

COMMISSION FOR THE

PREVENTION

OF

CORRUPTION

ANNUAL REPORT

2012/2013

2012/2013

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Executive Summary

The Commission for the Prevention of Corruption was established under the Corruption (Prevention) Act 2000 and its first members appointed with effect from May 1, 2001.

During the year under review The Hon. Mr. Justice Howard Cooke (Retired) and the Hon Mr. Justice Karl Harrison (Retired) were appointed members of the Commission.

The Commission met eleven (11) times during the 2012-2013 financial year.

The objective of the Commission is the reduction and prevention of corruption in the Public Sector.

Annually the Commission requires Public Sector Agencies to provide an update of Public Servants required to file Statutory Declaration of Assets, Liabilities and Income. The responses indicate that as of December 2012, thirty one thousand one hundred and thirty two (31,132) Declarations were to be received by the Commission.

As at March 31, 2013, the Commission had received fourteen thousand nine hundred and sixteen (14, 916) Declarations for the period ending December 31, 2012. A compliance rate of forty-eight percent (48%).

Arising from the failure of Public Servants to file declarations, the Commission is presently preparing a new list of delinquent individuals which will shortly be forwarded to the Director of Public Prosecutions and other named entities as indicated in the Act. Since the Commission's inception seven hundred and sixty-four (764) delinquent declarants have been prosecuted by the Director of Public Prosecutions. For the year to which this report relates, one hundred and forty-five (145) public servants had their cases disposed of in the court with fines of seven hundred and eighty-eight thousand dollars (\$788,000) being imposed on them. Up to the date of this report twenty-two (22) of the matters before the Court had not yet been resolved.

The Commission had previously recommended that it be authorized to impose a penalty for the failure to file the Statutory Declaration of Assets, Liabilities and Income. To date this and other recommendations have not been adopted. That notwithstanding, the Commission continues to work with the office of The Director of Public Prosecutions (DPP) in an effort to have the delinquents brought before the Court.

The Commission enters all declarations received in its database, which is designed to facilitate the manipulation of the data furnished on the Statutory Declaration of Assets and Liabilities received from Public Servants.

During the year under review a sample of thirty-one (31) cases was chosen for analysis based on the Commission's selection criteria. Twenty-eight (28) cases analysed were referred for detailed internal investigation.

The Commission had an inventory reflecting three hundred and fifty-four (354) cases for the reporting year ending March 31, 2013 which required interviews and statements being collected from several Public Sector agencies and individuals to verify the accuracy of Statutory Declarations furnished.

For the year under review the Commission referred to the Director of Public Prosecutions eight (8) cases involving allegations of serious breaches of The Corruption (Prevention) Act 2000, while twenty-four (24) cases investigated were closed by the Commission as adequate information and explanations were received for the discrepancies identified.

The Commission has to date forwarded to the Office of the Director of Public Prosecutions eighteen (18) cases of suspected serious breaches of the Corruption Prevention Act involving the offence of illicit enrichment and is awaiting rulings on fourteen (14) of them. The Commission wishes to place on record its concern at the long delay in the receipt of rulings from that office.

During the year under review The Honorable Minister of Justice by order in the Jamaica Gazette named the Commission for the Prevention of Corruption as the Designated Authority for the purposes of the Protected Disclosures Act 2011. The Commission has developed draft procedural guidelines pursuant to the Act and has circulated these to relevant persons and entities for their perusal and comment.

The Commission had proposed certain amendments to the Act in its Annual Reports for the years 2003-2007 and attended sittings of a Joint Select Committee of the Houses of Parliament at which it advocated its recommendations. The non-implementation of these proposed amendments continues to frustrate the Commission in the pursuit of achieving its mandate and remains hopeful that these recommendations will be considered for inclusion in the proposed Corruption (Special Prosecutor) Act.

The Commission in this report restates all its previous recommendations:

1. Definition of Spouse- consequent on the passage of the Family Property (Rights of Spouses) Act, 2003 and its definition of a spouse.

2. The Corruption (Prevention) Act be amended by the insertion of subsection (d) in Section 4 as follows:

‘and thereafter on the 31st day of December in each year or at such intervals as the Commission may direct.’

This amendment will require that declarations are filed annually by Public Servants.

3. Function and Powers of the Commission- authorizing it to inspect and make copies of all records and documents of Government Departments and Agencies, including the Revenue Services
4. Specified Posts - several Public Sector Agencies have undergone reform since the inception of the Act necessitating revision of the holders of posts required to file Statutory Declarations.
5. Applicability of the Corruption (Prevention) Act to all members of The Judiciary.
6. Statutory Declarations-
 - (i) To give the Commission power to impose a penalty for late filing
 - (ii) Amend the form at Section 2 to remove the words “in excess of five hundred thousand dollars”.
 - (iii) The form of Statutory Declaration as set out in the Second Schedule of the Act be amended at section 1 to add the words “or any other document as indicated by the Commission”.
7. The Commission has previously recommended an increase of the income threshold for filing Declarations from Two Million Dollars (\$2,000,000) to Three Million Dollars (\$3,000,000); it is now proposing that the threshold be further revised to Three Million Five Hundred Thousand Dollars (\$3, 500,000)
8. The Commission is of the view that Public Sector Officers and employees should not engage in work which creates a conflict of interest with their official duties and sanctions should be provided for such activity.

Preface

The Commission for the Prevention of Corruption was established under the Corruption (Prevention) Act 2000 and its first members appointed with effect from May 1, 2001. The Corruption (Prevention) Regulations came into effect January 31, 2003.

The Commission consists of five (5) Members:

- (a) The Auditor General
- (b) Four (4) other persons (referred to as appointed members) appointed by the Governor General after consultation with the Prime Minister and the Leader of the Opposition from the following categories of persons:
 - (i) Members of the Privy Council
 - (ii) Retired Judges of Appeal and Retired Judges of the Supreme Court
 - (iii) Persons who, in the opinion of the Governor General, are of high integrity and are able to exercise competence, diligence and sound judgment in fulfilling their responsibilities under the Act.

The Members for the period under review were:

- The Honourable Mr. Justice Ferdinand Smith (Retired) C.D., – Chairman
- The Honourable Mr. Adrian Strachan, O.J., C.D., J.P., F.C.C.A., F.C.A.,
- The Honourable Mr. Justice Howard Cooke (Retired) C.D.,
- The Honourable Mr. Justice Karl Harrison (Retired) C.D.,
- Mrs. Pamela Monroe-Ellis- Auditor General, F.C.C.A., F.C.A., C.I S.A.

Meetings of the Commission

The Commission met eleven (11) times during the 2012/2013 financial year.

Names of Members	Meetings Attended	Absent
Mr. Justice F. A. Smith	11	-
Mr. Justice Howard Cooke	10	-
Mr. Justice Karl Harrison	4	6
The Hon Mr. Adrian Strachan	10	1
Mrs. Pamela Monroe Ellis	8	3

During the year under review The Hon. Mr. Justice Howard Cooke (Retired) C.D. and The Hon Mr. Justice Karl Harrison (Retired) C.D.were appointed members of the Commission with effect from May 2012.

The Protected Disclosures Act

The Hon. Minister of Justice by order dated August 2, 2012 and published in the Jamaica Gazette named the Commission for the Prevention of Corruption as the Designated Authority for the purposes of The Protected Disclosures Act, 2011.

The Commission has developed draft procedural guidelines pursuant to the Act and has circulated these to relevant persons and entities for their perusal and comment

The Proposed Repeal of The Corruption (Prevention) Act 2000

The Commission notes the legislative delay in the passage of the Corruption (Special Prosecutor) Act, and the proposed repeal of The Corruption (Prevention) Act, 2000. It remains hopeful that its recommendations from previous Annual Reports will be considered for inclusion in the development of any legislation aimed at stemming corruption in Jamaica.

