“Subject to the provisions of this Act moneys in the Savings Bank shall not be applied in any way to the purposes of Antigua and Barbuda but, except so far as any sums may be prescribed to be kept in hand for the general purposes of the Savings Bank, shall be deposited in the Treasury of Antigua and Barbuda and shall, as far as practicable, be invested on behalf of the Savings Bank, under the direction of the Accountant General, in such securities or be employed at interest in such manner as shall be approved from time to time by the Cabinet, and any such investment may at any time be charged into like securities.”

- 5.15 Having categorized the Saving Bank as non-existent, it is recommended, once again, that the required Parliamentary process be enforced so that the closure of this Unit can be realized.

### Accounts Payable

- 5.16 As at 31<sup>st</sup> December, 2012 the Statement of Assets and Liabilities reflected a balance of \$81,574,151 as Accounts Payable. An exercise was conducted to review the outstanding payables and it was revealed that at the end of the financial year, Ministries still had commitments to suppliers.

Additionally, based on documented evidence received, we were able to determine that the Accounts Payable figure comprised amounts recorded for 2009 – 2012 and can be seen below:-

Years	Trial Balance Amounts	Statement Balances
2009	\$58,447,509.35	
2010	\$15,980,540.84	* \$12,543,834
2011	\$34,219,793.26	\$89,679,259
2012	\$46,054,885.27	\$81,574,151
<b>Totals</b>	<b>\$154,702,728.72</b>	<b>\$183,797,244</b>

\* figure represents 2009 and 2010 payables

- 5.17 Given the vast amount of cheques that were still unpaid in the Office of the Accountant General as at 31<sup>st</sup> December 2012, we cannot place any reliance on the figure of \$81,574,151 given in the Financial Statement of Assets and Liabilities. It is therefore recommended that as at December 31 of every year, outstanding cheques that are not paid to customers, be compiled, tallied and treated as accounts payable.

## 6 Statement of Revenue

- 6.1 The total Recurrent and Capital Revenue for the financial year 2012 amounted to \$759,649,346. This reflected a decrease in the collection of \$5,350,231 from \$764,999,577 reported in 2011. From the Comparative Statement of Actual Revenues for 2011 & 2012 presented by the Accountant General, it can be deduced that the

performance of some revenue item indicated shortfalls, contributing to the reduction in the recorded revenue collection for the period under review. [see table below]

Revenue Item	Actual 2012	Actual 2011	Difference
Non Citizens Underdeveloped Land Tax	\$11,267	\$29,572	\$18,305
Travel Tax	\$5,804,827	\$6,201,088	\$396,261
Embarkation Tax	\$13,450,370	\$15,603,482	\$2,153,112
Environmental Tax	\$2,423,532	\$2,427,146	\$3,614
Consumption Tax	\$23,603,232	\$39,252,889	\$15,649,657
Crown Land Leases	\$16,591	\$39,536	\$22,945
Interest on Advances	\$1,221,250	\$1,604,501	\$383,251
Profit – Currency Authority	-	\$3,121,858	\$3,121,858
Radio & Television Licenses	-	\$16,000	\$16,000
Casino Licenses	\$335,000	\$376,000	\$41,000
Beach Vendor’s Licenses	\$4,335	\$8,060	\$3,725
Trade Licenses	\$4,335	\$8,060	\$3,725
Motor Vehicle Licenses	\$1,361,346	\$1,613,860	\$252,514
Firearm Licenses	\$112,180	\$124,380	\$12,200
Marriage license fees	\$481,095	\$498,560	\$17,465
Other Miscellaneous licenses	\$47,847	\$65,511	\$17,664
Sale of Passports	\$34,371	\$46,054	\$11,683
Examination Fees	\$4,345	\$29,626	\$25,281
Photocopying	\$199,852	\$233,209	\$33,357
Immigration Extension	\$2,563,052	\$2,596,958	\$33,906
Registration & Examination Fees	\$593,382	\$652,690	\$59,308
Pesticide Registration Fee	\$3,500	\$31,500	\$28,000
Landing Fees	\$95,578	\$106,502	\$10,924
Customs Officers Fees	\$641,190	\$822,302	\$181,112
Licensing & Inspection Fees - Veterinary Authority	\$110,763	\$131,411	\$20,648
Fishing processing plant licensing fees	\$119,881	\$135,189	\$15,308
Local fishing vessel registration & licensing fees	\$36,862	\$39,280	\$2,418
Survey Fees	\$76,726	\$92,758	\$16,032
School Meals	\$329,663	\$344,502	\$14,839
Rental of Letter Boxes	\$383,788	\$455,669	\$71,881
Transit Receipts	\$58,296	\$250,970	\$192,674
Parcel post receipts	-	\$65,000	\$65,000
Gain on Remittances	\$2,272	\$5,274	\$3,002
Advice on Arrival of Parcels	\$8,700	\$11,176	\$2,476
Receipts from postal meters	\$210,132	\$365,390	\$155,258
Express Services	\$6,841	\$20,370	\$13,529
Bulk Postage	\$154,262	\$188,851	\$34,589
Sale of Stamps (Net)	\$1,891,879	\$2,392,457	\$500,578
Sale of Customs Forms	\$33,116	\$64,575	\$31,459
Sale of produce – Green Castle	\$14,505	\$37,385	\$22,880

Sale of Livestock	\$1,920	\$9,422	\$7,502
Sundry Revenue – TV	\$734,827	\$784,246	\$49,419
Sale of Aggregate	\$64	\$10,327	\$10,263
Sale of Stones	\$19,430	\$53,078	\$33,648
Sale of Marl	-	11,839	\$11,839
Sale of Boulders	-	\$4,324	\$4,324
Repayment of loans to small farmers	\$2,835	\$9,061	\$6,226
Sale of Land	\$1,929,885	\$3,074,157	\$1,144,272
Loans – Various Financial Institution	-	\$124,411,304	\$124,411,304

6.2 For the year under review, no detailed Statement of Revenue by Ministries was presented to the Director of Audit for review. The Consolidated Statement of Revenue reflected the combined collection of Revenue under specific categories. In line with our audit approach, a variance analysis was performed on the revenue figures generated by three specific departments [Inland Revenue, Customs and the General Post Office with the amounts represented on the financial statements.

6.3 Based on this analysis, the following amounts represent large differences between the totals shown on the actual statement from the Treasury Department and the actual totals obtained from the Revenue Departments.

