



## **MINISTRY OF HOME AFFAIRS**

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**Report to those charged with governance on the 2024 audit**

**July 2025**

*To help the public  
service spend  
wisely*

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# REPORT TO THOSE CHARGED WITH GOVERNANCE

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## INTRODUCTION

1. We have completed our audit of the Ministry of Home Affairs' (the "Ministry") financial statements for the year ended 31 December 2024. International Standards on Auditing (ISAs) require that we communicate certain matters to those charged with governance of the Ministry in sufficient time to enable appropriate action. The matters we are required to communicate under ISAs include:
  - auditors' responsibilities in relation to the audit
  - the overall scope and approach to the audit, including any expected limitations, or additional requirements
  - relationships that may bear on our independence, and the integrity and objectivity of our staff
  - expected modifications to the audit report
  - significant findings from our audit
2. This report sets out for the consideration of those charged with governance those matters arising from the audits of the Ministry's financial statements that we consider are worthy of drawing to your attention.
3. This report has been prepared for the sole use of those charged with governance and we accept no responsibility for its use by a third party. Under the *Freedom of Information Act (2021 Revision)* it is the policy of the Office of the Auditor General to release all final reports proactively through our website: [www.auditorgeneral.gov.ky](http://www.auditorgeneral.gov.ky).

## AUDITOR'S RESPONSIBILITIES IN RELATION TO THE AUDIT

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### AUDITOR'S RESPONSIBILITY UNDER INTERNATIONAL STANDARDS ON AUDITING

4. ISAs require that we plan and perform audits to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not ordinarily identify all such matters and this report includes only those matters of interest which came to our attention as a result of the performance of our audit.

## **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE:**

5. Management's responsibilities are detailed in the engagement letters to which the engagements were subject. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

## **OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS:**

6. While we have no responsibility to perform any audit work on other information, including forward looking statements, containing audited financial statements, we have read the other information contained in the Ministry's annual report to consider whether such information is materially consistent with information appearing in the financial statements or our knowledge of the operations of the Ministry.
7. We have not reviewed any other documents containing the Ministry's audited financial statements.

## **CONDUCT, APPROACH AND OVERALL SCOPE OF THE AUDIT**

8. Information on the integrity and objectivity of the Office of the Auditor General and audit staff, and the nature and scope of the audit, were outlined in the 2024 engagement letter presented to the Chief Officer on 13 September 2024. The information follows the requirements of the ISAs. We are not aware of any impairment to our independence as auditors.

## **AUDIT REPORT, ADJUSTMENTS AND MANAGEMENT REPRESENTATIONS**

9. We issued an unmodified auditor's report with an emphasis of matter paragraph for the 2024 audit.
10. The emphasis of matter paragraph in the 2024 audit opinion highlights that the Cabinet authorised several supplementary appropriations under section 11(5) of the Public Management and Finance Act (PMFA). One of the supplementary appropriations reduced the Ministry's 2024 capital expenditure budget by \$830,000. A supplementary appropriations bill for these changes in the Ministry's budget was not introduced in Parliament by 31 March 2025 as required by section 11(6) of the PMFA.
11. Appendix 1 summarises the misstatements identified during the 2024 audit that were corrected by management. The total value of the misstatements was \$953,000.
12. Appendix 2 summarises the misstatements identified during the 2024 audit that were not corrected by management. The total value of the misstatement was \$79,000. The impact of these was immaterial, both individually and in the aggregate, to the financial statements taken as a whole.



13. As part of the completion of our audit, we obtained written representations from management on aspects of the accounts and judgments and estimates made. Management provided us with the written representations on 30 April 2025 for the 2024 audit.

## **SIGNIFICANT FINDINGS FROM THE AUDIT**

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### **SIGNIFICANT ACCOUNTING PRACTICES**

14. We are responsible for providing our views about qualitative aspects of the Ministry's significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures. Generally accepted accounting principles provide for the Ministry to make accounting estimates and judgments about accounting policies and financial statement disclosures.

We are not aware of any areas where the significant accounting practices are not consistent with general industry practice. In addition, we are not aware of any new or controversial accounting practices reflected in the Ministry's financial statements.