The Secretariat of the Commission

The Commission, for the period under review, had an approved staff complement of twenty-one (21) which includes the Secretary/Manager, two (2) Secretaries, four (4) Financial Analysts, four (4) Investigators, one (1) Manager, Finance and Administration, one (1) accounting clerk, one (1) Records Officer, five (5) Data Entry Officers, one (1) Office Attendant and one (1) Driver.

In accordance with the Cabinet Office directive the fees and salaries of members of the Commission and senior staff are as indicated in Appendix 1 and Appendix 2 respectively.

The Commission's office is as indicated below:

Commission for the Prevention of Corruption
45-47 Barbados Avenue,
Kingston 5

Telephone: 968-6227/960-0470

Fax: 960-5617

Email: corruptionprevention@yahoo.com

Statutory Declarations

The objective of the Commission is the reduction and prevention of corruption in the Public Sector.

The Corruption Prevention Act provides the following functions of the Commission:

1. To receive and keep on record Statutory Declarations furnished by Public Servants pursuant to the Act;
2. To examine such Statutory Declarations and to request from a Public Servant any information relevant to a Statutory Declaration made by him, which in its opinion would assist in its examination;
3. To make such independent enquiries and investigations relating to a Statutory Declaration as it thinks necessary;
4. To receive and investigate any complaint regarding an act of corruption;
5. To conduct an investigation into an act of corruption on its own initiative, if satisfied that there are reasonable grounds for such investigation.

Statutory Declarations are required from Public Servants whose total annual emoluments are two million dollars (\$2,000,000) and above and those categories indicated in Parts 1 and 2 of the Regulations issued under the Act.

Arising from the receipt of information from Government Ministries, Departments, Companies, Statutory Bodies, and Local Government Agencies, it was ascertained that Declarations were to be received as indicated in Table 1 below:

The Corruption (Prevention) Act, 2000 states that for a Statutory Declaration to be in compliance with the Act, it must be filed within (3) three months following the date to which it relates. Up to the date of this report, declarations were received as indicated in the following table (See Table 1):

Table 1 Outstanding Statutory Declarations

Declaration Period	Expected No. of Declarations	No. of Declarations Received	Outstanding Declarations	Outstanding Percentage
January 31, 2003	14,705	12,819	1,886	13%
December 31, 2003	14,705	11,020	3,685	25%
December 31, 2004	17,228	12,870	4,358	25%
December 31, 2005	14,104	9,112	4,992	35%
December 31, 2006	15,409	9,185	6,224	40%
December 31, 2007	20,684	12,789	7,895	38%
December 31, 2008	23,447	13,090	10,357	44%
December 31, 2009	23,447	13,271	10,176	43%
December 31, 2010	24,389	15,034	9,355	38%
December 31, 2011	25,040	14,788	10,252	41%
December 31, 2012	31,132	14,916	16,216	52%
TOTAL	224,290	138,894	85,396	38%

As can be seen there remains a high incidence of outstanding declarations with that for the year under review being sixteen thousand two hundred and sixteen (16,216) declarations which represent fifty-two percent (52%), of all declarations.

These results were further disaggregated by Agencies as indicated in table 2 below:

Table 2 - Outstanding Declarations

Employers	Declaratio ns to be Filed 2012	No. of Declarati ons Filed 2012	No. of Outstan ding Declarat ions 2012	Declarati ons to be Filed to Date	No. of Declarati ons Filed to Date	No. of Outstand ing Declarati ons to Date
AIRPORTS AUTHORITY OF JAMAICA	91	35	56	471	337	134
BANK OF JAMAICA	389	231	158	2407	1731	676
BUREAU OF STANDARDS JAMAICA	150	104	46	985	848	137
FINANCIAL SERVICES COMMISSION	84	69	15	702	447	255
FISCAL SERVICES LIMITED	157	99	58	747	552	195
HEART TRUST/NTA	626	154	472	2433	970	1463
JAMAICA CONSTABULARY FORCE/ISLAND SPECIAL CONSTABULARY FORCE	11693	7648	4045	104434	75691	28743
JAMAICA DEFENCE FORCE	4045	2723	1322	33974	23891	10083
MINISTRY OF AGRICULTURE & FISHERIES	146	86	60	855	536	319
MINISTRY OF EDUCATION	4589	40	4549	12427	443	11984
MINISTRY OF FOREIGN AFFAIRS AND FOREIGN TRADE	112	53	59	906	512	394
MINISTRY OF TRANSPORT, WORKS AND HOUSING	309	55	254	890	483	407
NATIONAL ENVIRONMENT AND PLANNING AGENCY	136	91	45	461	438	23
NATIONAL HOUSING TRUST	379	185	194	2348	1601	747
NATIONAL LAND AGENCY	115	99	16	903	765	138
NATIONAL WORKS AGENCY	247	96	151	1971	1053	918
OFFICE OF THE PRIME MINISTER & CABINET OFFICE	102	22	80	606	277	329
PASSPORT, IMMIGRATION & CITIZENSHIP AGENCY	278	147	131	1987	910	1077
PLANNING INSTITUTE OF JAMAICA	68	17	51	410	170	240
REGISTRAR GENERAL'S DEPARTMENT	191	36	155	1638	524	1114
SOCIAL DEVELOPMENT COMMISSION	97	70	27	415	255	160
TAX ADMINISTRATION JAMAICA	1032	8	1024	5475	1667	3808
THE PORT AUTHORITY OF JAMAICA	159	62	97	928	346	582
UNIVERSITY OF TECHNOLOGY	1413	67	1346	4474	525	3949
WESTERN REGIONAL HEALTH AUTHORITY	554	112	442	1842	508	1334
Other Agencies	3,970	2,607	1,363	39,601	23,414	16,187
Total	31,132	14,916	16,216	224,290	138,894	85,396

The category 'Other Agencies' shown in Table 2 represents an amalgamation of several small reporting Agencies.

The Commission again wishes to highlight the tendency of many Public Servants to continually breach the Legislation, and requests that consideration be given to its recommendation made in its 2005 Report, that The Corruption (Prevention) Act, 2000 be amended to give powers to the Commission to impose a penalty for the late filing of Statutory Declarations.

The Commission would like to commend the hierarchy of the Jamaica Constabulary Force for its efforts to increase compliance amongst its members by requiring proof of adherence to the requirements of The Corruption (Prevention) Act, 2000 before members are recommended for promotion and training opportunities.

The Commission has previously reported eighteen thousand four hundred and thirty – one (18431) delinquents to the Director of Public Prosecutions, and at the date of this report a new delinquency listing was being prepared for submission to that office.