	Revenue Department \$	Financial Statement \$	Difference \$
<b>Income Tax Companies</b>	34,690,796.80	40,347,719	\$5,656,922.20
<b>Contribution to Stabilization Fund</b>	39,572,658.10	37,615,968	\$(1,956,690.10)
<b>Property Tax</b>	16,996,941.97	17,334,672	337,730.03
<b>Travel Tax</b>	5,717,155.34	5,804,827	87,671.66
<b>Money Transfer Levy</b>	1,528,240.10	1,629,286	101,045.90
<b>Passenger Facility Charge</b>	15,793,177.50	430,988	(15,362,189.50)
<b>Banking &amp; Insurance Licenses</b>	690,500.00	870,500	180,000.00
<b>Telecommunication Licenses fees</b>	342,691.40	356,672	13,980.60
<b>Casino Licenses</b>	453,500.00	335,000	(118,500.00)
<b>Motor Vehicle Licenses</b>	1,226,951.04	1,361,346	134,394.96
<b>Other Miscellaneous Licenses</b>	436,231.40	47,847	(388,384.40)
<b>Entertainment Tax &amp; Arrears</b>	2,381,872.44	676,294	(1,705,578.44)
<b>Stamp Duties</b>	37,443,517.02	39,298,859	1,855,341.98
<b>Insurance Levy</b>	3,364,103.08	4,023,365	659,261.92
<b>Business Tax</b>	63,000.00		(63,000.00)
<b>Other Licenses &amp; Fees</b>	504,828.93	567,839	63,010.07
<b>Antigua &amp; Barbuda Sales Tax</b>	99,371,976.48	209,709,980	110,338,003.52
<b>Bulk Postage</b>	166,705.42	154,262	(12,443.42)
<b>Rental of Letter Boxes</b>	453,627.50	383,788	(69,839.50)
<b>Transit Receipt</b>	76,498.77	58,296	(18,202.77)
<b>Philatelic Sales</b>	39,440	26,440	(13,000.00)

<b>Receipts from Postal Meters</b>	251,473.80	210,132	(41,341.80)
<b>Sale of Stamps</b>	2,023,948.28	1,891,879	(132,069.28)
<b>Import Duties</b>	72,111,592.98	80,743,492	8,631,899.02
<b>Export Duties</b>	52,261.61	486,593	434,331.39
<b>Embarkation Tax</b>	13,607,016.46	13,450,370	(156,646.46)
<b>Cruise Passenger Tax</b>	6,402,818.62	856,449	(5,546,369.62)
<b>Environmental Tax/Levy</b>	2,327,385.64	2,423,532	96,146.36
<b>Revenue Recovery Tax</b>	62,715,006.48	68,888,838	6,173,831.52
<b>Consumption Tax</b>	24,348,475.60	23,603,232	(745,243.60)
<b>Customs Service Tax</b>	1,640,566.78	1,594,024	(46,542.78)
<b>Throughput Levy on fuel Products</b>	1,005,636.94	1,507,456	501,819.06
<b>Liquor Licenses</b>	658,489.00	702,349	43,860.00
<b>Customs Handling Charges</b>	12,117.35	29,057	16,939.65
<b>Customs Officer Fees</b>	596,394.91	641,190	44,795.09
<b>Fines &amp; Penalties/Forfeitures</b>	446,079.92	1,189,967	743,887.08
<b>Totals</b>	<b>449,513,677.66</b>	<b>559,252,508.00</b>	<b>109,738,830.34</b>

Information received indicates that although payments are made directly into the various bank accounts, the deposit slips along with a copy of the revenue statements are presented to the Treasury for their records. It is therefore quite mind-boggling that we see the wide gaps in the figures presented by the revenue departments for the year under review and those presented in the Trial Balance and the Financial Statements received from the office of the Accountant General.

From all indication, it can be clearly stated that there appears to be no form of reconciliation being done between the Revenue Department and the Treasury during the year to identify and correct data obtained.

- 6.4 Based on the information presented above, it is clear that the reported revenue amount shown on the financial statement does not reflect a true picture of the revenue collected and would therefore indicate that the total revenue figure in the Comparative Statement of Actual and Estimated Revenue is not fairly stated.

## **7 Statement of Expenditure**

- 7.1 A comparative statement of Actual and Estimated Expenditure for the financial year was not presented for review, however, information taken from the budget estimate and the consolidated statement of revenue and expenditure for the financial year 2012, showed a recurrent budget of \$752,591,253 while the actual expenditure was \$774,720,645.
- 7.2 The estimated amount for capital expenditure for the financial year according to the budget estimate was \$74,514,429 whereas the actual capital expenditure was reported as \$20,039,517.

- 7.3 Based on our calculations, the materiality figure was set at \$2,324,162 and above for the examination of expenditure vouchers. The relevant vouchers were physically examined and compared with the information provided by the Treasury Department through its Financial System – Freebalance.
- 7.4 During our audit examination exercise we were unable to evaluate the internal controls of the Freebalance system since we were not given full viewing access of the system. This therefore contributed to our decision to set our risk assessment level and our level of reliability on the system as high. The previous year’s report revealed that a large percentage of vouchers were created and approved by the same officer at the Treasury Department. For this year we were informed that this practice has been discontinued, however, we were unable to ascertain the authenticity of this claim due to our limited access to the System.
- 7.5 During our audit examination we realized that a significant amount of transactions were misallocated to the Public Debt head. These represented payments for Child Maintenance, Arrears-Risk Allowance, Arrears of Computers and Medical which resulted in an amount of \$1,432,563.37.
- Additionally, it was observed that vouchers were approved for payment in 2009 but was paid in 2012, however, the total of \$1,393,962.50, which represent the collective amounts of the sample vouchers, were not reflected in the 2012 General Ledger.
- 7.6 For the year 2012, approximately 35% of the expenditure vouchers were examined. The exercise did not reveal any expenditure vouchers with a value of \$2,000,000 or more. This does not indicate that there weren’t any vouchers created with that value, since an extraction of the total amount of vouchers with the set materiality value and above was not presented for our examination. This therefore means that we could not indicate what percentage of transactions was above the materiality.
- 7.7 It was observed that vouchers were posted under the incorrect Department Head and also vouchers were seen that were created in 2009, stamped as paid in 2012 but were not reflected in the Freebalance system. Additionally, from the sample vouchers examined we found that in respect to the description quoted discrepancies existed in more than 10% of the vouchers.
- 7.8 In light of the above, we are of the opinion that the information presented in the Consolidated Statement of Revenue and Expenditure is not fairly stated. This is evident based on the fact that of the thirty five percent (35%) transactions reviewed in Freebalance, our findings revealed that there were discrepancies with at least forty percent (40%) of this amount.

## Supplementary Provisions

7.9 During the financial year ending 31<sup>st</sup> December 2012 a total of three hundred (300) special warrants were issued in respect of supplements amounting to \$51,324,305.08.

As stated in the Finance Administration Act, 2006 section 27 (a) and (b):

27 “If in respect of any financial year it is found that the amount appropriated by the appropriation Act for any purpose is insufficient or that a need has arisen for expenditure for a purpose to which no amount has been appropriated by that Act, whether or not a special warrant has been issued” \_

(a) “A supplementary estimate showing the sums required shall be laid before the House; and

(b) When the supplementary estimate has been approved by the House, a supplementary appropriation Bill shall be introduced in the House providing for the issue of such sums from the Consolidated Fund and appropriating them to the purposes specified therein.”

7.10 Based on the aforementioned, no Supplementary Appropriation for Special Warrants, amounting to \$51,324,305.08 was presented to the House for approval. This amount, which was executed without parliamentary approval has a material effect on the financial statements, which therefore means that I am unable to give an opinion.

7.11 During 2012, a total of five hundred and fifty-four (554) virement warrants were approved by the Ministry of Finance. These warrants were used to transfer approved funds of \$18,830,834.30 from one programme head to another within the Ministry or Department.

## Surplus/Deficit for the Year under review

7.12 A review of the statements indicate that the consolidated statements of the revenue and expenditure for the year ended 31<sup>st</sup> December 2012 showed a deficit of \$(15,071,299). This figure, as it is represented in the financial statement, does not present the true financial picture of the accounts for the Government of Antigua and Barbuda, therefore the balance is not fairly presented.