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### **MANAGEMENT'S JUDGMENTS AND ACCOUNTING ESTIMATES**

15. Management has made significant judgements and estimates with regard to the following financial statement items:
- provisions and contingent liabilities
  - depreciation of property, plant and equipment
  - amortization of intangible assets
  - provisions for expected credit losses.

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### **GOING CONCERN DOUBTS**

16. As a result of our audit, we did not become aware of any material uncertainties related to events and conditions that may cast significant doubt on the Ministry's ability to continue as a going concern.

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### **SIGNIFICANT AND OTHER DEFICIENCIES IN INTERNAL CONTROL**

17. We considered internal controls for the purposes of designing our further audit procedures. While as auditors we do not to express an opinion on their operating effectiveness, we are required to report to those charged with governance significant deficiencies in internal control. We identified a number of significant matters relating to internal controls as part of our audits. See Appendix 3 for details

along with management's response. Other control deficiencies have been identified and communicated separately to management in the ISA 265 report.

#### FRAUD OR ILLEGAL ACTS

18. Applicable auditing standards recognize that the primary responsibility for the prevention and detection of fraud and compliance with applicable laws and regulations rests with both those charged with governance of the entity and with management. It is important that management, with the oversight of those charged with governance; place a strong emphasis on fraud prevention, and fraud deterrence. They are also responsible for establishing and maintaining controls pertaining to the entity's objective of preparing financial statements that are presented fairly, in all material respects, in accordance with the applicable financial reporting framework and managing risks that may give rise to material misstatements in those financial statements. In exercising oversight responsibility, those charged with governance should consider the potential for management override of controls or other inappropriate influence over the financial reporting process.
19. As auditors, in planning and performing the audit, we are required to reduce audit risk to an acceptably low level, including the risk of undetected misstatements in the financial statements due to fraud. However, we cannot obtain absolute assurance that material misstatements in the financial statements will be detected because of factors such as the use of judgment, the use of testing, the inherent limitations of internal control and the fact that much of the audit evidence available to the auditor is persuasive rather than conclusive in nature.

#### SIGNIFICANT DIFFICULTIES ENCOUNTERED DURING THE COURSE OF OUR AUDIT

20. No serious difficulties were encountered in the performance of our audit.

#### DISAGREEMENTS WITH MANAGEMENT

21. There were no disagreements with management during the audit

#### ANY OTHER SIGNIFICANT MATTERS

22. There were no other significant matters noted during the audit.

## ACKNOWLEDGEMENTS

23. We would like to express our thanks to the Ministry's staff for their help and assistance during the 2024 financial statements audits.

Yours sincerely,



Patrick O. Smith, CPA, CFE  
Auditor General



## APPENDIX 1 – 2024 CORRECTED MISSTATEMENTS

| Number                   | Account description and adjustment details   | Account Number | Debit  | Credit   | Identified by |
|--------------------------|--|----------------|--------|----------|---------------|
| 1                        | Fixed Assets Mass Additions  | 17020          |        | (18,516) | The Ministry  |
|                          | Other Assets   | 17150          | 18,516 |          |               |
|                          | To capitalize the camera and pods-installed and operational in September 2024      |                |        |          |               |
| 2                        | Accumulated Depreciation   | 17155          |        | (536)    | The Ministry  |
|                          | Depreciation Other Assets  | 60013          | 536    |          |               |
|                          | To record depreciation charge for the year for a capitalized asset                 |                |        |          |               |
| 3                        | Accruals - Other   | 20150          |        | (33,380) | The Ministry  |
|                          | Prior Period Adjustments   | 32006          | 14,974 |          |               |
|                          | Staff Welfare  | 50074          | 2,460  |          |               |
|                          | Lease of Sites or Buildings  | 58001          | 15,945 |          |               |
|                          | To record unrecorded accruals as at 31 December 2024                               |                |        |          |               |
| 4                        | Accruals - Other   | 20150          |        | (16,721) | The Ministry  |
|                          | Computer Software Maintenance  | 54351          | 16,721 |          |               |
|                          | To accrue for September- December 2024 annual support and System maintenance costs |                |        |          |               |
| Total Client Adjustments |  |                | 69,152 | (69,152) |               |