During the year under review, the Director of Public Prosecutions brought one hundred and forty- five (145) cases before the Court resulting in fines totaling seven hundred and eighty eight thousand dollars (\$788,000) being imposed on public servants for failure to submit the Statutory Declarations by the due date. Of the total brought before the Court by the Director of Public Prosecutions twenty-two matters remained to be pursued at the time of writing this report. (See Table 3)

Since the Commission's inception the Director of Public Prosecutions has acted on seven hundred and sixty-four (764) delinquent declarants resulting in the imposition of fines totaling three million nine hundred and forty six thousand five hundred Dollars (\$3,946,500). (See Table 3)

Table 3 - Delinquent Declarants Reported to DPP

Employer	Delinquent Declarants Reported to DPP 2012	Delinquent Declarants Taken before Court 2012	Fines Levied 2012	Delinquent Declarants Reported to DPP to Date	Delinquent Declarants Taken before Court to Date	Fines Levied to Date
Anti-Dumping and Subsidies Commission				1	1	\$ 20,000
Bureau of Standards Jamaica		1		8	4	\$ 1,000
Coconut Industry Board				3	3	
Fiscal Services Limited				4	1	
Jamaica Constabulary Force/Island Special Constabulary Force	132	106	\$ 759,000	429	237	\$2,575,500
Jamaica Customs Department				38	7	\$ 110,000
Jamaica Defence Force				61	2	
Management Institute for National Development				2	1	
Manchester Parish Council				5	4	\$ 74,000
Ministry of Foreign Affairs and Foreign Trade				28		
Ministry of Health				7	2	
National Health Fund				1	1	\$ 1,000
National Investment Bank of Jamaica				2	1	
National Land Agency				6	1	\$ 15,000
National Works Agency	4	4	\$ 10,000	9	5	\$ 95,000
North-East Regional Health Authority				6	4	\$ 95,000
Port Authority of Jamaica				1	1	\$ 50,000
Portland Parish Council				5	4	\$190,000
St. Ann Parish Council				15	13	\$ 447,000
St. Elizabeth Parish Council				1	1	\$ 24,000
Tax Administration Jamaica				15	3	
Western Regional Health Authority				5	3	
Other Agencies	9	12	\$ 19,000	112	15	\$ 249,000
Total	145	123	\$ 788,000	764	314	\$3,946,500

Update of Database

The Commission annually makes a request of Public Sector Agencies for an update of persons required to file the Statutory Declaration of Assets, Liabilities and Income and has received responses from one hundred and thirty (130) Ministries and Agencies of the one hundred and seventy-six (176) entities written to in December 2012. The Commission is in contact with the agencies that have not responded to date with a view to receiving the necessary correspondence.

Analysis of Declarations Filed

The Commission maintains a database comprising all the information supplied by declarants on their Statutory Declarations.

The year under review saw a continuation of the analysis of declarations filed by declarants employed by agencies.

During this reporting year a total of thirty-one (31) cases were examined, bringing to six hundred and twenty-five (625) the number of cases examined to date. Twenty-eight (28) of these cases were referred for detailed internal investigation and three (3) cases were closed with no further action being recommended.

These figures indicate that most of the cases examined had material issues warranting further investigation. (See Tables 4-5)

Table 4

Analysis of Declarations Filed

Total Cases Examined	31
Cases Forwarded for Investigations	28
Cases with no Further Action Taken	3

The main issues of concern noted were the following:

- Acquisition of assets with no evidence of financing
- Non-declaration of assets e.g. properties, motor vehicles
- Omission of the source of funds
- Insufficient information submitted on declarations [particularly in relation to receipt of gifts.
- Non-declaration of business interests/income

Table 5 - Cases Analysed

Employer	Cases Analyzed 2012	Cases Analyzed to Date
Bank of Jamaica	1	4
Development Bank of Jamaica Ltd.	2	2
Financial Investigations Division		48
Financial Services Commission	1	8
Island Traffic Authority		14
Jamaica Constabulary Force/Island Special Constabulary Force	11	242
Jamaica Customs Department	3	88
Jamaica Defence Force	3	3
Kingston & St. Andrew Corporation	1	3
Ministry of Transport, Works and Housing	1	13
National Works Agency	3	38
Office of Utilities Regulation		14
Passport, Immigration and Citizenship Agency		42
Planning Institute of Jamaica	1	1
Port Authority of Jamaica	2	9
Portmore Municipal Council	1	1
Registrar General's Department		4
Spectrum Management Authority		9
St. Thomas Parish Council	1	1
Tax Administration Jamaica		36
Other Agencies		45
Total	31	625

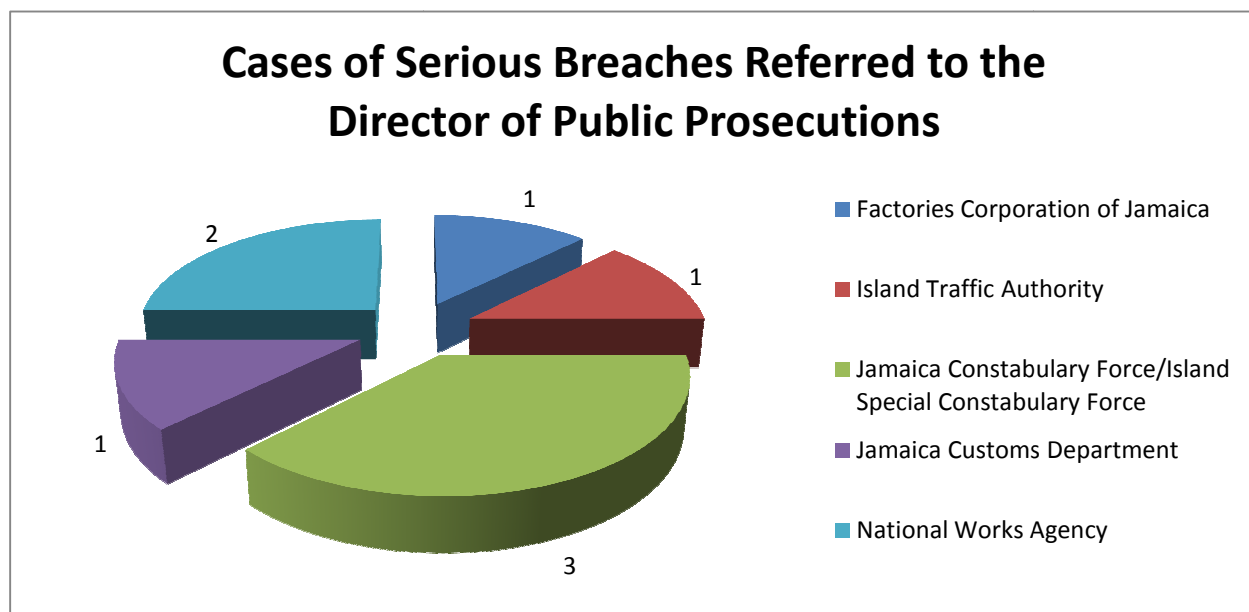
Investigation of Declarations

During the period under review the Commission had an inventory of three hundred and fifty (350) cases under investigation, an increase of twenty-eight (28) from the previous year. Arising from investigations undertaken by the Commission twenty-four (24) cases were closed as sufficient explanations were offered for the discrepancies indicated and no further action was warranted. (See Table 6).