## 8. Statements of Actual and Estimated Revenue

8.1 A Consolidated Statement showing the Actual and Estimated Revenue & Expenditure figures for 2011/ 2012 was prepared for the year under review. Based on this statement,

we observed that there was a general decline of 99% revenue collected from the previous financial year. Additionally, during that same period, there was also a decrease of 98% in expenditure.

## 9. Statement of Special Fund

9.1 The Statement of Special Funds/Special Account as at 31<sup>st</sup> December 2012 showed a balance of EC\$30,572,616.64. This amount represents the following:

Description	Amount
Administrator of Unrepresented Estates	\$181,458.80
Administrator of Unrepresented Estates (Reserve Fund)	\$4,767.31
Licensed Banks Statutory Deposits	\$11,633,094.67
Reserve A/C Financial Institutions	\$4,025,256.39
Savings Bank Fund	\$3,985,000.12
Statutory Deposits – Insurance Companies	\$6,908,297.45
Stabilization Fund – Income Tax	\$3,812,872.72
Antigua Surplus Fund	\$1,286,930.06
Crown Agents – JCF	\$(1,265,060.88)
<b>Total</b>	<b>\$30,572,616.64</b>

9.2 As stated once again in the note from the Accountant General:

“Special Funds/Special Accounts Opening Balances to be adjusted on the completion of the 2009 Financial Statements.”

9.3 This is clearly an indication that the Special Funds/Special Accounts consist of amounts for the financial year 2012 only and does not reflect the cumulative balance of the fund. In my opinion, the aforementioned total represents fairly the balance in the Special Fund/Account for the financial year 2012 but does not represent the true picture of the Fund. Therefore the statement is not fairly stated.

## 10 Statement of Deposit

10.1 As at 31<sup>st</sup> December, 2012 the Statement of Deposit Funds reported a balance of \$35,206,025. This amount represents net flows for the financial year 2012 and did not take into account the closing balances for the financial years 2009 to 2011. We can therefore conclude that the Statement of Deposits as at December 31, 2012 for the Government of Antigua and Barbuda does not represent a true picture of the deposit balances.

10.2 The Finance and Administration Act, 2006, Part VI section 45(5) states:

“A Deposit Fund that is unclaimed for 5 years shall, subject to the provision of any law, cease to be a Deposit Fund and shall accrue to the Consolidated Fund, but the Minister may direct the refund of the amount of the Deposit Fund or any part of it to a person who subsequently satisfies the Minister that he is entitled to it.”

- 10.3 As at the date of this report, deposit accounts balances that have been inactive for more than five (5) years are outlined in paragraph 18.1 - Table 1. These inactive balances represent un-reconciled totals by Ministries /Departments with the Accountant General. All such amounts should be placed into the consolidated fund, or on the approval of the Parliament of Antigua and Barbuda be written off.
- 10.4 In light of the present situation, I cannot express an opinion on the Statement of Deposit balances.

## 11. Statement of Public Debt

- 11.1 For the period under review, the Public Debt (domestic and external) was reported as \$2,179,448,437; an increase of \$ 59,817,533 from the amount given for the financial year 2011.
- 11.2 Domestic debt servicing for the year under review amounted to \$154,429,302.
- 11.3 The following table highlights the interest and principal payments made in 2012 on the Government of Antigua and Barbuda debt stock.

	Domestic Debt Stock	External Debt Stock	Total Interest and Principal Payments
Interest Payment	\$57,434,414	\$11,021,961.93	\$68,456,375.93
Principal Payment	\$96,994,888	\$15,199,598.31	\$112,194,486.31
<b>Totals</b>	<b>\$154,429,302</b>	<b>\$26,221,560.24</b>	<b>\$180,650,862.24</b>

- 11.4 During the period ending 31<sup>st</sup> December, 2012; the external principal and interest arrears amounted to \$40,831,086.39 and \$19,447,287.23 respectively. The domestic principal and interest arrears for the period under review amounted to \$1,515,388 and \$365,409 respectively.
- 11.5 Based on information presented above, it was determined that the Government of Antigua and Barbuda paid \$180,650,862.24 in interest and principal payments for the financial year 2012. The principal and interest arrears on the debt stock of \$62,159,170.62 is quite significant and represent approximately thirty four point four

percent (34.4%) of the total amount paid towards Public Debt during the financial year 2012. This continues to create a huge indebtedness for the country, but we are satisfied with the information presented in the financial statement on the Government of Antigua and Barbuda debt stocks and can reasonably state that they are fairly presented.

## **12. Statement of Contingent Liabilities**

- 12.1 Contingent Liabilities as at December 31, 2012 was reported as \$336,330,000. The amount of \$68,667,000 comprises Domestic principle and interest amounts which were not disclosed.
- 12.2 For the financial year ending 31<sup>st</sup> December, 2012 the total Contingent Liabilities quoted above, represents loan guarantees primarily to Statutory Bodies. During this period there were twenty nine (29) loan accounts guaranteed by the Government of Antigua and Barbuda for ten (10) Statutory Bodies.
- 12.3 Comparatively, the records indicate that there was a reduction in the total amount reported for 2010, 2011 and 2012 of \$58,700,000. The principal and interest payments were remarkably higher in respect of the domestic loans. This would indicate that over the years servicing of loans were not in accordance with the loan agreement, thus the high level of arrears.
- 12.4 As with the previous year, the Accountant General did not submit any pending or threatened litigations against the Government for the financial year 2012. Request to obtain information from the Office of the Attorney General was made and it was revealed that during this financial year; there were three (3) cases that were adjudicated, resulting in judgment of \$30,500.
- 12.5 Since we were not able to verify the significance of the suspected amount, it can be concluded that the Statement of Contingent Liabilities is not fairly presented.
- 12.6 Once again, it is recommended that for future reporting requirements, pending and threatened litigations against the Government are included in the financial statements.

## **13. Statement of Advances**

- 13.1 The table below shows Advances – Other Government, which represents payments or receipt of Pension and Gratuity from other Governments as at 31<sup>st</sup> December 2012.
- 13.2 The amounts in **Table 1** represent the balances for the financial years 2012, 2011 and 2010. This gives a clearer picture of the current standing of the Government's liabilities to the various countries, as well as the assets expected from the said countries.
- 13.3 There has not been any indication of a reduction in the outstanding balances over the three year span represented below in the table.