| Number | Account description and adjustment details  | Account Number                   | Debit                  | Credit                     | Identified by |
|--------|---|----------------------------------|------------------------|----------------------------|---------------|
| 1      | Fixed Assets Mass Additions<br>Expense AP Accrual<br>Expensed (Attractive Assets)<br><br>To reverse assets ordered through a Purchase Order but were not delivered  | 17020<br>20160<br>51086          | <br>45,545             | (41,467)<br><br>(4,079)    | OAG           |
| 2      | Provision for Doubtful debts<br>Bad debt expense<br>To record understated ECL   | 12501<br>58504                   | <br>45,941             | (45,941)                   | OAG           |
| 3      | Expense AP Accrual<br>Maintenance - Vehicle<br><br>Reversal of an expense posted through a Purchase Order as invoice was directly paid.   | 20160<br>54334                   | 14,832                 | <br>(14,832)               | OAG           |
| 4      | Comp Time Liability<br>Comp Time Expense<br>To remove pension from COMP time cost   | 22105<br>50155                   | 33,632                 | <br>(33,632)               | OAG           |
| 5      | Debtor (due from others)<br>Outputs Sold to Cabinet<br><br>To correct errors in output revenue recognition  | 12404<br>46001                   | 58,647                 | <br>(58,647)               | OAG           |
| 6      | Other Receivables<br>Contributed Capital<br><br>Reversing equity injection receivables to take corrected audit adjustments into account   | 12012<br>35001                   | <br>78,093             | (78,093)                   | OAG           |
| 7      | Debtor (due from others)<br>Provision for Doubtful debts<br>Outputs Sold to Cabinet<br>Bad debt expense<br><br>Being reversal of ECL provision for receivables due from Digicel and reduce output revenue by the same amount since MHA bills output revenue to a break-even point | 12404<br>12501<br>46001<br>58504 | <br>110,430<br>110,430 | (110,430)<br><br>(110,430) | OAG           |

| Number | Account description and adjustment details  | Account Number | Debit   | Credit    | Identified by |
|--------|---|----------------|---------|-----------|---------------|
| 8      | Other Receivables   | 12012          | 193,311 |           | OAG           |
|        | Debtor (due from others)  | 12404          |         | (193,311) |               |
|        | Tower Licence Fees  | 42075          |         | (193,311) |               |
|        | Outputs Sold to Cabinet   | 46001          |         |           |               |
|        |   |                | 193,311 |           |               |
|        | To record tower revenue unbilled during the year, and reduce output revenue by the same amount given MHA bills output revenue to a break-even point |                |         |           |               |
|        | Total adjustments identified by OAG   |                | 884,172 | (884,172) |               |
|        | Total adjustments   |                | 953,325 | (953,325) |               |

## APPENDIX 2 – 2024 UNCORRECTED MISSTATEMENTS

| Number | Name  | Account Number   | Debit     | Credit    | Nature  |
|--------|---|------------------|-----------|-----------|---------|
| 1      | Being difference between the equity injections in the financial statements and the asset and WIP additions during the year. | Assets<br>Equity | 79,390.63 | 79,390.63 | Factual |
| Total  |   |                  | 79,390.63 | 79,390.63 |         |

## APPENDIX 3 - INTERNAL CONTROL MATTERS AND SIGNIFICANT FINDINGS

| Observations   | Risks/Implications & Recommendations  | Management Response  | Implementation Date    |
|--|---|--|------------------------|
| <p>1. <u>Non-compliance with the Procurement Regulations (2022 Revision) (the Procurement Regulations)</u></p> <p>We noted several instances of non-compliance with the Procurement Regulations during the year. See Appendix 4 for details of the exceptions noted.</p> | <p><b>Risks /Implications:</b></p> <p>Non-compliance with the Procurement Regulations.</p> <p>The Ministry will not obtain value for money in procuring goods and services if it does not comply with the Procurement Regulations.</p> <p>Transparency is compromised when the Ministry fails to publish contract awards.</p> <p><b>Recommendation:</b></p> <p>Management should ensure strict adherence to the Procurement Regulations to ensure transparency and obtain value for money in procuring goods, works and services.</p> | <ul style="list-style-type: none"> <li>Supply of food for the prison - In order to feed a large population three meals a day, 365 days a year, the timeframe to process the orders is very limited. In order to have food stocks that will last more than a week, a much larger storage space is required. None of the three vendors currently being used has all the items. For them to provide all items required, it is very likely they would have to procure items from other vendors, leading to mark-ups that would not lead to the best value for money. However, the HMP has begun drafting a business case for the supply of food for HMP in collaboration with the CPO in order to seek a public opportunity for vendors to provide a basket of goods and create a contract for the supply of the same.</li> <li>Maintenance and support for the DPSC's radio system – it should be noted the radio system was competitively procured from the</li> </ul> | <p>Qtr. 4<br/>2025</p> |