Table 6 – Cases Investigated

Employer	Investigation Cases 2012	Cases Closed/ No further Action 2012	Cases Referred to DPP 2012	Cases Referred to Other Authority, Boards, Commissions 2012	Investigation Cases to Date	Cases Closed/ No further Action to Date	Cases Referred to DPP to Date	Cases Referred to Other Authority, Boards, Commissions to Date
Bank of Jamaica					3			
Department of Correctional Services					2			
Factories Corporation of Jamaica			1		1	1	1	
Financial Investigations Division					39	16		
Financial Services Commission	1				5			
Housing Agency of Jamaica					2			
Island Traffic Authority		3	1	1	17	11	4	1
Jamaica Constabulary Force/Island Special Constabulary Force	12	7	3		78	24	4	1
Jamaica Customs Department	3	5	1		71	25	6	1
Kingston & St. Andrew Corporation					2			
Maritime Authority of Jamaica					2			
Ministry of National Security					2			
Ministry of Transport and Works					6	1		
National Works Agency	3	8	2		28	9	3	1
Office of Utilities Regulation					10			
Passport, Immigration and Citizenship Agency					20			
Port Authority of Jamaica					8	1		
Social Development Commission					2			
Spectrum Management Authority					5			
Tax Administration Jamaica					16			
Other Agencies	9	1			31	1		
Total	28	24	8	1	350	89	18	4

Chart 1: Cases of Serious Breaches Referred to the Director of Public Prosecution to Date



Eight (8) cases of suspected serious breaches of The Corruption (Prevention) Act, 2000 involving allegations of illicit enrichment pursuant to Section 14 (5) of that Act and also the failure without reasonable cause to give such information as requested by the Commission in relation to a Statutory Declaration (Sections 15 (2) b and c of The Corruption (Prevention) Act, 2000 refers) were referred to the Director of Public Prosecutions (DPP) in this reporting year, making a total of eighteen (18) such cases referred to that office since the inception of the Commission. (See Chart 1)

One matter was successfully concluded in the Courts by the Office of the Director of Public Prosecutions (See Appendix 6) bringing the total matters concluded to four since the Commission's inception. (See Appendices 3 - 6)

At the time of this report there were 14 matters awaiting rulings from the Office of the Director of Public Prosecutions dating back to reports submitted in 2008/2009 and the Commission hopes that the Director of Public Prosecutions (DPP) will address these matters quickly. (See Table 7)

Table 7 – Cases Investigated

Year	Number of Cases Reported To DPP	Number Taken Before the Court	Outcome in Court	Number of Cases Awaiting DPP's Decision
2008/2009	2	-	-	2
2009/2010	2	2	2	-
2010/2011	4	1	1	3
2011/2012	2	-	-	2
2012/2013	8	1	1	7
Total	18	4	4	14

As mentioned in earlier reports many of the cases investigated to date, have revealed instances in which public servants were in receipt of gifts and income from various sources for which adequate documentary evidence was not presented to allow verification.

The Commission reiterates its concern that despite its best efforts it has not to date received from the Ministry of Finance a favourable response to its repeated request to have online access to relevant computerized Tax Administration Jamaica (Inland Revenue) records, the request for which was made in the Commission's 2003 Report and followed up by numerous pieces of correspondence to Government Technocrats.

Legislative Issues

The Commission has proposed amendments to the Act in its Reports for the years 2003, 2004, 2005, 2006, 2007 and 2012. The Commission has attended sittings of a Joint Select Committee of the Houses of Parliament and has defended its recommendations. The non-implementation of these proposed amendments continues to hamper the Commission in its pursuit of achieving its mandate.

The Commission restates below all its previous recommendations:

- (a) Definition of Spouse: - **That the Corruption (Prevention) Act 2000 be amended and the definition of Spouse as contained in the Family Property (Rights of Spouses) Act, 2003 be adopted for the purposes of the Act.**

The Act when it was passed defined “Spouse” to mean husband or wife under the Marriage Act. As a consequence assets may be placed in the name of an unmarried spouse to avoid disclosure thus defeating the purpose of the Act.

- (b) Late Filing of Statutory Declarations - **That the Corruption Prevention Act be amended to give power to the Commission to impose a penalty for the late filing of the Statutory Declaration.**

Section 5 (7) of The Corruption (Prevention) Act, 2000 sets out the time frame in which statutory declarations are to be filed.

Section 15 (2) of The Act details sanctions for those declarants, who fail without reasonable cause to furnish a statutory declaration. The required amendment will serve as a deterrent to those declarants who are persistently late in the filing of their declarations. The Commission notes that such a provision for a penalty exists in other jurisdictions.

- (c) Issue arising from Amendment to the Corruption(Prevention) Act- **That Section 4 of The Corruption (Prevention) Act be amended by the insertion of subsection (d) as follows:**
and thereafter on the 31st day of December in each year or at such intervals as the Commission may direct.

Section 4(5) of the Corruption (Prevention) Act prescribes the times at which statutory declarations should be furnished to the Commission. A similar provision in the original Act was deleted by the Corruption (Prevention) Act, 2002 but this provision was inserted with amendments in the regulations. [See The Corruption (Prevention) Regulations section 3 (3)]

The Commission is of the view that this Regulation is Ultra Vires the Act.

The Commission has had to issue notice in the Gazette requiring Statutory Declarations as at December 31, 2003.

- (d) Function and Powers of The Commission- **A provision be inserted in The Act to authorize the Commission and its agents to inspect and make copies of all records and documents of Government Departments and Agencies including the Revenue Services.**

Section 5(2) of the Act gives the Commission power to summon witnesses, require the production of documents and to do all such things as it considers necessary or expedient for the purpose of carrying out its functions. The Commission is however aware that some available information is bound by confidentiality requirements.

This provision is necessary to assist in the investigation of corruption in circumstances where the relevant information is not contained in public records.

- (e) Specified Posts - The Commission after reviewing the Organizational

Structures of the Agencies and Departments that are required to file the Statutory Declaration of Assets, Liabilities and Income has observed that some of these Agencies/Departments have undergone extensive restructuring including abolition of posts, mergers and establishment of others. In view of these developments the following amendments to Parts 1 and 2 of the Regulations to the Act are now necessary.

Since this recommendation was made the Commission notes that there has been further restructuring of the Tax Authorities culminating in the creation of Tax Administration Jamaica. The Commission will shortly have to revisit this recommendation and determine the applicable positions for which the filing of statutory declarations should be required.

(1) The Customs Department

Repeal the existing and replace with the following:

- ❑ All Holders of the series TA 1-9
- ❑ Accounting Officers AC 1-2
- ❑ AT 1-3
- ❑ PA 1-4
- ❑ Directors/Managers SEG 2-3
- ❑ Boatmen and Warehousemen LMOTS 1-3
- ❑ Records/Clerical Officers RIM 1-3
- ❑ Secretaries (Operations) SS 2-4

(2) The Inland Revenue Department.

Repeal the existing and replace with the following:

- ❑ Cashiers
- ❑ Compliance Officers
- ❑ Collector of Taxes
- ❑ Assistant Commissioner-Compliance
- ❑ Collections Officer
- ❑ Manager Stores
- ❑ Manager Payment Processing
- ❑ Manager Compliance

- ❑ Manager Office Services
- ❑ Director Maintenance & Facilities

(3) **The Ministry of Transport and Works**

Several of its functions now fall under the auspices of the National Works Agency and many posts have been reclassified and now fall under the National Works Agency.

(3a) **Amend by removing the following posts.**
Ministry of Transport and Works

- ❑ Assistant Superintendent
- ❑ Works Overseer 2
- ❑ Chief Project Officer
- ❑ Senior Superintendent
- ❑ Superintendent
- ❑ Works Overseer 3
- ❑ Quantity Surveyor Technician

(3b) **Amend to include:**

National Works Agency

- ❑ Regional Manager
- ❑ Project Manager
- ❑ Parish Manager
- ❑ Asst Parish Manager
- ❑ Flood Control Officer
- ❑ Flood Control Supervisor
- ❑ Construction Manager
- ❑ Building Officer
- ❑ Resident Engineer
- ❑ Site Supervisor

- ❑ Quantity Surveyor Technician
- ❑ Clerks of Works
- ❑ Site Control Officer
- ❑ Project Officer

(4a) **Amend the posts to include from.**

Revenue Protection Department

- ❑ Senior Investigator
- ❑ Investigator
- ❑ Intelligence Officer
- ❑ Tax Auditor 3

Further amend Financial Investigative Division to include:

(4b) **Financial Investigative Division**

- ❑ All members of the Financial Crimes Unit

(f) Applicability of the Corruption (Prevention) Act to all members of the Judiciary.