**Table 1**

<b>Countries / Government</b>	<b>Balance as at 31. 12.2012</b>	<b>Balance as at 31.12.2011</b>	<b>Balances as at 31.12.2010</b>
Anguilla	281,744.39	\$2,100.00	\$1,050.00
Barbados	315,044.11	\$51,512.33	\$51,512.33
British Virgin Island	490,115.46	\$38,568.41	\$19,549.37
Dominica	(139,525.02)	\$7,140.00	\$3,570.00
Grenada	24,623.07	(\$24,413.71)	(\$24,413.71)
Montserrat	633,854.02	\$58,183.41	\$35,819.31
St Kitts	1,968,328.43	\$118,640.59	\$80,554.57
St Lucia	(1,109,497.14)	\$7,876.96	\$4,306.96
St Vincent	155,243.51	\$7,140.00	\$3,570.00
Trinidad & Tobago	(283,604.88)	(\$20,425.44)	(\$20,425.44)
Jamaica	(122,242.41)		
<b>Totals</b>	<b>2,214,083.54</b>	<b>\$246,322.55</b>	<b>\$155,093.39</b>

- 13.4 Additionally, for the period under review, we were not provided with a reconciliation statement of these accounts in respect of pensions paid on behalf of the eleven (11) countries listed above or of amounts reimbursed from any country. No confirmation letters were sent out to the various countries; therefore we were unable to verify the year-end balances.
- 13.5 The Finance and Administration Act, 2006 Part V, Division 2 Section 35 (1) (f) states that:
- (1) “Subject to this section, the Accountant General may under the authority of an advance warrant issued under the hand of the Minister, from the Consolidated Fund or from money held as Deposit Funds, make advances of money-
  - (f) “to a public officer for such purposes as may be prescribed by General Orders in an amount not exceeding 0.00135% of the recurrent revenue in the annual estimates or such amount as may be prescribed, but the aggregate of such advances in the financial year shall not exceed 0.02885% of the recurrent revenue in the annual estimates.”
- 13.6 Government employees continue to benefit from this section in which personal loans under the following categories namely medical treatment, funeral expenses, education expenses, purchase of vehicles and domestic expenses are granted to them. Such advances should be repaid monthly with a 1% interest charged on the reducing balance.
- 13.7 Outlined below in **Table 2** is the list of personal advances granted to civil servants during the financial year ended 31<sup>st</sup> December, 2012. Advances to the approximate value of

\$2,387,819.00 were reportedly issued during 2012 and interest on these personal loans at the end of the financial year was reported as \$316,625.53.

**Table 2**

Personal Advances	Advances Issued in 2012	Payment made on Advances during 2012	Balance as at 31.12.2012
Medical	\$967,019.00	\$1,407,664.75	\$440,645.75
Domestic	\$1,284,800.00	\$9,891,765.14	\$8,606,965.14
Vehicle	\$136,000.00	\$430,896.73	\$294,896.73
<b>Totals</b>	<b>\$2,387,819.00</b>	<b>\$11,730,326.62</b>	<b>\$9,342,507.62</b>

13.8 For the period under review, no reconciliation statement or a breakdown of the individual accounts were presented. We were therefore unable to ascertain the level of delinquent accounts and their value. Notwithstanding the foregoing information, I am reasonably assured that the statement of advances for public servants is fairly presented.

**14. Statement of Investment**

14.1 No Statement of Investment for the Government of Antigua and Barbuda was presented as at the date of this report. This is in breach of the Financial and Administration Act, 2006 Part IX Section 56 subsection 4(f), which states that:

(4) The Public Accounts referred to in subsection (1) shall include-

(f) a statement of investments showing the funds on behalf of which the investments were made;

14.2 The Office of the Director of Audit is cognizant of the fact that the Government of Antigua and Barbuda has investments in local and regional companies. The Government has shares in the Leeward Island Air Transport (LIAT) Limited and the West Indies Oil Company (WIOC) Limited; therefore, it is quite relevant that the 2012 annual financial statements have a material deficiency.

14.3 I am once again recommending that the Accountant General ensure that all Government investments be supported by the required documented evidence.

**15. Statement of Losses of Cash and Stores**

15.1 As at the date of this report, no statement of losses of cash and stores was presented as outlined in the Finance and Administration Act, 2006 Part IX Section 56 subsection 4(1). The Audit Department has recognized that over the last decade the Permanent Secretaries

and Heads of Departments have not submitted statements of losses of cash and stores to the Accountant General.

- 15.2 From all accounts, there has been no documented evidence to indicate that the responsible Ministries/Departments are actively investigating cases with a reasonable conclusion.
- 15.3 Therefore, based on the above statement, the presentation of the 2012 public accounts are incomplete.

## **16. Bank Reconciliation**

- 16.1 For the financial year 2012 we received information on forty six (46) bank accounts. Of this amount, no reconciliation information was provided that indicates the difference between the bank and book balances for thirteen (13) of the accounts and five (5) indicated that they were closed. The total amount of 46 bank accounts is also inclusive of the fixed accounts.
- 16.2 From our calculation we were able to affix a value of (\$4,714,765.22) to the thirteen (13) un-reconciled bank accounts. These account reflected closing balances as at 31<sup>st</sup> December, 2012.
- 16.3 Of the total number of Bank accounts examined, it was observed that as at 31<sup>st</sup> December 2012 nine (9) of the accounts were overdrawn and represented a total of (\$26,058,660.88). It was also observed that some of the book balances reflected a significant difference to that of the bank balances, which would indicate that limited or no reconciliation was carried out on the accounts.
- 16.4 We can therefore conclude that the bank reconciliation process was not adequately completed based entirely on our sample. This process has indicated a material effect on the financial statements; therefore an opinion cannot be given.

## **17. Notes To The Financial Statements**

- 17.1 The notes presented in the Financial Statements for Antigua and Barbuda for the year ended 31<sup>st</sup> December 2012 were basically the same as of the previous year. There are still areas that can be further developed to give the stakeholders greater insight into the circumstances leading up to the preparation and submission of the finances. Many areas might in fact improve on the presentation and content of the statements and aid in my office's role of determining what opinion to give on the finances.
- 17.2 As outlined earlier in this report, the Accountant General's responsibilities include the maintenance of adequate accounting records and internal controls relevant to determine if these Public Accounts are free from material misstatements due to fraud or errors in accordance with International Financial Reporting Standards. It is also the

responsibility of the Accountant General to list and outline the basis of preparation and summary of significant accounting policies of the financial statements.

- 17.3 More detail is still required to strengthen my reliance on the financial notes presented especially where it relates to determining the use of judgment and the interpretation or amendments used.
- 17.4 Based on the preceding paragraphs, it is my opinion that more in-depth notes to the 2012 Financial Statements are a necessity to guarantee my reliance on the Financial Statements presented.

## 18. Unauthorised Removal of Balances

- 18.1 As outlined in the 2010 report, the presentation of the 2005 Public Accounts by the Accountant General revealed that millions of dollars were removed from various balance sheet line items. Presented below are amounts that were removed from the accounts of the Government of Antigua and Barbuda without the required authority.
- 18.2 Additionally, as was previously mentioned in my 2010 report, the Audit of the 2008 Accounts revealed major differences between the balance submitted by the Accountant General and the balances calculated by the Director of Audit. These balances were omitted from the annual accounts as of January 1, 2005 and the 2008 balances are resubmitted in table 1 below.