|   |  |  |         |
|---|--|--|---------|
|   |  | <p>vendor and so only that vendor can carry-out the maintenance without affecting the warranty associated with the equipment.</p> <ul style="list-style-type: none"> <li>Supply of generator, electric works and fuel lines and generator testing - the vendor was chosen to provide the generator as they held the warranty for the Automatic Transfer Switch (detailed in the approved Direct Award). However, the HMP did not follow through on the contract.</li> </ul>  |         |
| <p><b>2. <u>Non-compliance with the Personnel Regulations (2022 Revision) (the “Regulations”)</u> (Recurring)</b></p> <p>Section 31(2) of the Regulations states that staff cannot be employed in acting positions for more than 12 months without the position having been advertised as an interim position.</p> <p>We noted that nine employees had been employed in acting positions for more than 12 months, but their positions had not been advertised as required by the Regulations.</p> | <p><b>Risk/Implication:</b></p> <p>Non-compliance with the Personnel Regulations.</p> <p>Appointment of staff in acting capacity beyond the 12-month limit (without advertising the position) denies potential applicants the opportunity to compete and fill the position.</p> <p><b>Recommendation:</b></p> <p>Management should ensure that staff do not hold acting positions for more than 12 months unless the positions are</p> | <p>The Government established the Ministry of Home Affairs (formerly merged with Financial Services) in May 2021. The Deputy Governor’s office did not make fulltime/permanent appointments to a number of senior posts. These include Chief Officer, Deputy Chief Officers, Heads of Departments and Deputies. The Ministry’s understanding is that fulltime appointments could not be made until after the 2025 elections due to uncertainty of the number/makeup of ministries and a decision would have to be taken on appointments to these senior positions.</p> | Ongoing |

|  |   |  |                               |
|--|---|--|-------------------------------|
|  | advertised as required by section 31(2) of the Regulations.   | So, the Chief Officer and Deputy Chief Officers have been appointed to act in the respective posts. The deputies appointed were Heads of Department and so other temporary appointments were made to fill their posts. Their posts have since been advertised and temporary appointments made for them to act. A recruitment exercise is currently being done for the Chief Officer post. The ministry awaits the outcome of this recruitment and further directives from the Deputy Governor's office as far as other appointments.   |                               |
| <p><b>3. <u>Opening balances in the IRIS financial reporting system do not fully align with prior year audited trial balance</u></b></p> <p>Our review of the opening balances revealed discrepancies between the figures reported in IRIS, the Ministry's financial reporting system and those presented in the prior year's audited trial balance. These variances indicate that the IRIS system may not have been fully updated to reflect the final audited financials from the previous year.</p> | <p><b>Risk/Implication:</b></p> <p>Failure to reconcile the opening balances in the IRIS with the prior year's audited trial balance may result in inaccurate financial reporting. This impacts the integrity of financial analyses and decision-making.</p> <p>We could not rely on the system-generated trial balance for our current year audit procedures. Instead, we relied on a manually reconciled trial balance prepared and provided by the Ministry to ensure the integrity of the</p> | <p>There were audit journals being carried on the spreadsheet as manual adjustments, but these relate to sub-ledger accounts to which journals are not allowed. However, the journals were posted to other accounts within the same category. So, for example, where there was an audit adjustment for account 12003 (AR sub-ledger) this was booked to 12012 (other AR). This means the IRIS TB reflects the correct balances for each classification/ group of accounts. So, accounts receivable as a whole would be correct, though there could be differences in the individual balances (12003 or 12012).</p> | <p><b>Qtr. 1<br/>2025</b></p> |