The Solicitor General has advised that the Chief Justice, The President of the Court of Appeal and Resident Magistrates fall within the provisions of the Corruption Prevention Act but other Judges do not. The distinction lies in the fact that the Chief Justice, The President of the Court of Appeal and Resident Magistrates perform administrative functions and the other Judges do not. This is an anomalous situation.

The Commission recommends that the Act be amended either:

- a) to specifically include all judges as public servants; or**
- b) to specifically exclude all judges as public servants.**

(g) Specified Posts - **That Part 1 of the Schedule to the Regulations of the Corruption Prevention Act be amended by adding the words**

“except members of the Jamaica Defence Force Reserves” after the words “All members of the Jamaica Defence Force”.

The Commission has been advised that members of the Jamaica Defence Force Reserves do not receive payment for their services and are unlikely to be the subject of graft. It is therefore recommended that these persons should not be required to furnish statutory declarations.

- (g) **Statutory Declarations –The form of Statutory Declaration of Assets, Liabilities and Income as set out in the Second Schedule of the Act be amended at Section 2 to remove the words “in excess of five hundred thousand dollars”.**

The form currently requires the declaration of cash in excess of five hundred thousand dollars held other than in a bank. The Commission remains concerned that the declarants may seek to exploit this provision by maintaining multiple accounts with balances of less than five hundred thousand dollars in financial institutions other than banks.

- (h) **Late Filing of Statutory declarations - That the Corruption Prevention Act be amended to give power to the Commission to impose a penalty for the late filing of the Statutory Declaration.**

The Commission initially made this recommendation in its 2003 report and wishes to further highlight:-

- i. The Commission is likely to be chaired by a retired Judge who has vast experience in the principles and practices of sentencing offenders.
- ii. Granting Jurisdiction to the Commission to deal with this offence reduces the workload on the DPP and on the Resident Magistrate both of whom are already overburdened.
There is ample precedent for such authority to the Commission to hear and determine issues and impose penalties, vide:-

(a) The Racing Commission Act

(b) Betting Gaming and Lotteries Act.

- iii. To amend the Corruption Prevention Act to allow The Public Service Commission to take appropriate disciplinary action against delinquent public servants, without first having to await any action that may be taken Director of Public Prosecutions.

- (j) **Statutory Declarations – The form of Statutory Declaration of Assets, Liabilities and Income as set out in the Second Schedule of the Act be amended at section 1 to add the words “or any other document as indicated by the Commission”.**

The Statutory Declaration currently requires the declarants to furnish Bank Statements and/or letters from the bank confirming balances. The Commission is cognizant of the significant cost to declarants in complying with the legislation and that other methods of confirming balances now exist e.g. Automated Transaction Machine (ATM) slips and Electronic Banking Statements (e-banking). This provision will allow the Commission to examine and approve whatever option is available to the declarant in complying with the requirements of the Act and will reduce the cost to the declarants.

- (k) Section 3 of the Regulations to the Corruption (Prevention) Act states “the Statutory Declaration required by Section 4(1) of the Act shall not be furnished by a Public Servant who is in receipt of total emoluments of less than Two Million Dollars per annum.”

Since the passage of this Legislation, Public Sector Salaries have been reviewed.

The Commission is proposing that the threshold now be increased to three million five thousand dollars (\$3,500,000).

- (l) Investigations by the Commission have revealed instances of declarants having engaged in work which caused a conflict of interest with their official duties. It is recommended that legislation be enacted to prohibit and provide sanctions for such activity.

Signed:



**The Honourable Mr. Justice Ferdinand A Smith (Retired) C.D.
Chairman – Commission for the Prevention of Corruption**

Barrett & Company
Chartered Accountants

15 Carlton Crescent
Kingston 10, Jamaica W.I.
Tel: (876) 929-6878;
929-7662; 960-8602
Fax: (876) 929-0573

Independent auditors' report

**To the Members of
The Commission for the Prevention of Corruption**

Report on the Financial Statements

We have audited the accompanying financial statements of the Commission for the Prevention of Corruption, which comprise the statement of financial position as at March 31, 2013, the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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Chartered Accountants

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Kingston 10, Jamaica W.I.
Tel: (876) 929-6878;
929-7662; 960-8602
Fax: (876) 929-0573

Independent auditors' report (cont'd)

**To the Members of
The Commission for the Prevention of Corruption**

Auditors' Responsibility (cont'd)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Commission as at March 31, 2013, and of the Commission's financial performance, changes in reserves and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and the Corruption (Prevention) Act 2000 in the manner so required.

Kingston, Jamaica

August 29, 2013



Chartered Accountants

COMMISSION FOR THE PREVENTION OF CORRUPTION
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2013

PAGE 3

	NOTE	2013	2012
ASSETS		\$	\$
Furniture and equipment	5	1,439,304	1,929,792
Long-term receivables	14	2,322,804	1,187,893
Total Non-current Assets		3,762,108	3,117,685
Cash and cash equivalents	3	6,963,691	6,484,645
Receivables - current portion	14	548,868	980,437
Taxation recoverable	15	137,417	127,178
Total Current Assets		7,649,976	7,592,260
Total Assets		<u>11,412,084</u>	<u>10,709,945</u>
LIABILITIES			
Payables	4	14,103,787	6,960,921
Total Current Liabilities		<u>14,103,787</u>	<u>6,960,921</u>
RESERVES			
Accumulated fund		(2,691,703)	3,749,024
Total Reserves		<u>(2,691,703)</u>	<u>3,749,024</u>
Total Liabilities and Reserves		<u>11,412,084</u>	<u>10,709,945</u>

Approved by the Commissioners on August 29, 2013 and signed on their behalf by:

.....
Chairman

.....
Secretary/Manager

COMMISSION FOR THE PREVENTION OF CORRUPTION
STATEMENT OF CHANGES IN RESERVES
YEAR ENDED MARCH 31, 2013

PAGE 4

	Accumulated Fund
	\$
Balance as at March 31, 2011	5,093,274
Deficit for the year	<u>(1,344,250)</u>
Balance as at March 31, 2012	3,749,024
Deficit for the year	<u>(6,440,727)</u>
Balance as at March 31, 2013	<u><u>(2,691,703)</u></u>

COMMISSION FOR THE PREVENTION OF CORRUPTION
STATEMENT OF COMPREHENSIVE INCOME
 YEAR ENDED MARCH 31, 2013

PAGE 5

	NOTE	2013 \$	2012 \$
Income	(2c & 6)	<u>57,010,952</u>	<u>56,485,197</u>
Administrative expenses	9	(62,919,120)	(57,174,020)
Other expense	10	(532,559)	(655,427)
Deficit for the year		<u>(6,440,727)</u>	<u>(1,344,250)</u>

COMMISSION FOR THE PREVENTION OF CORRUPTION
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2013

PAGE 6

SOURCES (USES) OF CASH	2013	2012
OPERATING ACTIVITIES		
	\$	\$
Deficit for the year	(6,440,727)	(1,344,250)
Item not affecting cash		
Depreciation	532,559	655,427
	(5,908,168)	(688,823)
Changes in non-cash working capital components		
Payables	7,142,866	1,341,190
Taxation recoverable	(10,239)	(11,828)
Long-term receivables	(1,134,911)	415,068
Current portion of long term receivables	431,569	(568,169)
	6,429,285	1,176,261
Cash provided by operating activities	521,117	487,438
INVESTING ACTIVITIES		
Additions to fixed assets	(42,071)	(825,358)
Increase (Decrease) in net cash and cash equivalent	479,046	(337,920)
Net cash and cash equivalent at the beginning of the year	6,484,645	6,822,565
Net cash and cash equivalent at the end of the year	<u>6,963,691</u>	<u>6,484,645</u>

COMMISSION FOR THE PREVENTION OF CORRUPTION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

PAGE 7

1. Identification and Activities

The Commission for the Prevention of Corruption is a body established under The Corruption (Prevention) Act 2000. The Commission is domiciled in Jamaica with offices located at 45 - 47 Barbados Avenue Kingston 5.