Account	Treasury Balances 31.12.08 (\$)	Audit Balances 31.12.08 (\$)	Differences (\$)
Personal Advances	4,516,241.57	*27,520,542.50	23,004,300.93
Other Balances (Advances)	1,098,936.04	*308,929,053.55	307,830,117.51
Abnormal Balances (Advances)	(8,658,842.92)	*(20,644,825.94)	(11,985,983.02)
Dormant Balances (Advances)	Nil	*12,754,671.58	12,754,671.58
Dormant Balances (Deposits)	Nil	*13,912,082.53	13,912,082.53
Other Balances (Deposits)			
Social Security-Employee	11,495,963.08	*96,557,073.22	85,061,110.14
Social Security-Employer	25,023,509.81	*220,421,324.86	195,397,815.05
Medical Benefit – Employer	15,098,586.57	*152,873,179.28	137,774,592.71
Medical Benefit – Employee	24,975,540.02	*154,674,635.25	129,699,095.23
Education Levy	13,338,858.02	*50,541,608.11	37,202,750.09
Abnormal Balances (Deposits)	(32,557,403.57)	*(120,397,548.87)	(87,840,145.30)
Development Aid Suspense Account	921,028.35	921,028.35	Nil
Miscellaneous Suspense Account	12,762,535.00	*107,530,854.21	94,768,319.21

Development Aid (CD&W)	Nil	*1,059,889.69	1,059,889.69
Other Special Funds	7,917,253.34	*17,041,808.69	9,124,555.65
Savings Bank	(5,262.23)	*3,976,147.48	3,970,885.25
Sugar Industry Fund (L.W.F)	Nil	*(9,351.64)	(9,351.64)
Development Fund-Dormant Balances (Advances)	Nil	*52,144,175.28	52,144,175.28
Development Fund (Deposit Balances)	2,806,892.78	*300,094,358.00	302,901,250.78
Statement of Losses	971,703.98	971,703.98	Nil
<b>Totals</b>	<b>88,364,382.76</b>	<b>1,330,330,802.30</b>	<b>1,306,770,131.67</b>

\* Audit balance is greater than Treasury balance.

18.3 In light of the information represented in the table above, the 2012 Annual Accounts presented by the Accountant General does not represent a fair picture of the financial position of the Government of Antigua and Barbuda. Therefore, I am unable to give an opinion because of the material effect on the statement.

## 19. Status of Statutory Bodies Financial Statements and Audits

### Analysis of Status

19.1 The Government of Antigua and Barbuda owns or controls thirty (30) State Owned Enterprises. These Corporations or Agencies are either established by statute or by law in which the initial investment came from the Government consolidated funds.

19.2 In May of 2014, letters were sent to these statutory bodies requesting the submission of their last two (2) years of audited financial statements. The result of our review indicates that while several statutory bodies have current audited financial statements and must be commended, others do not. Our analysis indicates that twenty eight (28) statutory bodies were contacted:-

- Eleven (11) presented audited financial statements
- Six (6) presented unaudited financial statements
- Eleven (11) did not respond to the request

19.3 These results should be of concern to Parliament as well as other stakeholders of this country since many of these statutory bodies receive sizable subventions from the government. The audited annual financial statements provide the assurance that this funding was used as intended. Additionally, up to date financial statements are required to enlighten the government of any contingent liabilities that statutory bodies have incurred which is a potential liability to the government.

- 19.4 It is my recommendation that all statutory bodies take the necessary action to have their financial statements audited and up to date by December 31, 2014. Additionally, those bodies that did not receive favorable audit opinions should formulate an action plan to correct identified accounting and financial reporting deficiencies as quickly as possible.
- 19.5 The Government of Antigua and Barbuda is actively working towards bringing the Public Accounts up to date, therefore, the statutory bodies are encouraged to do likewise. This can only be achieved when the House of Representatives and the general public hold these bodies accountable for the disclosure of their financial positions and the presentation of audited accounts.

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## SCHEDULE OF APPENDICES

### APPENDIX A

#### TREASURY FUND

##### Authorities for Expenditure

- |  |   |
|--|---|
| 1. Provisional (Appropriation Warrant)   | Issued by the Minister of Finance on the 6 <sup>th</sup> January, 2012.   |
| 2. Estimates                             | Passed by the House of Representatives 16 <sup>th</sup> December, 2011. Passed by the Senate on the 21 <sup>st</sup> December, 2011. Assented to by the Governor General on the 6 <sup>th</sup> January, 2012 |
| 3. Appropriation Act (No. 18 of 2011)    | Passed by the House of Representatives 16 <sup>th</sup> December, 2012. Passed by the Senate on the 21 <sup>st</sup> December, 2012. Assented to by the Governor General on the 6 <sup>th</sup> January, 2012 |
| 4. Appropriation Warrant                 | Issued by the Minister of Finance on the 6 <sup>th</sup> January, 2012  |
| 5. Supplementary Appropriation Act, 2013 | not approved  |

**APPENDIX B****Unauthorized excess expenditure for the last six (6) years**

<b>Year</b>		<b>Amounts not covered by Supplementary Appropriation</b>
		<b>(\$)</b>
<b>2006</b>	<b>Recurrent Expenditure</b>	<b>53,241,215.93</b>
<b>2007</b>	<b>Recurrent Expenditure</b>	<b>174,108,881.07</b>
<b>2008</b>	<b>Recurrent Expenditure</b>	<b>198,238,936.39</b>
<b>2009</b>	<b>Recurrent Expenditure</b>	<b><u>no information given</u></b>
<b>2010</b>	<b>Recurrent Expenditure</b>	<b>64,802,691.00</b>
<b>2011</b>	<b>Recurrent Expenditure</b>	<b>34,095,873.00</b>

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**APPENDIX C**  
**DEVELOPMENT FUND**

**Authorities for Expenditure**

- |  |   |
|--|---|
| 1. Provisional (Appropriation Warrant) | Issued by the Minister of Finance on the 1 <sup>st</sup> January, 2012.   |
| 2. Estimates                           | Passed by the House of Representatives 16 <sup>th</sup> December, 2011. Passed by the Senate on the 21 <sup>st</sup> December, 2011. Assented to by the Governor General on the 6 <sup>th</sup> January, 2012 |
| 3. Appropriation Act (No. 18 of 2011)  | Passed by the House of Representatives 16 <sup>th</sup> December, 2011. Passed by the Senate on the 21 <sup>st</sup> December, 2011. Assented to by the Governor General on the 6 <sup>th</sup> January, 2012 |
| 4. Appropriation Warrant               | Issued by the Minister of Finance on the 6 <sup>th</sup> January, 2012  |
| 5. Supplementary Appropriation of 2013 | not approved  |

## APPENDIX D

**Unauthorized excess expenditure not covered by Supplementary Appropriation for the last six (6) years.**

<b>Year</b>		<b>Not covered by Supplementary Appropriation (\$)</b>
<b>2006</b>	<b>Development Fund</b>	<b>7,549,894.28</b>
<b>2007</b>	<b>Development Fund</b>	<b>10,245,677.31</b>
<b>2008</b>	<b>Development Fund</b>	<b><u>N/A</u></b>
<b>2009</b>	<b>Development Fund</b>	<b><u>No information presented</u></b>
<b>2010</b>	<b>Development Fund</b>	<b>27,592,100.00</b>
<b>2011</b>	<b>Development Fund</b>	<b>1,901,983.00</b>