|  |   |  |                        |
|--|---|--|------------------------|
|  | <p>opening balances used in our audit testing. This required additional time and effort for resolution, and is likely to result to higher audit fees in the future.</p> <p><b>Recommendation:</b></p> <p>Management should perform a detailed reconciliation between the IRIS opening Trial Balance and the audited financial statements upon completion of the external audit. This process should include confirmation that the IRIS Financial Reporting System reflects the final audited figures.</p> | <p>Please note the 2024 audit journals will be posted once reopening of the period is arranged with the MOF.</p>   |                        |
| <p>4. <u>Weakness in the billing and collection of Tower License revenue</u></p> <p>The Ministry grants licenses to two telecommunication companies for the use of its communication towers, in exchange for agreed fees. However, the Ministry does not maintain up-to-date contracts with the companies. The</p> | <p><b>Risk /Implication:</b></p> <p>Without updated contracts, the Ministry faces challenges in enforcing payment terms, increasing the risk of financial leakage and revenue shortfalls. Additionally, this undermines revenue predictability and financial control.</p> <p><b>Recommendation:</b></p>   | <p>DPSC acknowledges the risks highlighted—particularly the challenges in enforcing payment terms and the impact on financial control, and fully supports the recommendation to formalize and update these agreements as a matter of priority.</p> <p>To address this, DPSC will take the following actions:</p> | <p>Qtr. 3<br/>2025</p> |

|  |   |  |                |
|--|---|--|----------------|
| <p>absence of formal, current agreements has led to delays in billing, disputes over invoiced amounts, and prolonged collection periods for outstanding fees.</p>  | <p>The Ministry should:</p> <ul style="list-style-type: none"> <li>• Prioritize the negotiation and execution of updated contracts with the telecommunications providers.</li> <li>• Closely monitor agreement expiration dates, renewal schedules, and compliance with contractual obligations.</li> </ul>   | <ul style="list-style-type: none"> <li>• Engage with the Ministry's Legal and Procurement teams to expedite the review and renegotiation of tower license agreements with both providers.</li> <li>• Establish a tracking mechanism to monitor contract expiration dates, renewal cycles, and compliance checkpoints</li> <li>• Implement a quarterly billing and reconciliation process to ensure timely invoicing and follow-up on outstanding balances.</li> </ul>  |                |
| <p><b>5. <u>Deficiencies in the Ministry's management of annual leave and comp time</u></b></p> <p>We noted deficiencies in the Ministry's management of its staff's annual leave and comp time balances. For example:</p> <ul style="list-style-type: none"> <li>• As of 31 December 2024, 149 employees had more than 25 leave days outstanding.</li> <li>• The Ministry did not provide signed leave and comp time forms for some of the sampled employees. For purposes of audit testing, we relied on data from the My-vista system,</li> </ul> | <p><b>Risks/Implications:</b></p> <p>The annual leave and comp time liability balances in the financial statements may be misstated.</p> <p>The Ministry may incur unnecessary financial loss if its payments in lieu of annual leave and comp time are overstated.</p> <p>Additionally, the Ministry may suffer business interruptions when employees with significant leave balances apply for, and take their accrued leave.</p> | <ul style="list-style-type: none"> <li>• <b>Annual Leave &amp; Comp time Balances</b></li> </ul> <p>- HMCIPS incurred significant balances during the COVID-19 pandemic, plus the support for vocational training programmes to support the rehabilitation goals of inmates' sentence plans. These officers often engage in other operational areas when not engaged in classroom instruction. Additionally, the establishment of the Intelligence Unit has impacted available staffing levels as well as the general staffing constraints due to limited numbers, being mindful the Prison is a 24/7 operation.</p> | <p>Ongoing</p> |