The functions of the Commission are as follows:

- (i) to receive and keep on record statutory declarations furnished by public servants pursuant to the Act.
- (ii) to examine such statutory declarations and to request from a public servant any information relevant to a statutory declaration made by him, which in its opinion would assist it in its examination;
- (iii) to make such independent enquiries and investigations relating to a statutory declaration as it thinks necessary.
- (iv) to receive and investigate any complaint regarding an act of corruption.
- (v) to conduct an investigation into an act of corruption on its own initiative, if it is satisfied that there are reasonable grounds for such investigation.

These financial statements are stated in Jamaican dollars.

2. Significant Accounting Policies

(a) Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs) and have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

The standard is applicable to Small and Medium-Sized Entities (SMEs) that:

- (i) Do not have public accountability.
- (ii) Do not publish general purpose financial statements for external users.

An entity has public accountability if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market. An entity also has public accountability if it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

COMMISSION FOR THE PREVENTION OF CORRUPTION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

PAGE 8

2. Significant Accounting Policies Cont'd

The objective of a set of accounts prepared under the standard is to provide information on the financial position, performance, and cash flows of the entity.

The standard does not prescribe the sequence or format in which items are to be presented in the statement of financial position.

The preparation of financial statements in conformity with IFRS for SMEs requires management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year of the revision and future years, where applicable.

(b) Furniture and Equipment

(i) Items of furniture and equipment are stated at cost less accumulated depreciation.

(ii) Depreciation is charged on assets from the date of acquisition.

Depreciation is provided on the straight line basis at such rates as will write off the cost of the assets over the period of their expected useful lives. The rates are as follows:

Furniture, fixtures, equipment, computer	10-25%
Motor vehicles	20%

(c) Revenue Recognition

Revenue comprises recurrent subvention received from the government of Jamaica and interest income. Government subvention is recognized when received and interest income is recognized when earned in accordance with the relevant agreements in place.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits held on call with banks and other short-term highly liquid investments with original maturity dates of three (3) months or less.

COMMISSION FOR THE PREVENTION OF CORRUPTION
NOTES TO THE FINANCIAL STATEMENTS

PAGE 9

2. **Significant Accounting Policies (Cont'd)**

(e) Payables

Payables are classified as financial liabilities measured at amortized cost. Initially they were recognized at the original invoiced amount (which represents fair value) and subsequently measured at amortized cost.

(f) Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial instruments are recognised in the Commission's statement of financial position when it has become a party to the contractual provisions of the instruments.

The financial instruments carried in the statement of financial position are cash and cash equivalents and payables. The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.

(g) Reserves

Accumulated fund includes all current and prior period results as disclosed in the statement of comprehensive income.

(h) Expenses

Expenses are accounted for on the accruals basis.

(i) Foreign Currencies

Transactions in foreign currencies are converted at the rates of exchange ruling at the date of those transactions. Foreign currency balances are translated at the applicable rates of exchange ruling at the financial position date. Exchange difference as a result of fluctuations in exchange rates are reflected in the statement of comprehensive income

COMMISSION FOR THE PREVENTION OF CORRUPTION
NOTES TO THE FINANCIAL STATEMENT

PAGE 10

2. **Significant Accounting Policies (Cont'd)**

- (j) **Impairment of Non-Current Assets**
Equipment and other non-current assets are reviewed for impairment whenever events or changes indicate that the carrying amount may not be recoverable. An impairment loss is recognised if the carrying amount of the asset exceeds its recoverable value.

- (k) **Comparative Information**
Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

- (l) **Pension and Gratuities**
The Commission contributes 25% of the pensionable salary of eight employees to the Accountant General. This contribution is made in order to preserve their pension right within the government service.

Some employees are paid a gratuity on satisfaction of certain stated conditions.

- (m) **Employee Benefits**
Employee benefits include current or short-term benefits such as salaries, travelling, gratuity, NIS contributions paid, annual leave, and non-monetary benefits such as medical care, post employment benefits such as pensions.

COMMISSION FOR THE PREVENTION OF CORRUPTION
NOTES TO THE FINANCIAL STATEMENTS

PAGE 11

3. Cash and Cash Equivalents

	2013	2012
	\$	\$
Cash	15,000	15,000
Bank current account	5,001,251	4,268,178
Bank savings account	1,947,440	2,201,467
	<u>6,963,691</u>	<u>6,484,645</u>

The cash in the savings account is earmarked to fund revolving car loans.

4. Payables and Accruals

	NOTE	2013	2012
		\$	\$
Audit fee accrued		300,000	300,000
Consultancy and professional fees		115,000	115,000
Vacation leave		4,903,871	5,569,682
Travelling allowance		978,753	802,239
Electricity		275,865	-
Salaries		-	500
Salaries - (arrears 2009-2011)	18	2,181,853	-
Telephone		23,395	39,580
Advertisement		96,420	96,420
Postage		17,720	-
One-off payment	18	525,000	-
Pension contribution outstanding	2 (l)	4,640,789	-
Commissioners fee		<u>45,121</u>	<u>37,500</u>
		<u>14,103,787</u>	<u>6,960,921</u>

COMMISSION FOR THE PREVENTION OF CORRUPTION
NOTES TO THE FINANCIAL STATEMENTS

PAGE 12

5. Furniture & Equipment Comprise:

	Furniture fixtures \$	Office equipment \$	Computer \$	Motor vehicles \$	Totals \$
Carrying amount at March 31, 2011	835,265	608,665	315,931	-	1,759,861
Additions	114,580	444,863	265,915	-	825,358
Depreciation for the Year	(219,339)	(213,872)	(222,216)	-	(655,427)
Carrying amount at March 31, 2012	730,506	839,656	359,630	-	1,929,792
Additions	-	38,104	3,967	-	42,071
Depreciation for the Year	(219,339)	(163,319)	(149,901)	-	(532,559)
Carrying amount at March 31, 2013	511,167	714,441	213,696	-	1,439,304

	Furniture fixtures \$	Office equipment \$	Computer \$	Motor vehicles \$	Totals \$
Gross carrying amount	2,078,803	1,693,855	3,249,365	992,611	8,014,634
Accumulated depreciation	(1,243,538)	(1,085,190)	(2,933,434)	(992,611)	(6,254,773)
Carrying amount at March 31, 2011	835,265	608,665	315,931	-	1,759,861
Gross carrying amount	2,193,383	2,138,718	3,515,280	992,611	8,839,992
Accumulated depreciation	(1,462,877)	(1,299,062)	(3,155,650)	(992,611)	(6,910,200)
Carrying amount at March 31, 2012	730,506	839,656	359,630	-	1,929,792
Gross carrying amount	2,193,383	2,176,822	3,519,247	992,611	8,882,063
Accumulated depreciation	(1,682,216)	(1,462,381)	(3,305,551)	(992,611)	(7,442,759)
Carrying amount at March 31, 2013	511,167	714,441	213,696	-	1,439,304

COMMISSION FOR THE PREVENTION OF CORRUPTION
NOTES TO THE FINANCIAL STATEMENTS

PAGE 13

6. **Income**

	2013	2012
	\$	\$
GOJ subvention received	56,970,000	56,437,886
Interest income	<u>40,952</u>	<u>47,311</u>
	<u>57,010,952</u>	<u>56,485,197</u>

7. **Deficit for the year**

Deficit for the year is stated after charging the following items:

	2013	2012
	\$	\$
Executive compensation	11,457,190	10,036,563
Auditors' remuneration	300,000	300,000
Interest income	(40,952)	(47,311)
Commissioners fee	2,175,806	2,064,194
Depreciation	<u>532,559</u>	<u>655,427</u>

8. **Taxation**

The Commission is exempt from Income Tax. Under the General Consumption Tax Act, it is entitled to acquire goods and services at a zero rate of tax.