**APPENDIX E**  
**UNAUTHORIZED RECURRENT AND CAPITAL EXPENDITURE**

HEAD / SUBHEAD	GROSS EXCESS \$	TOTAL \$
<b>01 Governor General</b>		
390326 Custodial Services	51,116.00	
30202 Wages	6,000.00	
30301 Duty Allowance	18,835.48	
30304 Housing Allowance	16,000.00	
30711 Allowance to Deputy Governor General	48,680.00	
31102 Food, Water & Refreshments	60,000.00	
32001 Medals, Stationary, Seals & Gifts	30,000.00	<b>181,951.48</b>
<b>02 Legislature</b>		
390366 Parliamentary Process		
30203 Overtime	2,000.00	
31601 Office Supplies	53,299.00	<b>55,299.00</b>
<b>03 Cabinet</b>		
390302 Activities of State		
30201 Salaries	43,000.00	
30401 Duty Allowance	29,800.00	
30405 Entertainment Allowance	6,000.00	
30406 Travelling Allowance	7,829.00	
0302 Cabinet Secretariat		
390366 Parliamentary Process		
34406 Funeral Expenses	137,103.00	<b>223,729.00</b>
<b>04 Judicial</b>		
290353 Judiciary		
33907 Contribution Administrative Expense – Caribbean Supreme Court	109,912.00 10,593.00	<b>120,505.00</b>
<b>06 Audit</b>		
350690 Purchase of Minor Capital Item		
40202 Purchase of Computer Software & Hardware	3,600.00	<b>3,600.00</b>
<b>09 Electoral Commission</b>		
390690 Purchase of Minor Capital Item		

40202	Purchase of Capital Software & Hardware	364,000.00	
390366	Parliamentary Process		
30201	Salaries	35,000.00	
30406	Travelling Allowance	16,000.00	
39034	Expenses of Boards & Committees	66,000.00	
390428	Registration Services		
30201	Salaries	60,000.00	<b>541,000.00</b>
<b>10 Prime Minister's Office</b>			
390510	Ancillary Services		
31001	Subsistence Allowance	250,000.00	
31002	Ticket Expenses	250,000.00	
37011	Grants to Individuals	450,000.00	950,000.00
<b>1002 External/Foreign Affairs</b>			
283690	Purchase of Minor Capital		
40203	Purchase of Office Equipment	5,055.75	
283510	Ancillary Services	290,709.00	
33902	Contribution & Subscription to Commonwealth Agencies	139,000.00	434,764.75
<b>1006 Public Information &amp; Broadcasting</b>			
410380	Public Broadcasting Services		
30802	Compensation and Indemnities	50,000.00	
30201	Salaries	115,000.00	
30208	Severance pay	11,000.00	
30401	Duty Allowance	20,000.00	
30405	Entertainment Allowance	12,500.00	
30406	Travelling Allowance	17,500.00	
410656			
40317	Purchase of telecommunications and broadcasting equipments	500,000.00	726,000.00
<b>1011 O.N.D.C.P</b>			
290509	Monitoring, Regulations & Enforcement		
33508	Household Sundries	2,250.00	2,250.00
<b>15 Finance Headquarters</b>			
390510	Ancillary Services		
30103	Overtime	3,000.00	

30203	Overtime	5,000.00	
30701	Honorarium	20,343.00	
30704	Medical treatment	4,150.00	
37011	Grants to Individuals	250,000.00	
		825,115.00	
37012	Grants to Organizations & Institutions	450,000.00	
37014	Grants to Municipalities	700,000.00	2,257,608.00
<b>1503 Inland Revenue</b>			
900690			
30101	Salaries	355,493.00	
40310	Purchase of Equipment n.e.c.	129,922.00	
900439 Revenue Collection Services			
30301	Duty Allowance	27,200.00	
30306	Travelling Allowance	57,000.00	
		76,160.00	
900510 Ancillary Services			
30202	Wages	55,000.00	700,775.00
<b>1505 Customs &amp; Excise</b>			
900439 Revenue Collection Services			
30103	Overtime	1,330,194.00	
33403	Computer Software Licensing & renewal	124,853.00	1,455,047.00
<b>1507 Economic Policy &amp; Planning</b>			
900441 Economic Policy, Planning & Development			
30301	Duty Allowance	21,000.00	21,000.00
<b>1509 Trade &amp; Economic Development</b>			
280408 Trade & Investment Promotion			
30802	Compensation and Indemnities	107,036.70	107,036.70

<b>1513 Establishment Division</b>		
390344 Human Resource Management		
30301 Duty Allowance	30,100.00	
31001 Subsistence Allowance	60,000.00	
31002 Ticket Expenses	270,105.00	
	41,557.00	401,762.00
<b>2001 Agriculture Headquarters</b>		
300510 Ancillary Services		
30101 Salaries	2,243.00	
31303 Books & Periodicals	73,000.00	
30716 Uniform Allowance	25,000.00	
33001 Advertising & Promotion Costs	100,000.00	
34109 Rent or lease n.e.c	160,000.00	
31102 Food, Water & Refreshments	75,000.00	
31804 Production Expenses	380,378.00	
300508 Special Events & Activities		
31102 Food, Water & refreshment	41,491.00	
300369 Policy, Planning & Implementation		
37012 Grants to Organizations & Institutions	32,234.00	889,346.00
<b>2002 Agriculture Division</b>		
300301 Accounting		
30406 Travelling Allowance	3,027.00	
30106 Arrears of Salaries	40,000.00	
30713 Payment in lieu of vacation leave	7,452.00	
37015 Grants to Statutory Bodies & Corporations	300,000.00	
	41,689.00	
	8,313.00	400,481.00
<b>2006 Lands Division</b>		
250354 Land Distribution management		
30101 Salaries	300,000.00	
30306 Traveling Allowance	8,002.00	
30701 Honorarium	10,440.00	
300626 Land Development		
40515 Purchase of Utilities Infrastructure	300,000.00	618,442.00
<b>2007 Agriculture Extension Division</b>		
309301 Accounting		
30101 Salaries	84,786.00	

309472	Teaching, Training & Development		
30101	Salaries		
309354	Land Distribution management	28,538.00	
30202	Wages	27,305.00	
30207	Arrears of Wages	6,752.00	147,381.00
<b>2011</b>	<b>Environment Division</b>		
502334	Environmental Legislation & Monitoring	21,800.00	21,800.00
30709	Stipend		
<b>2012</b>	<b>Development Control Authority</b>		
250447	Building Regulation		
30201	Salaries	167,748.00	
30206	Arrears of salaries	29,784.00	
		8,223.00	
		93,900.00	
30401	Duty Allowance		
30404	Housing Allowance	8,000.00	
30405	Entertainment Allowance	4,000.00	
30406	Travelling Allowance	2,400.00	
		12,920.00	
250510	Ancillary Services		
30201	Salaries		
30206	Arrears of salaries	17,316.00	
31902	Spare Parts	93,900.00	
		15,000.00	453,191.00
<b>2501</b>	<b>Health Headquarters</b>		
264518			
40101	Purchase of vehicles	90,000.00	
40202	Purchase of computer software and/or hardware	90,000.00	
264460			
30701	Honorarium	24,000.00	
264690			
40203	Purchase of office equipments	25,000.00	229,000.00
<b>2502</b>	<b>Medical General Division</b>		
261316	Community Health Services		
30101	Salaries	384,000.00	
30713	Payment in lieu of vacation leave	9,500.00	