|  |  |  |         |
|--|--|--|---------|
| whose design and implementation of controls had been tested without exception.   | <p><b>Recommendations:</b></p> <p>Management should:</p> <ul style="list-style-type: none"> <li>• Maintain accurate records of annual leave and comp-time and regularly confirm outstanding balances with employees. Any discrepancies noted should be investigated and resolved promptly.</li> <li>• Take steps to reduce high leave balances to minimize future business interruptions.</li> </ul> | <p>-DPSC – Similar to the above, 911 is a 24/7 operation requiring adequate coverage. Leave balances continue to accrue given the limited staffing available to provide the appropriate coverage.</p> <p>-CIFS - the CIFS will ensure accurate records of annual leave and comp-time are kept by conducting bi-monthly checks.</p> <p>CIFS staff are being encouraged to reduce high levels of annual leave, where the employee does not request leave, they are being rostered to take it.</p> <ul style="list-style-type: none"> <li>• Signed leave and comp time forms</li> </ul> <p>-Steps are being taken to ensure compliance in respect to the management of leave. To this end supervisors have been reminded of their obligation to comply with the policy. .</p> |         |
| <p><b>6. <u>Improvement in the management of overtime cost</u></b></p> <p>The overall overtime expenditure for the Fire Department has been on a commendable downward trend,</p> | <p><b>Risk /Implication:</b></p> <p>Unchecked overtime increases can strain departmental budgets, potentially diverting funds from other critical operational needs.</p>   | <p>The overtime is inextricably connected to the leave liability mentioned above. The overtime cost continues to be driven by the inappropriate cadre of staffing. For example, the Prison Service being a 24/7 operation has to provide staffing</p>  | Ongoing |



| <p>reflecting improved cost management. However, overtime costs for the Department of Public Safety Communications (DPSC) and the Prison Department have increased significantly. From 2023 to 2024, DPSC's overtime expenditure rose by 32% (from \$139K to \$184K), while the Prison Department's overtime costs surged by 38% (from \$1.2M to \$1.7M). See analysis below:</p> <table border="1" data-bbox="205 683 674 813"> <tr> <th>Total overtime</th><th>DPSC</th><th>Prisons</th><th>Fire</th></tr> <tr> <td>2024</td><td>184,413</td><td>1,714,750</td><td>1,875,938</td></tr> <tr> <td>2023</td><td>139,770</td><td>1,246,432</td><td>2,064,571</td></tr> <tr> <td>% change from 2023 to 2024</td><td>32%</td><td>38%</td><td>-9%</td></tr> </table> <p>Additionally, overtime earned by employees varies significantly even for employees with similar job titles. For example, in the Fire Department:</p> <ul style="list-style-type: none"> <li>• 93 employees earned less than \$10K in overtime.</li> <li>• 38 employees earned between \$10K and \$20K.</li> <li>• 29 employees earned between \$20K and \$40K.</li> <li>• 2 employees earned over \$40K.</li> </ul> | Total overtime | DPSC      | Prisons   | Fire | 2024 | 184,413 | 1,714,750 | 1,875,938 | 2023 | 139,770 | 1,246,432 | 2,064,571 | % change from 2023 to 2024 | 32% | 38% | -9% | <p>Significant discrepancies in overtime earnings may lead to perceptions of favoritism, reducing employee engagement and morale.</p> <p><b>Recommendation:</b></p> <p>Management should:</p> <ul style="list-style-type: none"> <li>• Optimize staffing schedules to reduce the dependency on voluntary overtime while ensuring operational efficiency.</li> <li>• Evaluate overtime structures across all departments to identify inconsistencies and ensure equitable allocation.</li> </ul> | <p>for inmates on medical/ hospital visits which have become increasingly more frequent.</p> <p>In respect to DPSC, the noted 32% increase in overtime costs during this time was directly linked to significant staffing shortages within the department, particularly in critical frontline roles such as Telecommunicators and Electronic Monitoring Officers. To address this, a robust recruitment exercise was undertaken, resulting in the successful hiring of seven (7) additional Telecommunicators and one (1) Electronic Monitoring Officer.</p> <p>With these key vacancies now filled, we anticipate a notable reduction in overtime costs, bringing the department's expenditure back in line with acceptable operational thresholds.</p> <p>We will also continue to:</p> <ul style="list-style-type: none"> <li>• Monitor and adjust scheduling to ensure efficient shift coverage</li> <li>• Review overtime distribution to avoid inconsistencies and ensure equitable workload allocation.</li> </ul> <p>CIFS - overtime has been reduced in the CIFS during 2025, and managers are constantly looking at options in order to not incur overtime.</p> |  |
|--|----------------|-----------|-----------|------|------|---------|-----------|-----------|------|---------|-----------|-----------|----------------------------|-----|-----|-----|---|---|--|
| Total overtime   | DPSC           | Prisons   | Fire      |      |      |         |           |           |      |         |           |           |                            |     |     |     |   |   |  |
| 2024   | 184,413        | 1,714,750 | 1,875,938 |      |      |         |           |           |      |         |           |           |                            |     |     |     |   |   |  |
| 2023   | 139,770        | 1,246,432 | 2,064,571 |      |      |         |           |           |      |         |           |           |                            |     |     |     |   |   |  |
| % change from 2023 to 2024   | 32%            | 38%       | -9%       |      |      |         |           |           |      |         |           |           |                            |     |     |     |   |   |  |