9. **Expenses by Nature**

Total administrative and other operating expenses

	NOTE	2013	2012
		\$	\$
Employee benefits	11	46,633,278	42,204,377
Rental of office and parking lot		7,800,152	7,693,103
Utilities	17	3,400,624	3,024,704
Auditors remuneration		300,000	300,000
Commissioners fee		2,175,806	2,064,194
Purchase of other goods and service	16	<u>2,609,260</u>	<u>1,887,642</u>
		<u>62,919,120</u>	<u>57,174,020</u>

COMMISSION FOR THE PREVENTION OF CORRUPTION
NOTES TO THE FINANCIAL STATEMENTS

PAGE 14

10. Other Expense

	2013	2012
	\$	\$
Depreciation	<u>532,559</u>	<u>655,427</u>

11. Employee Benefits

	NOTE	2013	2012
		\$	\$
Salaries		28,594,938	29,377,371
Employer's contribution (NIS & NHT)		1,402,933	2,056,273
Travelling allowance		5,557,538	4,514,145
Pension and gratuity	2 (l)	6,863,420	6,245,688
Training and seminar expenses		53,027	10,900
Salaries - (arrears - 2009-2011)	18	3,636,422	-
One-off payment	18	<u>525,000</u>	<u>-</u>
		<u>46,633,278</u>	<u>42,204,377</u>

Included in employee benefits is the compensation of senior executives made up as follows:

Compensation

	2013	2012
	\$	\$
Salary	8,496,016	8,027,433
Travelling allowance	2,004,720	1,636,500
Personal pensionable allowance	177,473	172,947
Seniority allowance	<u>778,981</u>	<u>199,683</u>
	<u>11,457,190</u>	<u>10,036,563</u>

12. Financial Risk Management Policies

The Commission is exposed to a variety of financial risks in respect of its financial instruments: interest rate risk, credit risk, liquidity risk and cash flow interest rate risk. The Commission seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

(a) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates. The Commission's cash and cash equivalents are subject to interest rate risk. However, the Commission attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract where possible. The Commission faces interest rate risk in respect of the savings account as interest rate is not fixed but is subject to fluctuation based on prevailing market rate.

Its current account balance does not bear interest, as it does not have overdraft facilities.

(ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Commission faces no currency risk as none of its financial instruments in transactions are denominated in a foreign currency.

(iii) Other price risk

Other price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to individual instrument or its issuer or factors affecting all instruments traded in the market.

The Commission's financial instruments are substantially independent of changes in the market prices as they are short-term in nature.

12. **Financial Risk Management Policies (Cont'd)**

(b) **Credit risk**

Credit risk is the risk that one party to a financial contract will fail to discharge its obligations and cause the other party to incur a financial loss. The Commission faces credit risk in respect of its bank balances, which are held with licensed financial institutions considered to be stable.

The Commission manages its credit risk by a policy which requires that investments be made principally in liquid securities and only with counter parties that management believes does not offer any significant credit risk. Management does not expect any counter parties to fail to meet its obligations and considers the credit quality of its bank balances to be good. The maximum credit risk faced by the Commission is the total of bank balances reflected in these financial statements.

(c) **Liquidity risk**

Liquidity risk is the risk that the Commission will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The Commission manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

Total current liabilities exceeded total current assets by \$6,453,811 (page 3)
(2012 - excess current assets of \$631,339)

13. **Capital Management**

The Commission obtains budgetary support from the Government of Jamaica to carry out its mandate. If there is a surplus on its operations, then it will strengthen its future continuity. However, the Commission expects that it will continue to receive government subvention to support its operations.

The Commission is not subject to any externally imposed capital requirements.

COMMISSION FOR THE PREVENTION OF CORRUPTION
NOTES TO THE FINANCIAL STATEMENTS

PAGE 17

14. Long-Term Receivable

	2013	2012
	\$	\$
Motor vehicle revolving loan	2,861,938	1,577,907
Prepayment and receivables	9,734	590,423
	<u>2,871,672</u>	<u>2,168,330</u>
Less repayable within 12 months	<u>548,868</u>	<u>980,437</u>
Long-term portion	<u><u>2,322,804</u></u>	<u><u>1,187,893</u></u>

In May 2007 the Commission established a motor vehicle revolving loan scheme to assist travelling officers to purchase reliable motor vehicles to be used in the performance of their official duties.

Guidelines for administering the loan include in part:

- (a) Renewed loans for new vehicles should not exceed \$1,100,000 (2010- \$800,000) and loans for used vehicles should not exceed \$800,000 (2010-\$500,000).
- (b) The loan should be interest-free
- (c) Loans should be repaid over a seven (7) year period for new vehicles and six (6) years for used vehicles
- (d) No employee should be given a loan to purchase a motor vehicle under five years, that is, only one (1) loan in a five (5) year period.
- (e) The motor vehicle purchased should not exceed five (5) years.
- (f) All loans should be recovered by salary deduction.

15. Taxation Recoverable

This represents income tax deducted from interest income.

COMMISSION FOR THE PREVENTION OF CORRUPTION
NOTES TO THE FINANCIAL STATEMENTS

PAGE 18

16. Other Goods and Services

	2013	2012
	\$	\$
Repairs & maintenance	135,718	82,280
Motor vehicle expenses	367,545	312,024
Bank charges	29,806	5,416
Advertising	160,746	96,420
Printing, stationery & postage	934,527	466,634
Office & sundry supplies	980,918	924,868
	<u>2,609,260</u>	<u>1,887,642</u>

17. Utilities

	2013	2012
	\$	\$
Electricity	3,160,733	2,788,732
Telephone & internet services	239,891	235,972
	<u>3,400,624</u>	<u>3,024,704</u>

18. During the year, the Commission was advised that in keeping with an agreement reached between the Government of Jamaica and representatives of public sector workers, such workers are entitled to salary arrears for the period April 1, 2009 to March 31, 2011.

Payments are to be made in five(5) equal instalments as follows;
May 2012, October 2012, May 2013, October 2013 and May 2014

The Commission was also advised by way of circular no.19 from the Ministry of Finance & Planning that public sector employees are granted three(3) one-off payments of \$25,000 per annum for the following contract periods.

Contract period - April 2012 to March 2013
Contract period - April 2013 to March 2014
Contract period - April 2014 to March 2015

The one-off payments are not related to, nor should they be treated as salary.