30716	Uniform allowance	1,000,000.00	1,393,500.00
<b>2503</b>	<b>Central Board of Health</b>		
266501	National Beautification	7,000,000.00	
33502	Garbage Disposal Costs	4,000,000.00	
266382			
30802	Compensation and indemnities	3,711.00	
266420			
30202	Wages	207,011.00	
30203	Overtime	700,000.00	
2513			
430317			
30201	Salaries	7,120.00	
30401	Duty allowance	4,000.00	
30406	Travelling allowance	4,000.00	
			11,925,842.00
<b>2515</b>	<b>Community Development Division</b>		
430318	Project Development		
30203	Overtime	500.00	500.00
<b>2517</b>			
433395			
30202	Wages	152,000.00	152,000.00
<b>3001</b>	<b>Education Headquarters</b>		
273472			
30201	Salaries	11,578.00	
		1,463,617.00	
30202	Wages	211,503.00	
30401	Duty allowance	3,500.00	
30406	Travelling allowance	28,908.00	
270344	Human Resource Management		
30713	Payment in lieu of vacation leave	9,550.00	
270301	Accounting		
30201	Salaries	3,288.00	
30206	Arrears of Salaries	3,288.00	1,735,232.00

<b>3002 Administration of Education Services Adm. Unit</b>		31,402.35	
274344 Human Resource Management		14,040.00	
30201 Salaries		41,400.00	
30202 Wages		190,800.00	277,642.35
37034 Expenses of board and committees			
<b>3003 Primary Education Division</b>			
271344 Human Resource Management		12,402.00	12,402.00
30202 Wages			
<b>3005 State College</b>			
273498 Janitorial Services		203,996.00	
30202 Wages		203,996.00	
		203,996.00	
		203,996.00	
		203,996.00	
		203,996.00	
		203,996.00	
		203,996.00	
		203,996.00	
		203,996.00	
		16,000.00	
		7,000.00	
273402 Tertiary Education Services		380,000.00	
30101 Salaries		16,000.00	
		56,000.00	
273344 Human Resource			
30101 Security Services		185,000.00	
30202 Wages		2,000.00	2,497,964.00
<b>3007 Antigua Archives</b>			
270490 Archiving			
30202 Wages		13,650.00	13,650.00
<b>3008 ABICE</b>			
275413 Vocational Training			
30201 Salaries		150,000.00	150,000.00
<b>3009 Boys Training School</b>			
430415 Youth Development Services			
30709		22,606.00	
30101 Salaries		15,056.00	
30306 Travelling Allowance		2,576.00	40,238.00

<b>3010 Youth Affairs</b>		
430344 Human Resource		
30101 Salaries	20,344.00	20,344.00
<b>3011 Sports</b>		
430396 National Sports Administration		
33003 Public awareness expense	66,177.00	
33604 Air freight expense	16,000.00	82,177.00
<b>3013 Local Government</b>		
430317 Community Services & Planning		
30202 Wages	5,412.00	5,412.00
<b>4001 Public Works &amp; Transportation Headquarters</b>		
255714 Outfitting of Government Offices		
40201 Purchase of Office Furnishings	101,365.92	101,365.92
<b>4002 Works Division</b>		
251630 Construction or Major Upgrade of Road, Street & Drains		
41202 Purchase of Construction Supplies & Equip.	350,000.00 162,340.20 947,700.00	
41204 Material Costs	729,000.00	
255387 Repairs & Maintenance Services		
30416 Risk Allowance	122,900.00	
33203 Insurance – Motor Vehicles	1,448,700.00	
251387 Repairs & Maintenance Services		
34104 Rental or Lease - Vehicle	200,000.00	
253665 Upgrade of the Traffic Management System		
41204 Material Costs	65,757.00 65,757.00	4,092,154.00
<b>4004 Equipment Maintenance &amp; Funding Scheme</b>		
253387 Repairs & Maintenance Services		
30416 Risk Allowance	414,000.00	414,000.00
<b>5501 Attorney General &amp; Legal Affairs HQ</b>		
291510 Ancillary Services		
33508 Household Sundries	115,460.00	
34009 Commitment Fees	634,285.00 425,426.00 1,739.00	

		39,000.00	
		135,845.00	
	33901 Contribution & Subscription to Caribbean Organizations	201,298.00	
		510,819.00	
	140103		
	11004		
		527,375.00	2,591,247.00
<b>5502</b>	<b>Office of the Director of Public Prosecutions</b>		
	390353 Judiciary		
	30101 Salaries	136,374.00	
	30301 Duty Allowance	3,000.00	
	30304 Housing Allowance	3,000.00	
	30310 Allowance in Lieu of Private Practice	12,000.00	
		6,000.00	160,374.00
<b>5503</b>	<b>Printing Office</b>		
	330375 Printing Services	1,509.00	
	30306 Travelling Allowance	1,000.00	
	30701 Honorarium		
		2,500.00	
	31102 Food, water and refreshments	15,000.00	
	31601 Office Supplies	2,000.00	22,009.00
	33508 Household Sundries		
<b>5505</b>	<b>Industrial Court</b>		
	390348 Industrial Dispute Services	2,016.00	2,016.00
	30101 Salaries		
<b>5506</b>	<b>Registrar &amp; Provost Marshall</b>		
	390353 Judiciary	63,000.00	
	30201 Salaries	5,000.00	
		1,488.00	
	30307 Mileage Allowance	1,488.00	
	30716 Uniform Allowance	1,488.00	
		67,625.00	
	31102 Food, water & refreshments	37,950.00	
		40,000.00	
	31601 Office Supplies	9,600.00	
	31602 Computer Supplies	7,500.00	235,139.00
	33604 Air Freight Expenses		
<b>5507</b>	<b>Magistrates Court</b>		
	291353 Judiciary		
	30406 Travelling Allowance	4,024.00	

30401	Duty allowance	4,000.00	
30201	Salaries	35,200.00	
291301	Accounting		
30314	On-call Allowance	30,000.00	
291353	Judiciary		
30304	Housing Allowance	18,000.00	
30306	Travelling Allowance	7,752.00	
30310	Allowance in lieu of Private Practice	36,000.00	134,976.00
<b>5508</b>	<b>Legal Aid &amp; Advice Centre</b>		
290450	Legal Aid & Advice		
30304	Housing Allowance	18,000.00	
		20,000.00	
30310	Allowance in lieu of Private Practice	18,000.00	56,000.00
<b>5509</b>	<b>Intellectual Property</b>		
291379	Public Awareness		
30101	Salaries	57,451.00	57,451.00
<b>6001</b>	<b>Office of the Ombudsman</b>		
390690			
40312	Purchase of kitchen equipments	1,599.00	1,599.00
<b>7002</b>	<b>Police</b>		
290352	Intelligence Gathering		
30301	Duty Allowance		
290358	Law Enforcement		
30713	Payment in lieu of Vacation Leave	1,538,400.00	
		273,000.00	1,811,400.00
		6,142.00	
		6,346.00	
		7,389.00	
		8,000.00	
		8,351.00	
		9,951.00	
		10,456.00	
		12,459.00	
		14,872.00	
		15,028.00	
		15,100.00	
		17,000.00	