|  |   |   |           |
|--|---|---|-----------|
| Based on management's response, overtime is primarily driven by employee willingness to work beyond standard hours. While this flexible approach allows departments to meet operational demands, it may create inconsistencies in overtime distribution.   |   | <p>Where it is necessary, overtime is given to persons willing to work extra duty.</p> <p>There are many factors for overtime distributions, the main one being that some persons do not want to do any overtime, the other is that only certain people are qualified as operators when that position requires filling.</p> |           |
| <p><b>7. <u>There is no evidence that the Ministry's Chief Officer approved call-out rates for the Fire Service</u></b></p> <p>Section 3(1)(b)(i) of Schedule 1 of the Personnel Regulations (2022 Revision) (the Regulations) states that employees are entitled to call-out allowances if they are subject to call-out in normal off-duty hours. The same section requires the allowances to be set by the appointing officer in conjunction with the Chief Officer.</p> <p>There is no evidence that the Fire Service consulted the Ministry's Chief Officer in setting its current call-out allowance rates.</p> | <p><b>Risk/Implication:</b></p> <p>Non-compliance with the Personnel Regulations.</p> <p>Unapproved call-out rates could lead to inconsistent or excessive expenditures, impacting financial planning.</p> <p><b>Recommendation:</b></p> <p>The Fire Service should ensure it consults the Chief Officer in setting call-out allowances at all times.</p> | <p>The Fire Service will ensure that it consults with the Chief Officer in setting future call-out allowances.</p>  | Immediate |

#### APPENDIX 4: INSTANCES OF NON-COMPLIANCE WITH THE PROCUREMENT REGULATIONS (2022 REVISION)

This appendix contains details of the instances of non-compliance with the Procurement Regulations (2022 Revision) highlighted in item number 1 in Appendix 3.

| Contract date                  | Contract value (CI\$) | Contract description   | Deficiencies noted   | Section of the Regulations breached |
|--------------------------------|-----------------------|--|--|-------------------------------------|
| January 1 to December 31, 2024 | \$1,194,738 in 2024   | 3 vendors – (\$579k, \$373k and \$243k) for the supply of food for the prison.                   | No business case prepared; No evidence of public notice of opportunity; No evidence of bid acceptance by the Public Procurement Committee and the Chief Officer acceptance; Contract award not published on Bonfire.   | Sections 3, 6, 16(1)(b), 19(1)      |
| April 12, 2024                 | \$142,342 annually    | Maintenance and support for the Department of Public Safety Communications' radio systems        | A one-year direct award was endorsed by the Entity Procurement Committee (EPC) with a justification that only the vendor can carry out the maintenance without affecting the warranty associated with the equipment. However, the total cumulative amount expected to be paid to the vendor over the years will exceed \$250k in value. Therefore, the direct award should be endorsed by the Public Procurement Committee (PPC). Additionally, the contract award should be published on Bonfire. | Sections 5 (3) (c), 19(1)           |
| No contract provided           | \$259,934 in 2024     | Preventive Maintenance fee for masts   | No business case prepared; No evidence of public notice of opportunity; No evidence of bid acceptance by the Public Procurement Committee and the Chief Officer acceptance; Contract award not published on Bonfire.   | Sections 3, 6, 16(1)(b), 19(1)      |
| No contract provided           | \$104,424             | Supply of generator, electric works and fuel lines, delivery of generator and generator testing. | No contract; Contract award not published on Bonfire.  | Section 19(1)                       |