COMMISSION FOR THE PREVENTION OF CORRUPTION

DIRECTORS COMPENSATION - 2012/2013

Position of Director	Fees (\$)	Motor Vehicle Expenses and Subsistence (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Chairman (1)	486,613				486,613
Member (1)	420,000				420,000
Member (1)	420,000				420,000
Member (1)	272,097				272,097
Member (1)	272,097				272,097
5	1,870,806				1,870,807

Notes

1. TWO(2) MEMBERS APPOINTED W.E.F. MAY 8, 2012 & ONE(1) MEMBER APPOINTED CHAIRMAN W.E.F MAY 8,2012

COMMISSION FOR THE PREVENTION OF CORRUPTION

SENIOR EXECUTIVE COMPENSATION - 2012/2013

Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assigned Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Personal Pensionable Allowance (\$)	Seniority Allowance (\$)	Total (\$)
Secretary/Manager GMG/SEG5(1)	2013	3,640,880		975,720			325,307	4,941,907
Snr Financial Investigator FMG/PA3(1)	2013	2,494,242		514,500		177,473	453,674	3,639,889
Snr Financial Analyst FMG/PA3(1)	2013	2,360,894		514,500				2,875,394
Total		8,496,016		2,004,720		177,473	778,981	11,457,190

Notes

1. FMG/PA3 allowance of \$177,473 represents three (3) additional increments due to acquiring a first degree and allowance of \$158,534 represents three (3) seniority allowances plus arrears of \$295,140
2. SEG5 allowance of \$325,307 represents two (2) seniority allowance plus arrears of \$177,634

Commission for the Prevention of Corruption

Case Profile

Case #: CFTPCINV07002

Case Type: Illicit Enrichment under Section 14(5)(a) of the Corruption Prevention Act
Illicit Enrichment under Section 14(5)(b) of the Corruption Prevention Act

The Issues

A Customs officer (with known income of less than JA\$1 million per annum) filed declarations showing growth in assets in excess of JA\$12 million during the period 2003-2007. This included investments of more than JA\$7 million in unregulated investment schemes.

The Charges

The officer appeared before the Commission and failed to satisfactorily explain the source of the funds and the case was referred to the Director of Public Prosecutions for consideration. On the ruling of the Director of Public Prosecutions the officer was summoned to appear in Court on June 18, 2009 to answer charges of illicit enrichment. Seven counts under Section 14(5)(a) and seven counts under 14(5)(b) of the Corruption Prevention Act. The officer pleaded not guilty on all counts.

The Trial

The prosecution mounted many witnesses during the intermittent 3 years trial. The defense put forward no witnesses but the accused officer took the witness stand. On April 3, 2012 during some vigorous cross examination the accused officer on the advice of counsel chose to change the not guilty plea to a plea of guilty to 1 count of illicit enrichment of \$2,126,963.74 (breach of Section 14(5)(a) of the Corruption Prevention Act) and 3 counts for making a false statement on a declaration (breach of Section 15(2)(b) of the Corruption Prevention Act) for the periods ending December 31, 2005, December 31, 2006 and December 31, 2007

The Sentencing

On May 18, 2012 the accused officer was fined \$700,000 on one count of illicit enrichment of \$2,126,963.74 for December 2007 or 6 months imprisonment and also fined \$100,000 or 6 months imprisonment for each of the three counts of making a false statement on a declaration for the periods ending December 31, 2005, December 31, 2006 and December 31, 2007. Breaches of Section 14(5)(a) and Section 15(2)(b) of the Corruption Prevention Act.

Commission for the Prevention of Corruption

Case Profile

Case #: CFTPCINV08007

Case Type: Illicit Enrichment under Section 14(5)(a) of the Corruption Prevention Act
Illicit Enrichment under Section 14(5)(b) of the Corruption Prevention Act
False Declaration under Section 15(2)(b) of the Corruption Prevention Act

The Issues

An Assistant Parish Manager of the National Works Agency (a state agency charged with undertaking road works, etc.) who failed to declare 3 motor vehicles and his interest in a company that performed contractual duties with the National Works Agency. An Assistant Parish Manager's responsibilities include the monitoring of a particular segment of road to include the bridges and signs. The Assistant Parish Manager also the awards small contracts and certifies the work done by contractors.

The Charges

The officer appeared before the Commission and failed to satisfactorily explain the issues of the case and the file was referred to the Director of Public Prosecutions for consideration. On the ruling of the Director of Public Prosecutions the officer was summoned to appear in Court on November 2, 2009 to answer charges of four counts of illicit enrichment (two counts under section 14(5)(a) and two counts under 14(5)(b)) and three counts of making a false statement on a Declaration under Section 15(2)(b) of the Corruption Prevention Act. The officer pleaded not guilty on all counts.

The Trial

During the prosecution's presentation of witnesses in the intermittent 15 months of the trial the defense chose to change the not guilty plea to a plea of guilty to 6 counts for making a false statement on a Declaration (breach of section 15(2)(b) of the Corruption Prevention Act) for the

periods ending January 31, 2003, December 31, 2003, December 31, 2004, December 31, 2005, December 31, 2006 and December 31, 2007.

The Sentencing

On January 20, 2011 the accused officer was fined \$50,000 or 6 months imprisonment on each count for making a false statement on a declaration for the periods ending January 31, 2003, December 31, 2003, December 31, 2004, December 31, 2005, December 31, 2006 and December 31, 2007. A breach of Section 15(2)(b) of the Corruption Prevention Act.

Commission for the Prevention of Corruption

Case Profile

Case #: CFTPCINV08036

Case Type: False Declaration under Section 15(2)(b) of the Corruption Prevention Act

The Issues

An Assistant Parish Manager of the National Works Agency (a state agency charged with undertaking road works, etc.) who failed to declare the income from his interest in a company that performed contractual duties with the National Works Agency. An Assistant Parish Manager's responsibilities include the monitoring of a particular segment of road to include the bridges and signs. The Assistant Parish Manager also the awards small contracts and certifies the work done by contractors.

The Charges

The officer appeared before the Commission and failed to satisfactorily explain the issues of the case and the file was referred to the Director of Public Prosecutions for consideration. On the ruling of the Director of Public Prosecutions the officer was summoned to appear in Court on January 7, 2011 to answer charges of six counts of making a false statement on a Declaration under Section 15(2)(b) of the Corruption Prevention Act.

The Trial

The officer pleaded guilty on all counts.

The Sentencing

On March 8, 2011 the accused officer was fined \$50,000 or 6 months imprisonment on each count for making a false statement on a declaration for the periods ending January 31, 2003,

December 31, 2003, December 31, 2004, December 31, 2005, December 31, 2006 and December 31, 2007. A breach of Section 15(2)(b) of the Corruption Prevention Act.

Commission for the Prevention of Corruption

Case Profile

Case #: CFTPCINV08057

Case Type: Failure to provide information under Section 15(2)(c) of the Corruption Prevention Act

The Issues

A Superintendent of Police in the Jamaica Constabulary Force reported the ownership and the on-going construction of a multi-storey dwelling house in an upscale St. Andrew neighborhood along with several other business interests. The main area for initial consideration was the determination of an estimate of the cost of construction of the dwelling.

The Charges

The officer was summoned to appear before the Commission on October 14, 2010 and was asked to provide an estimate of the cost/actual cost of construction within 30 days hence. After a protracted delay and various pieces of correspondence resulting in the submission of some documents which the Commission deemed unsatisfactory regarding the request, a final request for the information was written on May 24, 2011. On January 17, 2012 the matter was referred to the Director of Public Prosecutions. The Director of Public Prosecutions ruled that the officer be summoned to appear in Court to answer to a charges of one count of failure, without reasonable cause, to give information as the Commission may require under Section 7, contrary to Section 15(2)(c) of the Corruption Prevention Act.

The Trial

The officer pleaded not guilty and the trial commenced on October 9, 2012. The prosecution and defense presented their cases and after considering the arguments a guilty verdict was

handed down on January 4, 2013 in the Half-Way-Tree Resident Magistrate Court by R.M. Stephanie Jackson-Hasley.

The Sentencing

On January 4, 2013 the accused officer was fined \$50,000 or 3 months imprisonment on one count of failure, without reasonable cause, to give information as the Commission may require under Section 7, contrary of Section 15(2)(c) of the Corruption Prevention Act.

It is noted that counsel for the defense gave verbal notice of appeal.