		17,632.00	
		22,305.00	
		24,975.00	
31004	Leave Passage Grant	33,122.00	
		4,941.00	
		2,050.00	
34406	Funeral Expenses	4,245.00	
33102	Arms & Ammunition	9,881.40	250,245.40
30802	Compensation & Indemnities		
30716	Uniform Allowance		
33705	Course Costs & Fees	67,000.00	
34010	Legal Fees	167,300.00	
30704	Medical Treatment	104,684.00	
33508	Household Sundries	206,000.00	
36101	Repair or maintenance of vehicles	98,000.00	
33206	Insurance – n.e.c.	50,000.00	
290498	Janitorial Services	70,520.00	
30202	Wages	2,300.00	
		75,100.00	
		39,000.00	
		24,279.00	736,883.00
<b>7004</b>	<b>Fire Brigade</b>		
290337	Fire Protection Services		
30101	Salaries	339,108.00	
30713	Payment in lieu of vacation leave	923,040.00	
36101	Repair or maintenance of vehicles	163,800.00	
		50,000.00	
		88,000.00	1,563,948.00
<b>7006</b>	<b>Military</b>		
290510	Ancillary Services		
33206	Insurance – n.e.c.	613,249.09	
290327	National Defence		
30425	Voluntary Unattached & Reserved Personnel	96,000.00	709,249.09
<b>7010</b>	<b>Labour</b>		
392509	Monitoring & Enforcement		
30716	Uniform Allowance	6,000.00	6,000.00
<b>8001</b>	<b>Tourism &amp; Civil Aviation Headquarters</b>		

500510	Ancillary Services		
30103	Overtime	15,000.00	
30713	Payment in lieu of vacation leave	7,563.68	
500451	Sports Tourism		
30201	Salaries	36,000.00	
500324	Cultural Development Services		
30206	Arrears of Salaries	2,400.00	
500405	Tourism Promotion & Marketing		
33002	Marketing Costs	50,000.00	
33003	Public Awareness Expenses	50,000.00	160,963.68
<b>8008</b>	<b>Civil Aviation</b>		
390510	Ancillary Services		
30203	Overtime	750.00	
30103	Overtime	8,000.00	
30801	Gratuities & Terminal Grants	101,879.93	7,480,575.93
37015	Grants to Statutory Bodies & Corporations	7,369,946.00	<b>7,641,539.61</b>

**APPENDIX (F)**  
**AUDIT OF MINISTRIES/DEPARTMENT DURING THE FINANCIAL YEAR 2012**

No.	Entity	Date of Issue	Summary
1.	Examination of the High Commission (March 2011)	08.02.12	
2.	Examination of Property Valuation October 2010 – February 2012	18.06.12	<ul style="list-style-type: none"> <li>- Misappropriation of \$26,143.40</li> <li>- Poor supervision of staff</li> <li>- Need for the implementation of a policy and procedure manual</li> </ul>
3.	Examination of Accounts for Toronto	21.08.12	
4.	Examination of the Consulate General for New York	10.09.12	
5.	Examination of Cash Records and Counterfoil Receipt Books of the St. John's Police Station - January - December 2011	25.09.12	Encouraged to continue be guided by the Finance Administration Act/Regulations
6.	Examination of the Tourism Office in Germany 2010 - September 2011	03.10.12	
7.	Examination of the High Commission - London 2011	03.10.12	
8.	Examination of the Barbuda Council 2009 – 2010	18.10.12	<ul style="list-style-type: none"> <li>- Non- compliance with the Financial Laws &amp; Regulations</li> </ul>
9.	Examination of the Antigua and Barbuda Development Corporation 2009 – 2011	18.10.12	<ul style="list-style-type: none"> <li>- Increase awareness of the ADC Act.</li> <li>- Introduction of an inventory control system</li> </ul>
10.	Examination of Cash Records of the Inland Revenue Department October 2010 – February 2012	23.10.12	Poor supervision of staff
11.	Examination of the High Commission London 2011	19.11.12	

## APPENDIX (G)

**Status of Statutory Bodies, / Agencies Financial Statements and Audits as at December 31, 2013**

Statutory Body	Auditor	Most recent Audited Report	Unaudited	Type of Audit Opinion <sup>i</sup>
1. Agricultural Development Corporation		31 <sup>st</sup> December, 2011		
2. Antigua and Barbuda Investment Authority	Concord Business Associates Chartered Accountants		30 <sup>th</sup> April, 2011 30 <sup>th</sup> April, 2012 30 <sup>th</sup> April, 2013	
3. Antigua and Barbuda Airport Authority		December 31, 2008		Qualified
4. Antigua and Barbuda Department of Marine Services and Merchant Shipping	Allen, Thomas & Associates	31 <sup>st</sup> December, 2012  31 <sup>st</sup> December 2013		Unqualified  Unqualified
5. Antigua and Barbuda Development Bank	PKF	31 <sup>st</sup> December, 2011		Qualified
6. Antigua and Barbuda Hospitality Training Institute	Concord Business Associates Chartered Accountants	31 <sup>st</sup> December, 2013		Unqualified
7. Antigua and Barbuda Medical Council				
8. Antigua and Barbuda National Parks				
9. Antigua and Barbuda Port Authority	KPMG  F.A.C.T.S INC. Chartered Accountants	31 <sup>st</sup> December, 2008	31 <sup>st</sup> December, 2009  31 <sup>st</sup> December, 2010  31 <sup>st</sup> December, 2011	Qualified with exception
10. Antigua and Barbuda Social Security Fund				

11. Antigua and Barbuda Tourism Authority	KPMG	31 <sup>st</sup> December, 2011 31 <sup>st</sup> December, 2012		Unqualified  Unqualified
12. Antigua and Barbuda Transport Board			31 <sup>st</sup> December, 2006 31 <sup>st</sup> December, 2007 31 <sup>st</sup> December, 2008 31 <sup>st</sup> December, 2009 31 <sup>st</sup> December, 2010	
13. Antigua Carnival Committee /National Festivals Office				
14. Antigua Public Utilities Authority	PKF	31 <sup>st</sup> December, 2011  31 <sup>st</sup> December, 2012		Qualified with exception  Qualified with exception
15. Barbuda Council				
16. Board of Education - 1994	KPMG  Concord Business Associates Chartered Accountants	31 <sup>st</sup> December, 2008  31 <sup>st</sup> December, 2009		Qualified with exception  Qualified
17. Central Housing and Planning Authority				
18. Central Marketing Corporation				
19. Development Control Authority				
20. Financial Services Regulatory Commission		31 <sup>st</sup> December, 2011		
21. Free Trade Processing Zone			31 <sup>st</sup> December, 2011	
22. LIAT	PriceWaterhouse Coopers	31 <sup>st</sup> December, 2011		Annual Returns no opinion given

23. Medical Benefits Scheme				
24. Mount St .John’s Medical Centre	Grant Thornton Chartered Accountants	31 <sup>st</sup> December, 2011		Qualified
25. National Solid Waste Management Authority		31 <sup>st</sup> December, 2011		
26. PDV Caribe Antigua and Barbuda Limited	Allen, Thomas & Associates	31 <sup>st</sup> August, 2011		Unqualified
		31 <sup>st</sup> August, 2012		Unqualified
27. St. John’s Pier Group			31 <sup>st</sup> December,2003 31 <sup>st</sup> December,2004 31 <sup>st</sup> December,2005 31 <sup>st</sup> December,2006 31 <sup>st</sup> December,2007 31 <sup>st</sup> December,2008 31 <sup>st</sup> December,2009	
28. State Insurance Corporation	PKF Chartered Accountants	31 <sup>st</sup> December,2009		Qualified

<sup>i</sup> Unqualified, qualified, adverse, or disclaimer.